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Prospectus  
Dated: February 06, 2025  
Please read section 26 & 32 of the  
Companies Act, 2013  
Fixed Price Issue

**SHANMUGA HOSPITAL LIMITED**  
(Erstwhile known as Shanmuga Hospital Private Limited)  
CIN: U85110TZ2020PLC033974

Registered Office	Contact Person	Email and Telephone	Website
51/24, Saradha College Road, Salem - 636007, Tamil Nadu, India	<b>Mr. Veera Pratap Reddy Gandluru</b> Company Secretary & Compliance Officer	<b>Email ID:</b> cs@smrft.org <b>Tel No:</b> +91 427 2706674	www.shanmugahospital.com

**NAMES OF PROMOTERS OF THE COMPANY**

(i) **Dr. Panneerselvam Palaniappan Shanmugam**, (ii) **Dr. Prabu Sankar Panneerselvam**,  
(iii) **Dr. Priyadharshni Dhandapani**, and (iv) **Mrs. Jayalakshmi Panneerselvam**

**DETAILS OF OFFER TO PUBLIC, PROMOTERS/SELLING SHAREHOLDERS**

Type	Fresh Issue Size	OFS Size	Total Issue Size	Eligibility – 229(1) / 229(2) & Share Reservation amount QIB, NII & RII
Fresh Issue	Up to 38,18,000 Equity Shares aggregating to ₹ 2,061.72 Lakhs	Nil	<b>Up to 38,18,000 Equity Shares aggregating to ₹ 2,061.72 Lakhs</b>	The Issue is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations, as the Company's post issue Paid-up capital would be more than 10.00 (Ten) Cr. <b>Share Reservation:</b> Minimum 50% to the Retail Individual Investors of "Net Issue" Minimum 5% to the Market Maker of "Issue"

OFS: Offer for Sale

**Details of OFS by Promoter(s)/Promoter Group/Other Selling Shareholders: - NIL -**

**RISKS IN RELATION TO THE FIRST ISSUE** – The face value of the Equity Shares is ₹10/- each. The Issue Price of ₹54/- per equity share (determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 82 of this prospectus) should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or 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 this issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 23 of this Prospectus.


**ISSUER'S ABSOLUTE RESPONSIBILITY**

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


**LISTING**

The Equity Shares Issued through this Prospectus are proposed to be listed on the **SME Platform of BSE Limited ("BSE SME")**. For the purpose of this Issue, **BSE Limited ("BSE")** is the **Designated Stock Exchange**.

**LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	E-mail & Telephone
 <b>FINSHORE</b> Creating Enterprise Managing Values <b>FINSHORE MANAGEMENT SERVICES LIMITED</b>	Mr. S. Ramakrishna Iyengar	<b>Email:</b> info@finshoregroup.com <b>Telephone:</b> 033 2289 5101/4603 2561

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	E-mail & Telephone
 <b>Integrated</b> Corporate Solutions Simplified <b>INTEGRATED REGISTRY MANAGEMENT SERVICES (P) LTD</b>	Mr. S. Giridhar	<b>Email:</b> smeipo@integratedindia.in <b>Telephone:</b> 080-23460815/816/817/818

**ISSUE PROGRAMME**

**ISSUE OPENS ON: FEBRUARY 13, 2025**

**ISSUE CLOSSES ON: FEBRUARY 17, 2025**

**SHANMUGA HOSPITAL LIMITED**  
(Erstwhile known as Shanmuga Hospital Private Limited)

Our company was originally incorporated as a Private Limited Company under the name "*Shanmuga Hospital Private Limited*" on June 26, 2020, in accordance with the Companies Act, 2013. We received a fresh certificate of incorporation, bearing the corporate identification number U85110TZ2020PTC033974, from the Registrar of Companies, Central Registration Centre. Subsequently, our company converted into a public limited company, resulting in a name change to "*Shanmuga Hospital Limited*." This alteration was formally recorded in a new Certificate of Incorporation dated June 06, 2024, with the Corporate Identification Number U85110TZ2020PLC033974, issued by the Registrar of Companies, Central Processing Centre. For further details of change in name and registered office of our company, please refer to section titled "*Our History and Certain Corporate Matters*" beginning on page no 159 of the Prospectus.

**Registered & Corporate Office:** 51/24, Saradha College Road, Salem - 636007, Tamil Nadu, India

**Contact Person:** Mr. Veera Pratap Reddy Gandluru, Company Secretary & Compliance Officer; **Tel No:** +91 427 2706674, **E-Mail ID:** cs@smrft.org

**Website:** www.shanmugahospital.com; **CIN:** U85110TZ2020PLC033974

**OUR PROMOTERS: (I) DR. PANNEERSELVAM PALANIAPPAN SHANMUGAM; (II) DR. PRABU SANKAR PANNEERSELVAM; (III) DR. PRIYADHARSHNI DHANDAPANI; AND (IV) MRS. JAYALAKSHMI PANNEERSELVAM**

**THE ISSUE**

**INITIAL PUBLIC OFFER OF UP TO 38,18,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH ("EQUITY SHARES") OF SHANMUGA HOSPITAL LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹54/- PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF ₹44/- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 2,061.72 LAKHS ("THE ISSUE"), OF WHICH 1,92,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹54/- PER EQUITY SHARE, AGGREGATING TO ₹ 103.68 LAKHS WILL BE RESERVED FOR SUBSCRIPTIONS BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 36,26,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹54/- PER EQUITY SHARE, AGGREGATING TO ₹ 1,958.04 LAKHS IS HERE IN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.05% AND 26.64% RESPECTIVELY OF THE POST ISSUE PAIDUP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹10/- EACH AND THE ISSUE PRICE IS ₹ 54/- EACH i.e., 5.4 TIMES OF THE FACE VALUE OF THE EQUITY SHARES. THE MINIMUM LOT SIZE IS 2,000 EQUITY SHARES**

THIS OFFER IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2018 (THE "SEBI ICDR REGULATIONS") READ WITH RULE 19(2)(b)(i) OF SCRR AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET OFFER TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253(2) OF THE SEBI (ICDR) REGULATIONS, 2018. (For further details please see "*The Issue*" beginning on page no. 52 of this Prospectus.) A copy will be delivered for filing to the Registrar of Companies as required under sub-section 4 of Section 26 of the Companies Act, 2013.

In terms of Regulation 256 of SEBI ICDR Regulations read with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and Unified Payments Interface (UPI) introduced vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 all the potential investors shall participate in the issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor. (For details in this regard, specific attention is invited to "*Issue Procedure*" beginning on page no. 263 of this Prospectus.)

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the equity shares is ₹10/- each and the issue price is 5.4 times of face value of the equity share. The issue price should not be taken to be indicative of the market price of the equity shares after the equity shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

**GENERAL RISKS**

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of "*Risk factors*" beginning on page no. 23 of this Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the offer document 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 make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares of our company issued through this Prospectus are proposed to be listed on the **SME Platform of BSE Limited**. In terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, our company has received an "**in-principal**" approval letter dated **January 22, 2025** from BSE for using its name in this offer document for listing of our shares on the BSE SME. For the purposes of the issue, the **Designated Stock Exchange** will be **BSE Limited ("BSE")**.

**LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



**FINSHORE**  
Creating Enterprise Managing Values  
**FINSHORE MANAGEMENT SERVICES LIMITED**  
Anandlok Building, Block-A, 2<sup>nd</sup> Floor, Room No. 207,  
227 A.J.C Bose Road, Kolkata-700020, West Bengal, India  
**Telephone:** 033 – 2289 5101 / 4603 2561  
**Email:** info@finshoregroup.com  
**Contact Person:** Mr. S. Ramakrishna Iyengar  
**Website:** www.finshoregroup.com  
**Investor Grievance Email:** investors@finshoregroup.com  
**SEBI Registration No:** INM000012185  
**CIN No:** U74900WB2011PLC169377



**Integrated**  
Corporate Solutions Simplified  
**INTEGRATED REGISTRY MANAGEMENT SERVICES (P) LIMITED**  
No. 30, Ramana Residency, 4th Cross, Sampige Road,  
Malleswaram, Bengaluru – 560003, India  
**Telephone:** 080-23460815/816/817/818  
**Email:** smeipol@integratedindia.in  
**Contact Person:** S Giridhar  
**Website:** www.integratedregistry.in  
**Investor Grievance Email:** giri@integratedindia.in  
**SEBI Registration Number:** INR000000544  
**CIN:** U74900TN2015PTC101466

**ISSUE PROGRAMME**

**ISSUE OPENS ON: FEBRUARY 13, 2025**

**ISSUE CLOSES ON: FEBRUARY 17, 2025**

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## SECTION I: DEFINITIONS AND ABBREVIATIONS

### DEFINITIONS AND ABBREVIATIONS

This prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto as amended from time to time.

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

#### General Terms

TERMS	DESCRIPTIONS
“Shanmuga Hospital Limited”, “Shanmuga Hospital”, “SHL” “The Company”, “Our Company”, “Issuer Company” or “Issuer”	Unless the context otherwise indicates or implies, <i>Shanmuga Hospital Limited</i> , a public limited company incorporated under the provision of Companies Act, 2013 and having its Registered and Corporate Office at 51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India.
“we”, “our” or “us”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, Associates and Group Companies.
Our Promoters or Promoters of the Company	The promoters of our company being <i>Dr. Panneerselvam Palaniappan Shanmugam, Dr. Prabu Sankar Panneerselvam, Dr. Dhandapani Priyadharshni and Mrs. Jayalakshmi Paneerselvam.</i>
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed under Section titled “ <i>Our Promoters and Promoter Group</i> ” on page no. 178 of this Prospectus.

#### Company Related Terms

TERMS	DESCRIPTIONS
“Articles” or “Articles of Association” or “AOA”	The Articles of Association of our Company, as amended from time to time.
Audit Committee	Audit Committee of our Company constituted in accordance with Companies Act, 2013 as disclosed in the Section titled “ <i>Our Management</i> ” on page no. 163 of this prospectus.
“Board of Director(s)” or “the/our Board”	Unless otherwise specified, The Board of Directors of our Company, as duly constituted from time to time, including any committee(s) thereof.
“CFO” or Chief Financial Officer	The Chief Financial Officer of our company being “ <i>Mr. Karthick</i> ”.
CIN	Corporate Identification Number
Companies Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary & Compliance Officer	The Company Secretary & Compliance Officer of our company being “ <i>Mr. Veera Pratap Reddy Gandluru</i> ”.
Corporate Social Responsibility committee	Corporate Social Responsibility committee in accordance with the Companies Act, 2013 as disclosed in the Section titled “ <i>Our Management</i> ” on page no. 163 of this prospectus.
DIN	Directors Identification Number.
Director/Director(s)	The directors of our Company, unless otherwise specified
ED	Executive Director
Equity Shares	The Equity Shares of our Company of face value of ₹10/- each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons/Entities holding Equity Shares of our Company.
Export	Export means taking goods out of India to a place outside India.
Group Companies/Entities	Such companies with which there were related party transactions, during the period for which financial information is disclosed in this prospectus, which are covered under the

TERMS	DESCRIPTIONS
	applicable accounting standards and other companies as considered material by our Board, as identified in “Our Group Companies”
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standard
Ind GAAP	Generally Accepted Accounting Principles in India.
Import	Import means bringing goods into India from a place outside India
Independent Director	Non-executive & Independent Director as per the Companies Act, 2013
IT Act	The Income Tax Act, 1961 as amended till date
JV / Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
ISIN	International Securities Identification Number In this case being “INE0TD301017”
KMP / Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations 2018, Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <b>Our Management</b> ” on page no. 163 of this prospectus.
MD	Managing Director
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board in accordance with the requirements of the SEBI (ICDR) Regulations
Memorandum/Memorandum of Association/MoA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	Nomination and Remuneration committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed in the Section titled “ <b>Our Management</b> ” on page no. 163 of this prospectus.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Peer Review/Statutory Auditor	The Statutory Auditors of our Company having a valid Peer Review certificate in our case being <b>M/s. P P N and Company, Chartered Accountants</b>
Promoters	Shall mean promoters of our Company as mentioned in this prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “ <b>Our Promoter and Promoter Group</b> ” beginning on page no. 178 of this prospectus.
Registered Office	51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India
Restated Financial Statement	Audited Financial Statements for six months period ended 30 <sup>th</sup> September 2024 and for the financial years ended on 31 <sup>st</sup> March 2024, 31 <sup>st</sup> March 2023 and 31 <sup>st</sup> March 2022, as restated in accordance with SEBI (ICDR) Regulations, comprises of (i) Financial Information as per Restated Summary Financial Statements and (ii) Other Financial Information.
RoC/Registrar of Companies	The Registrar of Companies, Coimbatore
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
Senior Management	Senior Management means the officers and personnel of the issuer as defined in Regulation 2(1)(bbbb) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. For details, please refer to section titled “ <b>Our Management</b> ” on page no. 163 of this prospectus.
Shareholders	Shareholders of our Company
Subscriber to MOA / Initial Promoters	Initial Subscriber to MOA
WTD	Whole Time Director
Stakeholders Relationship Committee	Stakeholder’s relationship committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed in the Section titled “ <b>Our Management</b> ” on page no. 163 of this prospectus.
Wilful Defaulter(s) or Fraudulent Borrower(s)	A person or an issuer who or which is categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations 2018.

**Issue Related Terms**

TERMS	DESCRIPTIONS
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot/Allotment of/ Allotted Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee(s)	A successful Applicant (s) to whom the Equity Shares are being/have been issued/allotted.
Applicant/Investor	Any prospective investor who makes an application pursuant to the terms of the prospectus and the Application Form.
Application	An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Application Form	The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of this prospectus.
Application Supported by Blocked Amount/ASBA or UPI	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount in the ASBA Account including the bank account linked with UPI ID.  Pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by Applicants for blocking the Bid Amount mentioned in the ASBA Form
ASBA Applicant(s)	Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this prospectus.
ASBA Forms	An application form (with or without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the prospectus.
ASBA Application Location(s)/Specified Cities	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on <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.
Banker to the Issue	Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Public Issue Account will be opened, in this case being <b>“ICICI Bank Limited”</b>
Banker to the Issue Agreement	Agreement dated January 20, 2025, entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, as described in the Section titled, <b>“Issue Procedure, - Basis of Allotment”</b> beginning on page no. 263 of this prospectus.
Broker Centers	Broker centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers, are available on the website of the BSE i.e., <a href="http://www.bseindia.com">www.bseindia.com</a>
Broker to the Issue	All recognized members of the stock exchange of BSE would be eligible to act as the Broker to the Issue.
BSE	BSE Limited

TERMS	DESCRIPTIONS
BSE SME	SME Platform of BSE Limited as per the Rules and Regulations laid down by SEBI for listing of equity shares
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collection Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which coordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depository/Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e., <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Date	The date on which the funds are transferred by the Escrow Collection Bank from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Public Issue Account, as appropriate in terms of the prospectus and the aforesaid transfer and instructions shall be issued only after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries/Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Stock Exchange	BSE Limited
Draft prospectus	The Draft prospectus dated September 21, 2024 issued in accordance with Section 26 & 32 of the Companies Act, 2013 filed with BSE Limited under SEBI (ICDR) Regulations.
DP	Depository Participant.
DP ID	Depository Participant's Identity number.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.

TERMS	DESCRIPTIONS
Equity Shares	Equity Shares of our Company of face value ₹10/- each.
FII/Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time.
GIR Number	General Index Registry Number.
IPO	Initial Public Offering
Issue/Public Issue/Issue Size Initial Public Issue/IPO	Public issue of <b>38,18,000</b> Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹54/- per Equity Share aggregating to ₹ <b>2,061.72 Lakhs</b> by our Company, in terms of this prospectus.
Issue Agreement	The Issue Agreement dated September 06, 2024 between our Company and Lead Manager.
Issue Closing Date	The date on which Issue Closes for Subscription.
Issue Opening Date	The date on which Issue Opens for Subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company being ₹54/- per Equity Share.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about the use of the Issue Proceeds please refer to Section titled “ <i>Objects of the Issue</i> ” beginning on page no. 77 of this prospectus.
Lead Manager/LM	means a merchant banker registered with the SEBI and appointed by the issuer to manage the issue and in case of a book-built issue, the lead manager(s) appointed by the issuer shall act as the book running lead manager(s) for the purposes of book building. Lead Manager to the Issue, in this case being “ <i>M/s. Finshore Management Services Limited</i> ”.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE Limited.
Market Maker	Market Maker appointed by our Company from time to time, in this case being “ <i>Black Fox Financial Private Limited</i> ” who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Making Agreement	The Market Making Agreement dated September 06, 2024 between our Company, Lead Manager and Market Maker.
Market Maker Reservation Portion	Up to <b>1,92,000</b> Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹54/- per Equity Share aggregating to ₹ <b>103.68 Lakhs</b> only.
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to <b>36,24,000</b> Equity Shares of face value ₹10/- each for cash at an Issue price of ₹54/- per Equity Share (the “Issue Price”), aggregating to ₹ <b>1,956.96 Lakhs</b> Only.
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company.
NSE	National Stock Exchange of India Limited
NSE EMERGE	EMERGE Platform of National Stock Exchange of India Limited as per the Rules and Regulations laid down by SEBI for listing of equity shares
NPCI	National Payments Corporation of India (NPCI), a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA)



TERMS	DESCRIPTIONS
Non-Institutional Investors or NIIs	All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ₹2 Lakh (but not including NRIs other than Eligible NRIs).
BSE	BSE Limited
BSE SME	SME Platform of BSE Limited as per the Rules and Regulations laid down by SEBI for listing of equity shares
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. <b>OCBs are not allowed to invest in this Issue.</b>
Other Investors	Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The prospectus dated February 06, 2025 registered with the RoC in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013 and SEBI ICDR Regulations.
Public Issue Account	The Bank Account opened with the Banker(s) to this Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Registrar/Registrar to this Issue/RTI	Registrar to the Issue in our case being <b>"M/s. Integrated Registry Management Services Private Limited"</b> .
Registrar Agreement	The agreement dated July 11, 2024 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Bidder(s) or RIB(s) or Retail Individual Investor(s) or RII(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)
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing Services in relation to ASBA, 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>
SME Exchange	"SME exchange" means a trading platform of a recognised stock exchange having nationwide trading terminals permitted by the SEBI to list the specified securities issued in accordance with Chapter IX of SEBI ICDR and includes a stock exchange granted recognition for this purpose but does not include the Main Board;
Specified Locations	Collection Centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

TERMS	DESCRIPTIONS
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer 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 retail investors into the UPI
SEBI (ICDR) Regulations / ICDR Regulation / Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2020 and as amended thereto, including instructions and clarifications issued by SEBI from time to time.
Transaction Registration Slip /TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
UPI PIN	Password to authenticate UPI transaction
Underwriters	M/s. Finshore Management Services Limited
Underwriting Agreement	The Underwriting Agreement dated September 06, 2024 entered into between our Company and the Underwriters.
U.S. Securities Act	U.S. Securities Act of 1933, as amended

TERMS	DESCRIPTIONS
Working Days	<p>“Working day” means all days on which commercial banks in Mumbai are open for business. However, till issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business.</p> <p>The time period between the bid/issue closing date and the listing of the specified securities 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 the SEBI, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and in terms of regulation 2(1)(mmm) of SEBI ICDR Regulations 2018.</p>

### Conventional and General Terms

TERMS	DESCRIPTIONS
ACIT	Assistant Commissioner of Income Tax.
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981.
Category I Foreign Portfolio Investor(s)	FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations.
Category III Foreign Portfolio Investor(s)	FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made there under.
Companies Act/Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made there under.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	Consolidated FDI Policy dated October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CST Act	Central Sales Tax Act, 1956.
FCNR Account	Foreign currency non-resident account.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal Year/F. Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
Fugitive economic offender	“Fugitive economic offender” shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Hazardous Waste Rules, 2008	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961.
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016, as amended.
LLP Act	The Limited Liability Partnership Act, 2008.
Notified Sections	The sections of the Companies Act, 2013, that have been notified by the Government as having come into effect prior to the date of this prospectus.

TERMS	DESCRIPTIONS
NRE Account	Non-resident external account.
NRO Account	Non-resident ordinary account.
RBI Act	Reserve Bank of India Act, 1934.
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI (LODR) Regulations/ SEBI Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
Securities Act	U.S. Securities Act of 1933, as amended.
State Government	The government of a state of the Union of India.
STT	Securities Transaction Tax.
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporate or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations.
Water Act, 1974	Water (Prevention and Control of Pollution) Act, 1974.

#### Technical and Industry related terms

TERMS	DESCRIPTIONS
BPM	Business Process Management
BU	Billion Units
CAGR	Compounding Annual Growth Rate
CCU	Cardiac Care Unit
CNO	Chief Nursing Officer
CPI	Consumer Price Index
CPR	Cardiopulmonary Resuscitation
CSO	Central Statistics Office's
CT Scanner	Computed Tomography Scanner
DGGI	Director General of Goods & Services Tax Intelligence
DIPP	Department of Industrial Policy and Promotion
DPIIT	Department for Promotion Industry and Internal Trade
DPR	Detailed Project Report
EDP	Electronic Data Processing
ENT	Ear, Nose, and Throat
EPFO	Employees' Provident Fund Organisation
ESI	Employee State Insurance
EU	European Union
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FY	Financial Year

TERMS	DESCRIPTIONS
GDP	Gross Domestic Product
GST	Goods and Service Tax
GVA	Gross Value Added
G-sec	Government Securities
HDU	High Dependency Unit
IBEF	India Brand Equity Foundation
ICU	Intensive Care Unit
IMF	International Monetary Fund
IMP/HRS	Impression per Hour
INR	Indian Rupee Rates
IP	In-patient
IPD	In-Patient Department
MNC	Multinational Corporation
MOU	Memorandum of Understanding
MRI	Magnetic Resonance Imaging
MSMEs	Micro, Small and Medium Enterprises
MYEA	Mid-Year Economic Analysis
NH	National Highway
NICU	Neonatal Intensive Care Unit
NITI Aayog	National Institution for transforming India
NMP	National Manufacturing Policy
OMR	Optical Marking Recognition
OP	Out-Patient
OPD	Out-Patient Department
OSA	Out Sourcing Agent
OT	Operating Theatre
PMA	Preferential Market Access
PSUs	Public Sector Undertaking
RIMS	Records and Information Management Services
RBI	Reserve Bank of India
R & D	Research and Development
SED	Strategic Engineering Division
SEZ	Special Economic Zone
SICU	Surgical Intensive Care Unit
SMB	Server Message Block
TFA	Trade Facilitation Agreement
UPS	Uninterrupted Power Supply
US	United States
VDP	Variable Data Printing
WPI	Wholesale Price Index

### Abbreviations

TERMS	DESCRIPTIONS
₹ or ₹ or Rupees or INR	Indian Rupees.
AGM	Annual General Meeting.
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment year.
BC	Before Christ.
BIFMA	Business and Institutional Furniture Manufacturers Associations
BPLR	Bank Prime Lending Rate.
BSE	BSE Limited.
CARO	Companies (Auditor's Report) Order, 2016 & 2020, as amended
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CIN	Corporate Identity Number.
CLB	Company Law Board.
CrPC	Criminal Procedure Code, 1973, as amended.

TERMS	DESCRIPTIONS
CSR	Corporate Social Responsibility.
DIN	Director Identification Number.
DNB	Diplomate of National Board
DP ID	Depository participant's identification.
ECS	Electronic Clearing System.
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation.
EGM	Extraordinary General Meeting of the Shareholders of the Company.
EPS	Earnings Per Share.
ESOS	Employee Stock Option Scheme.
FDI	Foreign direct investment.
FIPB	Foreign Investment Promotion Board.
GAAR	General anti avoidance rules.
GBP	Great Britain Pound.
GIR	General index register.
GoI/Government	Government of India.
GST	Goods & Service Tax
HNI	High Net Worth Individual.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISO	International Organization for Standardization.
IT Act	The Income Tax Act, 1961, as amended.
IT Rules	The Income Tax Rules, 1962, as amended.
JV	Joint Venture.
MCA	Ministry of Corporate Affairs, Government of India.
MoU	Memorandum of Understanding.
N.A.	Not Applicable.
NAV/Net Asset Value	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares.
NBE	National Board of Examinations
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NoC	No Objection Certificate.
No.	Number.
NR	Non-Resident.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PBT	Profit Before Tax.
PCB	Pollution Control Board.
P/E Ratio	Price per Earnings Ratio
POSH	Prevention of Sexual Harassment
Pvt.	Private
RBI	Reserve Bank of India
RoC	Registrar of Companies
RONW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SCN	Show Cause Notice
SCSB	Self-Certified Syndicate Bank
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number

TERMS	DESCRIPTIONS
TIN	Taxpayers Identification Number
UIN	Unique Identification Number
US	United States
VAT	Value Added Tax
w.e.f.	With effect from
YoY	Year on Year

The words and expressions used but not defined in this prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms defined -

- a) In the section titled “*Description of Equity Shares and Terms of the Articles of Association*” beginning on page 284 of this prospectus, shall have the meaning given to such terms in that section;
- b) In the chapter titled “*Financial Statements as Restated*” beginning on page 189 of this prospectus, shall have the meaning given to such terms in that chapter;
- c) In the section titled “*Risk Factors*” beginning on page 23 of this prospectus, shall have the meaning given to such terms in that section;
- d) In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 89 of this prospectus, shall have the meaning given to such terms in that chapter; and
- e) In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 223 of this prospectus, shall have the meaning given to such terms in that chapter.

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

### Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in this prospectus are to the Republic of India.

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

In this prospectus, the terms “the Company”, “our Company”, “Issuer”, “Issuer Company”, “Shanmuga Hospital Limited”, “Shanmuga Hospital” and “SHL” unless the context otherwise indicates or implies, refers to “*Shanmuga Hospital Limited*”.

In this prospectus, the terms “we”, “us”, “our”, unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, Associates and Group Companies, if any.

In this prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lacs / Lakhs”, the word “Crore” means “ten millions” and the word “billion (bn)” means “one hundred crores”. In this prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### Financial Data

Unless stated otherwise, the financial information in this prospectus are extracted from the restated Financial Statements of our Company for six months period ended 30<sup>th</sup> September 2024 and for the financial Years ended on 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023, and 31<sup>st</sup> March 2022, prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page no 189 of this prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Ind AS and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, Ind AS, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this prospectus, including in the Sections titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page no. 23, 108, and 223 respectively, have been calculated on the basis of the restated audited financial statements of our Company included in this prospectus.

### Currency and Units of Presentation

All references to “Rupees”, “Rs.”, “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “£” or “GBP” are to Great Britain Pound, the official currency of the United Kingdom. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America

Our Company has presented certain numerical information in this prospectus in “Lakh” units. One lakh represents 1,00,000. In this prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.



All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million and ‘billion / bn./ Billions’ means ‘one hundred crores’.

### Industry and Market Data

Unless stated otherwise, industry and market data used throughout this prospectus has been derived from Ministry of Statistics and Programme Implementation (MOSPI), RBI, Press Information Bureau, Department of Industrial Policy & Promotion, Department for Promotion of Industry and Internal Trade, India Brand Equity Foundation (IBEF) and industry publications etc. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this prospectus is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled **“Risk Factors”** beginning on page no. 23 of this prospectus. Accordingly, investment decisions should not be based on such information.

### Exchange Rates

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

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

Currency#	September 30, 2024	As on March 28, 2024	As on March 31, 2023	As on March 31, 2022
1 USD	83.79	83.37	82.22	75.81

# Source: [www.fbil.org.in](http://www.fbil.org.in)

\*Data for March 31, 2024, March 30, 2024 and March 29, 2024 are not available.

All figures are rounded up to two decimals

## FORWARD-LOOKING STATEMENTS

The Company has included statements in this prospectus which contain words or phrases such as “may”, “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “potential” and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the Section titled “*Risk Factors*”; “*Industry Overview*”; “*Our Business*”; and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”; beginning on page no. 23, 89, 108 and 223, respectively, of this prospectus.

The forward-looking statements contained in this prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

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

- Competition from existing and new hospitals / healthcare centres may adversely affect our revenues and profitability;
- Discontinuation of association of our doctors and other healthcare professionals with our hospitals, on which we are highly dependent;
- Delay in receipt of payment from our patients directly or through insurance companies and corporate;
- Any negative publicity and/or allegations against our healthcare services and/or healthcare staff(s) /doctor(s) / us in the media could adversely affect our reputation and our brand name in the society;
- Potential operational disruptions due to delays in regulatory approvals and permits;
- Significant challenges associated with managing high operational costs, including labour and medical equipment expenses;
- Concerns about maintaining a consistent patient volume and ensuring cost-effective healthcare provision;
- Operational risks related to the retention of critical healthcare professionals, particularly consulting doctors;
- Inherent medical and legal risks associated with the operation of healthcare facilities and in-house pharmacies;
- Consideration of the impact of political instability or government changes on our operational stability;
- The potential influence of regulatory amendments in our operating sectors on our business dynamics;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent; and
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

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. Our Company, the Lead Manager, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being issued in this Issue, by the Stock Exchanges. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this prospectus until the Equity Shares are allotted to the investors.

## SECTION II: SUMMARY OF PROSPECTUS

### SUMMARY OF PROSPECTUS

#### (A) PRIMARY BUSINESS OF OUR COMPANY AND THE INDUSTRY IN WHICH IT OPERATES:

##### ❖ Primary Business of Our Company:

Shanmuga Hospital Limited, a Multispecialty Hospital, is strategically established in Salem, Tamil Nadu. Equipped with advanced healthcare technology and having 151 bed capacity, it addresses the community's medical needs, serving patients from nearby regions. Accredited by the National Accreditation Board for Hospitals and Healthcare ("NABH Accredited") and National Accreditation Board for Testing and Calibration Laboratories ("NABL Accredited"), our hospital is committed to high-quality healthcare services, including prevention, treatment, and rehabilitation.

Our medical facility encompasses a Oncology Unit, High Dependency Unit (HDU), Emergency Department (ED), Outpatient Consultation Services, Cardiac Care Unit (CCU), Intensive Care Unit (ICU), Neonatal Intensive Care Unit (NICU), Labour Room, Endoscopy Room, Neurosurgery Unit, and Cardiac Unit. The Diagnostic Centre features advanced laboratory and imaging technologies such as X-Ray, Ultrasound, Computed Tomography (CT) scan, Magnetic Resonance Imaging (MRI), and modular operational theatres. Providing extensive inpatient and outpatient care across various Medical and Surgical specialties, our facility is well-equipped to meet diverse healthcare needs.

*(For Detailed information on our business, please refer to chapter titled "Our Business" beginning from page no. 108 of this prospectus.)*

##### ❖ Summary of the industry in which our Company operates:

The Indian Healthcare industry continued its healthy growth in 2023 and reached a value of US\$ 372 billion driven by both the private sector and the government. As of 2024, the Indian healthcare sector is one of India's largest employers as it employs a total of 7.5 million people. Progress in telemedicine, virtual assistants, and data analytics is expected to create 2.7-3.5 million new tech jobs. India's public expenditure on healthcare touched 2.1 % of GDP in FY23 and 2.2% in FY22, against 1.6% in FY21, as per the Economic Survey 2022-23.

India's hospital market was valued at US\$ 98.98 billion in 2023, projected to grow at a CAGR of 8.0% from 2024 to 2032, reaching an estimated value of US\$ 193.59 billion by 2032.

In FY24 (Till February 2024), premiums underwritten by health insurance companies grew to Rs. 2,63,082 crore (US\$ 31.84 billion). The health segment has a 33.33% share in the total gross written premiums earned in the country.

Indian medical tourism market was valued at US\$ 7.69 billion in 2024 and is expected to reach US\$ 14.31 billion by 2029. According to India Tourism Statistics, around 634,561 foreign tourists came for medical treatment in India in 2023, which was nearly 6.87% of the total international tourists who visited the nation. With US\$ 5-6 billion size of medical value travel (MVT) and 500000 International patients annually, India is among the global leader destinations for international patients seeking advanced treatment.

The e-health market size is estimated to reach US\$ 10.6 billion by 2025. As per information provided to the Lok Sabha by the Minister of Health & Family Welfare, Dr. Bharati Pravin Pawar, the doctor population ratio in the country is 1:854, assuming 80% availability of 12.68 lakh registered allopathic doctors and 5.65 lakh AYUSH doctors.

*(For further detailed information, please refer to chapter titled "Industry Overview" beginning from page no. 89 of this prospectus.)*

#### (B) NAME OF THE PROMOTER OF OUR COMPANY:

**Dr. Panneerselvam Palaniappan Shanmugam, Dr. Prabu Sankar Panneerselvam, Dr. Priyadharshni Dhandapani** and **Mrs. Jayalakshmi Panneerselvam** are the promoters of our company.

(For further details, please refer chapter “Our Promoters and Promoters Group” beginning from page no. 178 of this prospectus.)

**(C) SIZE OF THE ISSUE:**

Initial Public Issue of **38,18,000** equity shares of face value of ₹10/- each (“Equity Shares”) of **Shanmuga Hospital Limited** (“The Company” or “The Issuer”) for cash at a price of ₹54/- per equity share (“The Issue Price”), aggregating to ₹ **2,061.72** Lakhs (“The Issue”), of which 1,92,000 equity shares of face value of ₹10/- for cash at a price of ₹54/- per equity share aggregating to ₹ **103.68** lakhs will be reserved for subscriptions by the Market Maker to the issue (The “**Market Maker Reservation Portion**”). The issue less market maker reservation portion i.e., Issue of 36,26,000 equity shares of face value of ₹10/- each for cash at a price of ₹54/- per equity share, aggregating to ₹ **1,958.04** lakhs is here-in after referred to as the “**Net Issue**”. The issue and the net issue will constitute 28.05% and 26.64% respectively of the post issue paid up equity share capital of the company.

(For further details, please refer chapter “Terms of the Issue” beginning from page no. 254 of this prospectus.)

**(D) OBJECTS OF THE ISSUE:**

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects:

₹ in lakhs

Sr. No.	Particulars	Estimated Amount	% of total issue size	Amount to be financed from Issue Proceeds
A	Funding Capital Expenditure towards Purchase of additional Medical Equipment	1,452.50	70.45%	1,452.50
B	General Corporate Expenses	383.28	18.59%	383.28
	<b>Net IPO Proceeds</b>	<b>1,835.78</b>	<b>89.04%</b>	<b>1,835.78</b>

For further details, please refer chapter “Objects of the Issue” beginning from page no. 77 of this prospectus.

**(E) PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTERS GROUP AS ON THE DATE OF THIS PROSPECTUS:**

Particulars	Pre-Issue Shareholding	
	Number of Shares	Percentage holding
<b>Promoters</b>		
Panneerselvam Palaniappan Shanmugam	24,30,000	24.81%
Prabu Sankar Panneerselvam	24,30,000	24.81%
Priyadharshni Dhandapani	24,30,000	24.81%
Jayalakshmi Panneerselvam	24,30,000	24.81%
<b>Total Promoters Shareholding (A)</b>	<b>97,20,000</b>	<b>99.23%</b>
<b>Promoter Group</b>		
J Harishankar	15,000	0.15%
Madhu Malar	15,000	0.15%
Dhandapani Adimoolam	15,000	0.15%
D Madhavi	15,000	0.15%
Murugavel R.	15,000	0.15%
<b>Total Promoters Group Shareholding (B)</b>	<b>75,000</b>	<b>0.77%</b>
<b>Total Promoters &amp; Promoters Group (A+B)</b>	<b>97,95,000</b>	<b>100.00%</b>

(For further details, please refer chapter “Capital Structure” beginning from page no. 64 of this prospectus.)

**(F) SUMMARY OF RESTATED FINANCIAL STATEMENTS:**

(₹ in Lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Total Share Capital	979.50	979.50	8.00	8.00
Total Net Worth	1,952.66	1,713.37	1,182.21	705.99
Total Revenue	2,482.81	4,338.78	3,949.56	4,147.10
Profit After Tax	239.29	526.15	476.22	671.82
Face Value per equity shares	10/-	10/-	10/-	10/-
Earnings Per Share (Basic & Diluted) <i>(As per Restated financials)</i>	2.44	5.37	595.28	839.78
Earnings Per Share (Basic & Diluted) <i>(after giving retrospective effect of Split and Bonus)</i>	5.37	5.37	4.90	6.91
Net Asset Value per equity share <i>(As per Restated financials)</i>	19.94	17.49	1,477.77	882.49
Net Asset Value per equity share <i>(after giving retrospective effect of Split and Bonus)</i>	19.94	17.49	12.16	7.26
Total Borrowings	976.15	901.88	765.00	-

(For further details, please refer chapter “Capital Structure” and “Financial statement as Restated” beginning from page no. 64 and 189 respectively of this prospectus.)

**(G) AUDITOR QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENT:**

The auditor report of Restated Financial information of our Company, for six months period ended September 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 does not contain any qualifications which have not been given effect in the restated financial statement.

(For further details, please refer chapter “Financial statement as Restated” beginning from page no. 189 of this prospectus.)

**(H) SUMMARY OF OUTSTANDING LITIGATIONS:**

A summary of legal and other proceedings is given below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Other Pending Litigations/ Actions	Aggregate amount involved (₹ in lakhs)
<b>Company</b>						
By the Company	-	-	-	-	-	-
Against the Company	-	-	-	-	1	30.00
<b>Promoters &amp; Directors</b>						
By the Promoters	-	-	-	-	-	-
Against the Promoters	-	-	-	-	-	-
<b>Group Companies</b>						
By the Group Companies	-	-	-	-	-	-
Against Group Companies	-	-	-	-	-	-

(For further details, please refer chapter “Outstanding Litigation and Material Development” beginning from page no. 232 of this prospectus.)

**(I) CROSS REFERENCE TO THE SECTION TITLED RISK FACTORS:**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this prospectus.

(For the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled “Risk Factors” beginning on page no. 23 of this prospectus.)

**(J) SUMMARY OF CONTINGENT LIABILITIES:**

As per restated financial statements, the company has contingent liabilities towards litigation in Consumer Court and income tax demand to the tune of ₹ 30.11 Lakhs as on September 30, 2024.

(For further details, please refer chapter “Financial Statements as Restated” beginning from page no. 189 of this prospectus.)

**(K) SUMMARY OF RELATED PARTY TRANSACTIONS FOR LAST 3 YEARS:**

(₹ in Lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>Professional fees paid to KMP</b>				
PS Paneerselvam	19.19	33.00	37.92	22.50
P. Jayalakshmi	14.30	19.70	17.34	12.15
P Prabhushankar	16.79	28.60	29.70	24.03
P Priyadharshini	10.79	17.60	19.21	12.15
<b>Total</b>	<b>61.07</b>	<b>98.90</b>	<b>104.17</b>	<b>70.83</b>
<b>Purchase of medicines and other consumables</b>				
Velavan hospital needs private limited	94.50	149.71	101.43	-
Travellers Inn	19.93	32.27	29.33	-
<b>Total</b>	<b>114.43</b>	<b>181.98</b>	<b>130.76</b>	<b>-</b>
<b>Other transactions with related parties</b>				
<b>Rent paid towards Building, Plant and machinery</b>				
Shanmuga Medical Research Foundation trust	14.55	29.11	30.66	30.67
Shanmuga Hospital Firm	-	31.96	41.90	-
<b>Total</b>	<b>14.55</b>	<b>61.07</b>	<b>72.56</b>	<b>30.67</b>
<b>Trade Creditors</b>				
<b>O/s Payable</b>				
Velavan hospital needs private limited	74.66	45.63	-	-
Travellers Inn	34.86	35.16	-	-
<b>Total</b>	<b>109.52</b>	<b>80.79</b>	<b>-</b>	<b>-</b>
<b>Rent payable o/s</b>				
Shanmuga Medical Research Foundation trust	43.66	29.11	-	-
<b>Total</b>	<b>43.66</b>	<b>29.11</b>	<b>-</b>	<b>-</b>
<b>Slump Sale Transaction with Shanmuga Hospital Firm</b>				
Total Assets Taken	-	698.46	-	-
Total Liability Taken	-	688.46	-	-
<b>Consideration paid in Cash/Bank</b>	<b>-</b>	<b>10.00</b>	<b>-</b>	<b>-</b>
<b>Unsecured Loans Received/(Paid)</b>				
Shanmuga Hospital Firm	-	-	40.62	41.90
PS Paneerselvam	359.35	359.35	-	-
<b>Total</b>	<b>359.35</b>	<b>359.35</b>	<b>40.62</b>	<b>41.90</b>

For details pertaining to Related Party Transactions, kindly refer to the chapter titled “Financial Statements as Restated – Related Party Transactions” beginning on page no. 220 of this prospectus

**(L) DETAILS OF FINANCING ARRANGEMENT:**

There are no financing arrangements whereby the promoters, member of promoter group, the directors of the company which is a promoter of the issuer, the directors of our company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the Business of the financing entity during the period of six months immediately preceding the date of filing of this prospectus.

**(M) WEIGHTED AVERAGE PRICE AT WHICH EQUITY SHARES WAS ACQUIRED BY OUR PROMOTERS IN THE LAST ONE YEAR FROM THE DATE OF THIS PROSPECTUS:**

Sl. No.	Name of the Promoter	No. of Shares Acquired during last one Year	Consideration (in ₹)	Weighted Average Price (In ₹ per Equity Share)
1	Panneerselvam Palaniappan Shanmugam	8,10,000	Nil	Nil
2	Prabu Sankar Panneerselvam	8,10,000	Nil	Nil
3	Priyadharshni Dhandapani	8,10,000	Nil	Nil
4	Jayalakshmi Panneerselvam	8,10,000	Nil	Nil

*(The Equity Shares of the Company as mentioned above were acquired by way of bonus issue)*

**(N) AVERAGE COST OF ACQUISITION OF EQUITY SHARES FOR PROMOTERS:**

Sl. No.	Name of the Promoter	No. of Equity Shares Held	Avg. Cost of Acquisition (In ₹ per Equity Share)
1	Panneerselvam Palaniappan Shanmugam	24,30,000	0.08
2	Prabu Sankar Panneerselvam	24,30,000	0.08
3	Priyadharshni Dhandapani	24,30,000	0.08
4	Jayalakshmi Panneerselvam	24,30,000	0.08

*The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer or bonus issue etc. less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the prospectus.*

**(O) DETAILS OF PRE-IPO PLACEMENT:**

Our Company has not proposed any Pre-IPO placement from the date of this prospectus till the listing of the Equity Shares.

**(P) DETAILS OF ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR FROM THE DATE OF THIS PROSPECTUS:**

Date of Allotment	Number of Equity Shares allotted	Issue Price (In ₹)	Consideration	Reason for Allotment	Name of the Allottee	Benefit accruing to the company
16-02-2024	32,65,000	N.A.	Nil	Bonus Share	#	Capitalization of reserves

*# For further details pertaining to Issue of Equity Shares for consideration other than cash, kindly refer to the chapter titled “Capital Structure” beginning on page no. 64 of this prospectus.*

**(Q) DETAILS OF SPLIT/CONSOLIDATION OF OUR EQUITY SHARES IN THE LAST ONE YEAR FROM THE DATE OF THIS PROSPECTUS:**

Our Company has not undertaken any split or consolidation of Equity Shares in the last one year till the date of this prospectus.

**(R) EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

The Company has not sought for any exemptions from complying with any provisions of securities laws.



## SECTION III: RISK FACTORS

### RISK FACTORS

Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, **Our Business**, and **Management's Discussion and Analysis of Financial Condition and Results of Operations** beginning on page no. 108 and 223 respectively, as well as the other financial and statistical information contained in this Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

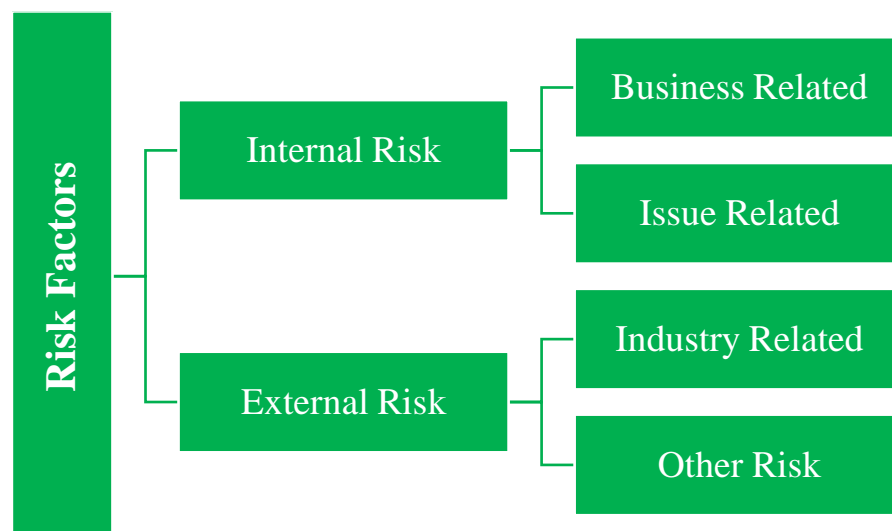
This Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Prospectus.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issuing unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Restated Financial Statements prepared in accordance with Indian AS, as per the requirements of the Companies Act, 2013, and SEBI (ICDR) Regulations.

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some risks may not be material individually but may be material when considered collectively.
2. Some risks may have material impact qualitatively instead of quantitatively.
3. Some risks may not be material at present but may have a material impact in the future.



## INTERNAL RISK FACTORS

### A. Business Related Risks

1. ***Our Company, Directors, Promoters and Group Companies are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company, Directors, Promoters and Group Companies are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and forums. Mentioned below are the details of the proceedings involving our Company, Directors, Promoters and Group Companies as on the date of this Prospectus along with the amount involved, to the extent quantifiable.

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Other Pending Litigations/ Actions	Aggregate amount involved (₹ in lakhs)*
<b>Company</b>						
By the Company	-	-	-	-	-	-
Against the Company	-	-	-	-	1	30.00
<b>Promoters &amp; Directors</b>						
By the Promoters	-	-	-	-	-	-
Against the Promoters	-	-	-	-	-	-
<b>Group Companies</b>						
By the Group Companies	-	-	-	-	-	-
Against Group Companies	-	-	-	-	-	-

\* to the extent quantifiable

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise.

For further details, please refer chapter **“Outstanding Litigation and Material Development”** beginning from page no. 232 of this Prospectus. Further, in addition to that, there could be other litigations & claims filed against the Company, Directors & Promoters which the Company may not be aware of as on the date of this Prospectus.

There can be no assurance that these litigations will be decided in favour of our Company, Directors, Promoters and Group Companies, respectively, and consequently it may divert the attention of our management and Promoter and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations. For the details of the cases please refer the chapter titled **“Outstanding Litigations and Material Developments”** on page 232 of this Prospectus.

2. ***Our Company has limited operating history, and therefore investors may not be able to assess our prospects on the basis of historical results.***

Our company was originally incorporated as a Private Limited Company under the name **“Shanmuga Hospital Private Limited”** on June 26, 2020, in accordance with the Companies Act, 2013. Subsequently, our company converted into a public limited company, resulting in a name change to **“Shanmuga Hospital Limited”**. Post incorporation, our company acquired business undertaking of **“Shanmuga Hospital (Partnership Firm)”** pursuant to business transfer agreement dated December 15, 2023. As the company does not have significant operating and financial history in Shanmuga Hospital Limited, it may be difficult to evaluate our current or future prospects on the basis of historical results and performance. However, our group has experience of more than 40 years in running hospital since 1981. Past performance of our group should not be construed as an indication of our future performance. For details regarding business and financial information, please refer chapter titled **“Our Business”** and **“Restated Financial Statements”** on page 108 and 189 respectively of this Prospectus.

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

Our operations depend on the efforts, ability and experience of our healthcare professionals, including our doctors, nurses, consultants and other medical staff at our hospital. A majority of our doctors are not our employees. As on August 31, 2024, we had 72 doctors, out of whom 9 doctors were Resident Doctors, 7 Junior Doctors, 28 Senior Consulting Doctors and 28 Consulting Visiting Doctors. Our performance and the execution of our business strategies depend substantially on our ability to attract, recruit and retain leading healthcare professionals in a particular specialty or in a region relevant to our growth plans. We compete with other healthcare services providers in recruiting and retaining trained healthcare professionals, which are in shortage in the market.

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

Failure to attract and retain sufficient qualified healthcare professionals for our hospital could adversely affect our business, financial condition, results of operations, cash flows and prospects. Certain patients choose our hospital because of the reputation of some of our individual doctors. If we fail to retain these key doctors, we may not be able to attract such patients, which may have an adverse impact on the patient volume and our profitability at such locations.

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

Our performance also depends on our ability to identify, attract and retain other healthcare professionals, including nurses. We have experienced, and expect to continue to experience pressure to increase wages and other benefits, due to a general shortage of qualified nurses and paramedical staff in India.

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

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

4. ***Our Company is yet to place orders for medical equipment proposed to be installed at our hospital. Any delay in placing orders or procurement of such equipment may delay the schedule of implementation and possibly increase the cost of commencing operations.***

Our Company has received third party quotations for the medical equipment proposed to be installed at our hospital situated at 51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India. Although, we have identified the type of equipment proposed to be purchased from the Net Proceeds, we are yet to place orders for the proposed equipment amounting to ₹ 1,452.50 lakhs. The cost of the proposed purchase of equipment is based on the quotations received from third party vendors and such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. For details, please refer to the chapter titled **“Objects of the Issue”** beginning on page 77 of this Prospectus.

We cannot assure that we will be able to procure the equipment in a timely manner and at the same price at which the quotations have been received. 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 for the same. Further, if we are unable to procure 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 equipment which satisfy our requirements at acceptable prices. Our inability to procure the 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.

5. ***We generate certain revenues from the arrangements with government sponsored health schemes, any adverse change in these regulations/government policies related to such schemes may adversely affect our business, results of operations, cash flows and prospects.***

We provide medical services under various government schemes i.e. Central Government Health Scheme, Pradhan Mantri Jan Arogya Yojana – Chief Minister’s Comprehensive Health Insurance Scheme etc. Government schemes are an important source of new patient registrations and revenue for us. For details, please refer to the chapter titled **“Our Business”** beginning on page 108 of this Prospectus. As a result, if the applicable tariffs specified in the agreements with government payers are revised downwards, or if the extent of coverage or limits are reduced, or if the payment terms are made longer, or if the reimbursement policies are changed in the agreements with the government payers, or if the government payers terminate their agreements with us, our number of new patient registrations will decline and our revenue and profitability could be negatively affected.

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

Our patients either pay for their medical expenses by themselves, through third party payers or through some other credit arrangements. Such third-party payers include central, state and local government bodies, private and public insurers, and corporate entities that pay for medical expenses of their employees. For details, please refer to the chapter titled **“Our Business”** beginning on page 108 of this Prospectus. Agreements with third party payers typically specify the services covered, the approved tariffs for each of the services and the terms of payment. Our revenue received through such third-party payers constitutes a key component of our total revenue from operations. We are dependent on the timely payment of outstanding dues by such third-party payers and we suffer from recurring time lapses in recovering our fees and costs incurred from such third-party payers.

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

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

**8. *Changes in healthcare laws, rules and regulations may materially adversely affect our business.***

The healthcare industry is subject to laws, rules and regulations in the regions where we conduct our business or to which we intend to expand our operations. For a description of the material regulations to which we are subject, please see the section “**Key Industry Regulations and Policies**” on page 144 of Prospectus. As we are engaged in healthcare sector, we are subject to various and extensive local law, rules and regulations relating, among other things, to:

- conduct of our business and operations;
- addition of facilities and services;
- adequacy of medical care, including required ratios of nurses to hospital beds;
- quality of medical equipment and services;
- discharge of pollutants into the air and water and handling and disposal of bio-medical, radioactive and other hazardous waste;
- qualifications of medical and support personnel;
- confidentiality, maintenance and security issues associated with health-related information and medical records;
- the screening, stabilization and transfer of patients who have emergency medical conditions; and
- regulation of the price of pharmaceutical drugs in India

Regulation in the healthcare industry is constantly changing, and we are unable to predict the future course of regulations across the jurisdictions in which we operate. We cannot assure you that future regulatory changes will not materially adversely affect our business, financial condition and results of operations. In addition, safety, health and environmental laws and regulations in India have been increasing in stringency in recent years, and it is possible that they will become significantly more stringent in the future. For instance, the Bio-Medical Waste Management Rules, 2016 have recently replaced the Bio-Medical Waste Rules, 1998 and introduced mandatory authorization requirements for all medical establishments, more stringent duties of operators and annual reporting requirements in the prescribed format for all establishments handling bio-medical waste. For further details, see section “**Key Industry Regulations and Policies**” on page 144 of Prospectus. To comply with these requirements, we may have to incur substantial operating costs and/or capital expenditure in the future.

In addition, regulations can be implemented that could affect the mix of services that we and our competitors provide, which could result in some market participants benefiting at the expense of others, for example insurance arrangements and funding for a range of services. If this were to occur, it could, if not managed properly, adversely affect our overall patient mix and operating margins, which could have a material adverse effect on our business, financial condition or results of operations.

Further, if a determination is made that we were in violation of such laws, rules or regulations, including conditions in the permits required for our operations, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or undertake capital expenditures and our business, financial position, results of operations or cash flows could be adversely affected. Any public interest or class action, legal proceedings related to such safety, health or environmental matters could also result in the imposition of financial or other obligations on us and may prevent us from carrying on our business and operations. In addition, regulations are constantly changing and we are unable to predict the future course of regulation. Further changes in the regulatory framework affecting healthcare services providers could have a material adverse effect on our business, financial position, results of operations or cash flows.

We may be subject to requirements related to the remediation of hazardous substances and other regulated materials that have been released into the environment at properties now or formerly owned or operated by us or our predecessors, or at properties where such substances and materials were sent for off-site treatment or disposal. Liability for costs of investigation and remediation may be imposed without regard to fault, and under certain circumstances on a joint and several basis and can be substantial. Any of these factors could have a material adverse effect on our business, financial condition, results of operations or prospects.

**9. *Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years:

₹ in lakhs

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Net cash from operating activities	70.35	957.21	294.78	192.10
Net Cash (used in) / from investing activities	(186.06)	(1,149.83)	(831.42)	(167.49)
Net Cash used in financing activities	40.30	81.08	736.96	(3.29)
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>(75.41)</b>	<b>(111.55)</b>	<b>200.32</b>	<b>21.33</b>

There can be no assurance that our net cash flows shall be positive in the future. Any negative cash flows in the future 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, future financial performance and results of operations could be materially and adversely affected. For further details, see **“Financial Statements as Restated”** beginning on page 193 of this Prospectus.

**10. There are certain instances of delays in the past with ROC/Statutory Authorities.**

Our Company also in the past have made delay in filings of some RoC forms as per the stipulated timelines prescribed under the Companies Act, 2013. Our Company has paid requisite late fees for such filings, and no show cause notice in respect of the same has been received by our Company till date. The details of ROC Late Filings are as follows:

Forms	Purpose	Date of Event	Date of Filing	Due dates	Nos. of Days delayed
INC-27	Name of the Company has been amended as Shanmuga Hospital Limited from Shanmuga Hospital Private Limited	27-02-2024	30-04-2024	14-03-2024	46
ADT-1	Appointment of Auditor [P P N & Company] for the period from 01.04.2023 to 31.03.2028	30-09-2023	20-01-2024	15-10-2023	76
AOC-4	Filing of Financial Statements for the financial year 2022-23	30-09-2023	26-11-2023	30-10-2023	27
ADT-1	Appointment of Auditor [JV & Co] for the period from 01.04.2021 to 31.03.2026	31-12-2021	14-02-2022	15-01-2022	31
CHG-1	Creation of Charge	18-06-2022	30-07-2022	18-07-2022	12
ADT-1	Appointment of Auditor [P P N & Company] to fill the casual vacancy caused by resignation of Auditor J V & Co] for the period from 01.04.2022 to 31.03.2023	26-08-2023	20-09-2023	10-09-2023	10
DIR-12	Appointment of Chief Financial Officer and Company Secretary	13-12-2023	12-02-2024	12-01-2024	30
MGT-14	To acquire Business Undertaking on Slump Sale Basis	06-12-2023	20-02-2024	05-01-2024	46

It is pertinent to note here that all the forms are approved by ROC. Further, if any such action is initiated by the regulatory authority, then the Company will have to abide by the order of such regulatory authority or pay any penalty that may be imposed by any regulatory authorities in future for non-compliance with provisions of corporate and other law which could impact the financial position of the Company to that extent.

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

Our ability to sustain current levels of profitability and operating efficiencies depends on our ability to maintain and increase bed occupancy rates, which in turn depends on factors such as brand recognition in the communities in which we operate, our ability to attract and retain quality healthcare professionals, our ability to develop super-specialty practices and our ability to compete effectively with other hospitals and clinics. If we fail to maintain or improve our occupancy rates while we continue to incur significant capital expenditure, our business, financial condition, results of operations and prospects may be materially and adversely affected.

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

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

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

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

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

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

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

- our ability to maintain a convenient, standardized and reliable customer experience as customer preferences evolve and as we expand our service categories and develop new business lines;
- our ability to increase brand awareness among existing and potential clients through various means of marketing and promotional activities;

- our ability to adopt new technologies or adapt our technology and systems, including our websites, to user requirements or emerging industry standards in order to maintain our customer experience;
- our ability to effectively control the quality of service in our hospital, and to monitor their performance as we continue to expand our network; and
- our ability to maintain and renew existing accreditations or to apply for additional accreditations as we expand our network.

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

**14. The average cost of acquisition of Equity Shares by our Promoters is lower than the Issue Price.**

Our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Issue Price of the shares proposed to be offered through this prospectus. For Details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer the table below:

Name of the Promoter	No. of Equity Shares Held	Avg. Cost of Acquisition (In ₹ per Equity Share)
Panneerselvam Palaniappan Shanmugam	24,30,000	0.08
Prabu Sankar Panneerselvam	24,30,000	0.08
Priyadharshni Dhandapani	24,30,000	0.08
Jayalakshmi Panneerselvam	24,30,000	0.08

**15. We have issued Equity Shares in the last 12 (twelve) months at a price which is lower than the Issue Price.**

During the last 12 (twelve) months, we have issued Equity Shares at a price that is lower than the Issue Price, as set forth below.

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Allotment
16-02-2024	32,65,000	10.00	-	Bonus Issue

The price at which Equity Shares have been issued by our Company in the immediately preceding one year is not indicative of the Issue Price at which the Equity Shares shall be issued and traded (subsequent to listing). For further details regarding such allotments, see “*Capital Structure*” on page 62 of this Prospectus.

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

Our contingent liabilities as of September 30, 2024 were as follows:

Particulars	₹ in lakhs			
	30.09.2024	31.03.2024	31.03.2023	31.03.2022
Litigation in Consumer Court	30.00	30.00	-	-
Income Tax	0.11	-	-	-

For further details of the contingent liabilities and commitments of our Company as on September 30, 2024, see “*Restated Financial Information*” on page 193 of this Prospectus. If a significant portion of these liabilities materialize, fully or partly, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.



**17. Substantial portion of our purchases of medicines has been dependent upon few suppliers. The loss of any one or more of our major suppliers would have a material effect on our business operations and profitability.**

Our top 10 and top 5 suppliers contribute majority of our purchase during September 2024 and the financial year 2023-24, 2022-23 and 2021-22. Our top 10 suppliers contribute 30.91%, 30.46%, 25.82% and 28.41% of our purchase of medicines during September 2024 and the financial year 2023-24, 2022-23 and 2021-22 respectively, whereas, our top 5 suppliers contribute 23.10%, 20.74%, 18.13% and 20.29% of our purchase of medicines during September 2024 and the financial year 2023-24, 2022-23 and 2021-22 respectively.

The Company have not entered into long term agreements with the suppliers and the success of the business is accordingly dependent on maintaining good relationships with the various suppliers for regular supply of medicines required. The inability of a supplier to meet these requirements, the loss of a significant supplier, could disrupt the supply of medicines which may have an adverse effect on business, results of operations and financial condition of the company.

**18. Substantial portion of our revenues has been dependent upon few customers. The loss of any one or more of our major customers would have a material effect on our business operations and profitability.**

Our revenue comes from In-patient and Out-patient and through tie-up arrangements with governmental organisations and corporate entities. While our In-patient and Out patients cannot be categorised under the top ten category however based on the patients who come through Governmental organisations and corporate entities under the tie-up arrangements, Our top 10 customers relating to such Governmental organisations and corporate entities contribute 43.01%, 45.70%, 48.51% and 44.98% of our revenues during September 2024 and the financial year 2023-24, 2022-23 and 2021-22 respectively, whereas, our top 5 customers contribute 40.35%, 42.57%, 45.64% and 36.44% of our revenues during September 2024 and the financial year 2023-24, 2022-23 and 2021-22. However, the loss of any significant customer would have a material effect on our financial results.

We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. However, the revenue generated from these clients might change as we continue to add new clients in normal course of business.

While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

**19. Our revenue is primarily dependent on inpatient treatments, which could decline due to a variety of factors.**

Any such decline will adversely affect our financial condition and results of operations. Our inpatient admissions and treatment contribute significantly to our revenue, compared to our outpatient consultative care. In the event there is a decline in the number of inpatients serviced by us, our financial condition and results of operations will materially stand impacted. This apart, in markets where we have an established presence, if our patients choose to avail inpatient healthcare services from our competitors, instead of availing such healthcare services from us, our growth in revenue could stand materially impaired.

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

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

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

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

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

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

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

We may from time to time receive complaints from, or be involved in, disputes with our clients and patients with regard to medical services. This can be attributed to various factors, such as the negligence of medical personnel, failure of medical equipment, inaccurate results of medical tests conducted by outsourced laboratories, individual patient-specific conditions and disease complications. In addition, people may contract serious communicable diseases during their stay or visit at our facilities, which could result in significant claims for damages against us and, as a result of reports and press coverage, damage our reputation.

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

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

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

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

- require us to incur debt to finance any damages or amounts in judgment or settlement.

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

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

**22. *There have been some instances of delayed filing of returns and depositing of statutory dues with regulatory authorities***

We have also delayed in monthly filing of EPF Returns in the past. The details of delays are as follows:

Forms	Date of Event	Date of Filing/ Payment	Due Dates	Nos. of Days delayed	Reason for Delay
EPFO Monthly Returns	Nov-20	03-01-2021	15-12-2020	19	Due to inadvertence
EPFO Monthly Returns	Dec-20	19-01-2021	15-01-2021	4	Due to inadvertence
EPFO Monthly Returns	Jan-21	17-02-2021	15-02-2021	2	Due to inadvertence
EPFO Monthly Returns	Feb-21	17-03-2021	15-03-2021	2	Due to inadvertence
EPFO Monthly Returns	May-21	17-06-2021	15-06-2021	2	Due to inadvertence
EPFO Monthly Returns	Jul-21	17-08-2021	15-08-2021	2	Due to inadvertence
EPFO Monthly Returns	Sep-21	16-10-2021	15-10-2021	1	EPFO server issue
EPFO Monthly Returns	Apr-22	16-05-2022	15-05-2022	1	EPFO server issue

We have also delayed in monthly filing of ESIC Returns in the past. The details of delays are as follows:

Forms	Date of Event	Date of Filing/ Payment	Due Dates	Nos. of Days delayed	Reason for Delay
ESIC Monthly Returns	Jul-21	17-08-2021	15-08-2021	2	ESIC server issue
ESIC Monthly Returns	Sep-21	16-10-2021	15-10-2021	1	ESIC server issue
ESIC Monthly Returns	Oct-21	28-11-2021	15-11-2021	12	Due to inadvertence
ESIC Monthly Returns	Nov-21	21-12-2021	15-12-2021	5	Due to inadvertence
ESIC Monthly Returns	Dec-21	18-01-2022	15-01-2022	2	ESIC server issue
ESIC Monthly Returns	Mar-22	28-04-2022	15-04-2022	12	Due to inadvertence
ESIC Monthly Returns	Apr-24	17-05-2024	15-05-2024	1	ESIC server issue

Our company has filed all the EPFO & ESIC returns as mentioned above and in some cases with delay and regularised the same. However, it cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

**23. We do not own the certain premises which we use for the purpose of our business operations.**

Certain premises used by our Company have been obtained on lease or rental basis, which includes our (1) Main Hospital situated at 51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India; (2) Pharmacy situated at 608, Bazaar Street, Salem – 636001, Tamil Nadu; and (3) Clinic situated at GF, 116/1/4, Railway Station Street, Annai Kusthooriba Marriage Hall Parking, Ayothiapattinam, Salem, Tamil Nadu, 636103. We cannot assure you that we will be able to renew our lease or rent agreement or enter into new agreement in the future, on terms favourable to us, or at all. In the event that lease or rent agreement is not renewed, we will be required to expend time and financial resources to locate suitable land or building to set up our operations. Also, we may be unable to relocate to an appropriate location in a timely manner, or at all, and we cannot assure you that a relocated office will be as commercially viable. If lease agreement is terminated, prior to its tenure or if it is not renewed, or if we are required to cease business operations at a property, for any reason whatsoever, our business, financial condition, and results of operations may be adversely affected. Further, if the vacated property is leased or sold to a competitor, we may also face increased competition in that geographic area, which could adversely affect our market share. For further information on our properties, see **“Our Business”** on page 108 of this Prospectus.

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

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

During Covid-19, we experienced a substantial reduction in inpatient and outpatient volumes due to the nationwide lockdown implemented on March 25, 2020, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, and other travel related restrictions. There was also a reluctance or unwillingness of some patients to seek healthcare services in hospital due to their perception of an increased risk of infection when traveling to hospital and coming into close contact with healthcare professionals. Medical tourism has also slowed.

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

- Directives or actions by governments, government authorities, local agencies and courts that affect our ability to operate our hospital and/or the manner in which we operate our hospital. For example, directives or actions to regulate various aspects of our operations (such as, amongst other things, prices, and mandatory bed allocation) and/or to oversee, manage or administer the provision of healthcare to COVID-19 patients;
- Reluctance or unwillingness of some patients to seek healthcare services in hospitals due to their perception of an increased risk of infection when traveling to hospitals and coming into close contact with healthcare professionals;
- Slowed medical tourism, particularly from international patients due to international travel restrictions;
- Delay in renewing or obtaining necessary registrations, approvals, licenses and permits from statutory and regulatory bodies;

- Heightened risk of COVID-19 infection to doctors, nurses and other healthcare professionals at our hospital, which may lead to a shortage of manpower and additional labor and employment expenses;
- Possible delay in our existing or planned projects, which may adversely impact our ability to comply with the financial covenants; and
- Increased costs to ensure the safety of our workforce and continuity of operations while conforming to the measures implemented by various governments.

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

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

Our hospital require authorization from the relevant state government in order to treat COVID-19 patients. The governments of the states have issued multiple orders, which, among others things, set the ceiling rate chargeable by private hospitals and laboratories for treatment and testing of COVID-19 patients. While we intend to comply fully with the government's orders, there can be no assurance that the government will not take action against us in the future.

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

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

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

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

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

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

We propose to grow our business by adopting a series of strategies. For details, see “**Our Business – Our Business Strategies**” on page 122 of this Prospectus.

Our growth depends on our ability to develop, acquire and manage additional hospitals, institutes and to expand and improve our existing hospital facilities. Any failure to effectively manage any new hospital is operated could adversely affect our business, financial condition, results of operations and cash flows. In addition, our growth strategies could place significant demand on our management and our administrative, operational and financial resources. Successful implementation of our growth strategies also depends on our access to funds and capital, which in part depends on the ability of our hospital to generate revenues and profits. We are also significantly dependent on certain specialties for a majority of our revenues. Any impact on the revenues from these hospitals or earnings from our top specialties could materially affect our business, financial condition, results of operations and cash flows.

We may not be able to identify suitable greenfield sites for new hospitals, development of new hospital or opportunities to expand capacity at our existing hospital facilities. The number of attractive expansion opportunities may be limited and may command high valuations. We may be unable to secure the necessary financing or negotiate attractive terms for expansion projects.

Our ability to acquire or build and operate new hospital projects is subject to various risks and uncertainties, many of which may be beyond our control. We may face delays in project execution and significant time and cost overruns, delays or failure to receive government approvals, unavailability of human and capital resources, inability to comply with laws or obtain approvals from relevant authorities or any other risks that we may or may not have been foreseen.

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

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

**28. *The failure to maintain the quality of services provided at our facilities may negatively impact our brand or reputation.***

As healthcare patients tend to select their healthcare providers based upon brand recognition and reputation, our business is dependent upon our providing high quality healthcare (e.g. medical care, facilities and related services). Healthcare quality is measured by factors such as quality of medical care, expertise of healthcare professionals, friendliness of staff, waiting times and ease of access to our doctors, nurses and pharmacists. If we are unable to provide high quality services to our patients, fail to maintain a high level of patient satisfaction or experience a high rate of mortality or medical malpractice suits, our brand or reputation could be damaged.

Quality of healthcare is also a key criteria that is evaluated in connection with the accreditation of our hospital. Our hospital has received NABH accreditation. If our hospital were to lose their accreditation with NABH, or do not receive re-accreditation by NABH, or are refused accreditation by NABH, our brand and reputation could be adversely affected.

Any significant damage to our reputation and/or brand caused by any of the foregoing factors could have a material adverse effect on our ability to attract new and repeat patients and, as a result, adversely affect our business, financial condition, results of operations or prospects.

**29. *Patients may contract serious communicable infections or diseases at our facilities due to the risks typically associated with the operation of medical care facilities.***

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

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

We offer certain educational programmes. Our hospital is accredited and affiliated with the National Board of Examinations (NBE) for training medical professionals. We function as an accredited training center for Diplomate of National Board (DNB) programs in three specialties: Emergency Medicine, General Surgery and Radiation Oncology. For further details, see **“Our Business”** on page 108 of Prospectus. Therefore, we are required to comply with a number of accreditation requirements and maintain standards prescribed by such organisations on a continual basis to be able to continue to provide these courses. Failure to meet such requirements and standards could result in our being unable to provide these courses.

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

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

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

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

We have entered into and may in the ordinary course of our business continue to enter into transactions with related parties that include certain of our Promoter, Promoter Group, Directors and Group Companies. For further details in relation to our related party transactions, see ***“Financial Statements as Restated - Related Party Transaction”*** beginning on page 220 of the Prospectus. While we have entered into such transactions on an arm’s length basis and are in compliance with the applicable provisions of Companies Act, 2013 and other applicable law, there is no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, will not have an adverse effect on our business, prospects, results of operations and financial condition. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

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

Our information technology system is critical systems are critical to our business. We rely on the information technology system to store the personal details data of our patients. The regulatory guidelines generally require medical institutions to protect the personal data, of their patients or clients and prohibit unauthorized disclosure or usage of personal information, including medical data. Compliance with new and evolving privacy and security laws, regulations and requirements may result in increased operating costs which may in turn affect our business, financial condition, results of operations and prospects. We are vulnerable to the failures of our information technology system, which could affect our business, deficiencies in managing our information systems and data security practices may lead to leaks of patient records, test results, prescriptions, lab records and other confidential and sensitive information which could adversely impact our business and damage our reputation.

**34. *Some of the details mentioned in the respective KYC Documents of our promoters and Directors are not same as other KYC documents.***

Details of promoters and directors such as Name, Date of Birth, Address, etc. shall be incorporated in the Prospectus. While going through the KYC documents, we have found that the variations in the names recorded in the KYC documents. Name of Panneerselvam Palaniappan Shanmugam appeared in some documents as “Palaniappan Shanmugam Panneerselvam”, Prabu Sankar Panneerselvam appeared in some documents as “Panneerselvam Prabu Sankar”, Ashwin R appeared as “Ashwin Raj Kumar”, “Rajkumar Ashwin”, and A S Gowri appeared as “Gowri Senkkotaiyyan Attur” and “Gowri”.

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

Our performance is highly dependent on our Promoters, senior management and other key personnel to maintain our strategic direction, manage our operations and meet future business challenges that may also arise in relation to our business. The loss of, or inability to attract or retain, such persons could materially and adversely affect our business and financial results. In particular, the active involvement of our Promoters in our operations and the services of our senior management and our key management personnel have been integral to our development and business. For details in relation to the experience of our Promoters and key management personnel, see ***“Our Promoters and Promoter Group”*** and ***“Our Management”*** on pages 182 and 167 respectively of this Prospectus. If one or more of these individuals or any other member of our senior management team are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly, which could have a material adverse effect on our business, financial results, results of operations and cash flows. We may take a significant period of time to hire and train replacement personnel when skilled personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. If we are unable to hire and train replacement personnel in a timely manner or increase our levels of employee compensation to remain competitive, our business, financial results, results of operations and cash flows may be materially and adversely affected.



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

Our Company has obtained insurance coverage in respect of certain risks. We have taken insurance policies such as Errors and Omission Policy. As on date of Prospectus, we have not obtained any other insurance policies. There are many events that could cause significant damages to our operations, or expose us to third-party liabilities, whether or not known to us, for which we may not be insured or adequately insured, which may expose us to certain risks and liabilities. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our results of operations and financial position.

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

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

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

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

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

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

We may be subject to cyberattacks and other cybersecurity risks and threats, including computer break-ins, phishing, and social engineering. Cybersecurity vulnerabilities may put us at risk for possible losses due to fraud, operational disruptions, or the unintended dissemination of sensitive personal information, proprietary information or confidential information. We may also be subject to liability as a result of any theft, loss, unauthorized disclosure or misuse of confidential, sensitive and/ or personal information stored on our systems. The development of our information

technology system is generally outsourced to third party suppliers, over which we have limited control. Failure by such third-party suppliers to adequately secure or manage our information and systems, as well as their discontinuation of existing products and services that we rely on, may adversely affect our operations.

There can be no assurance that we will not encounter data migration or other errors, which could result in the loss of important data, interruptions, delays or cessations in the availability of our systems, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

We operate governmental and regulatory authorities, for example in relation to the operation of our hospital and other medical facilities, procurement and operation of medical equipment, storage and sale of drugs and in relation to educational courses. Certain of our services, including blood storage at our hospital, are operated through third parties, and such parties are responsible for obtaining the requisite licenses and approvals. For an overview of the applicable regulations and the nature of key approvals and licenses to be obtained, see **“Key Industry Regulations and Policies”** on page 150 of this Prospectus.

There is no assurance that the approvals and licenses that we require will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. We may be subject to adverse regulatory action and may be required to vacate our facility, which may materially and adversely affect our business, reputation and financial condition.” and **“Government and Other Approvals”** on page 244 of this prospectus. Failure to obtain or renew such approvals and licenses in a timely manner would render our operations non-compliant with applicable laws, and may subject us to penalties by relevant authorities. We may also be prevented from operating the hospital or performing certain procedures or treatments with equipment that requires special approvals or licenses, which could adversely impact our business, financial condition, results of operations and cash flows.

While we have obtained the required approvals for our operations, certain approvals for which we have submitted applications are currently pending. In addition, we have in the past and may in the future apply for certain additional approvals, including the renewal of approvals which may expire from time to time and approvals required for the expansion or setting up of new medical facilities or the introduction of a medical service or procedure, in the ordinary course of business. For details of Government and other approvals, see **“Government and Other Approvals”** on page 244 of this Prospectus.

We also maintain certain accreditations, including accreditations from the National Accreditation Board for Hospitals and Healthcare Providers (“NABH”) for our hospital, accreditations from National Accreditation Board for Testing and Calibration Laboratories (“NABL”) for our laboratory. If we lose current accreditations or fail to renew such re-accreditations of our hospital by NABH, NABL and other agencies, or if we fail to obtain additional accreditations for our hospitals, our reputation, business operations could be adversely affected. Furthermore, in the event certain accreditations are made compulsory, either by law or as a condition for empanelment, our business, financial condition, results of operations and cash flows as we may not be able to obtain such accreditation in a timely manner, or at all.

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

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

**40. *Our Company is running a Single Multi-Speciality Hospital in Salem and any localized social unrest, natural calamities, etc. could have material adverse effect on business and financial operations.***

Our Company is running a Single Multi-Speciality Hospital and our operations are based in Salem, Tamil Nadu. As a result, any localized social unrest, natural disasters or breakdown of services and utilities, reduction in customers/patients, reputational harm, liabilities on account of medical negligence, increased competition in and around Salem could have material adverse effect on our business, financial position and results of operations. Our hospital is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance level, efficiency, obsolescence, employee disputes, strikes, lock-outs, non-availability of services etc. In the event that we are forced to shut down our hospital for a significant period of time, it would have a material adverse effect on our earnings, our other results of operations, and our financial condition as a whole.

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

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

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

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


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


**43. *Our Company has availed certain unsecured loan which can be recalled at any time.***


Our Company has availed certain unsecured loan amounting to ₹ 359.35 lakhs as on September 30, 2024. The unsecured loan taken by our Company from our promoters may be recalled at any time. Though our Company intends to repay the loan amount in near future, sudden recall may disrupt our operations and also may force us to find alternative sources of financing, which may not be available on commercially reasonable terms or at all and we may have to opt for funding at higher interest rates, resulting in higher financial burden. We may not have adequate working capital to meet business requirements of our Company, and, as a result, any such demand by the lenders may affect our business, cash flows, financial condition and results of operations. Further, in respect of such unsecured loan, no proper agreement has been executed between the parties. For further details, please refer to the section ***“Financial Indebtedness”*** beginning on page no. 221 of this Prospectus.

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

Our name and trademarks support our business. We believe that our reputation and brand are associated with the “Shanmuga Hospital” name, and that this association has contributed towards the success of our business. We believe that our trademarks and other proprietary rights have significant value and are important to identifying and differentiating our healthcare services from those of our competitors and creating and sustaining demand for our healthcare services.

We are using the name and logo of “” which is registered in the name of our promoter and we have

obtained No objection Certificate from our promoter for using of said trademark. We are also using logo “” which is registered in the name of our Company. We are yet to receive registration for use of some of our trademarks from the Registrar of Trademarks. However, we cannot guarantee that any of our pending trademark applications will be approved by the applicable governmental authorities. Certain trademark applications filed by our Company i.e. “

” vide application no. 6323930 which is “Objected”.

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

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

**45. Our Promoters have provided personal guarantees for loans availed by our Company. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the invocation of all or any personal guarantees provided by our Promoter.**

Our Promoters and Directors have provided personal guarantees to secure a significant portion of our existing borrowings, and may post listing continue to provide such guarantees and other security. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter and Directors may be invoked, which could negatively impact the reputation of our Company. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoters and Directors may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. Also, if our Promoters and Directors revoke their personal guarantees and we may not be successful in procuring alternate guarantees and property satisfactory to the lenders, as a result we may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “**Financial Indebtedness**” on page no. 221 of this Prospectus.

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

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

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

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

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

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

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

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

We are also subject to laws and regulations governing relationships with our employees, in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees. If we fail to comply with such regulations, it could lead to enforced shutdowns and/or other sanctions imposed by the relevant authorities. If labour laws become more stringent, it may become difficult for us to maintain and continue to optimize our flexible human resource policies, which could have an adverse effect on our business, financial condition, results of operations and cash flows. Our financial condition may also be adversely affected by other changes in labour laws.

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

We have never declared or paid any cash dividends in the past three years. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and in accordance with the dividend distribution policy adopted by our Board 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. Please refer to the chapter titled "**Dividend Policy**" beginning on page 192 of this Prospectus.

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

Certain of our Directors (including our individual Promoters) hold equity interests in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see **“Our Management”**, on page 167 of this Prospectus.

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

After completion of the Issue, our Promoters and Promoter Group will collectively own 71.95% of the total post issue Equity Shares. As a result, our Promoter together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring any strategic decision favourable to the Company or effecting a change in control of our Company for the betterment of the stakeholders.

In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**52. Our hospital is susceptible to risks arising on account of fire and other incidents.**

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

**53. Our debt financing agreements contain certain restrictive covenants that may adversely affect our Company's business, credit ratings, prospects, results of operations and financial condition.**

Certain debt financing agreements that our Company has entered into contain restrictive covenants that limit our ability to undertake certain types of transactions. Under our debt financing agreements our Company is required to maintain certain financial covenants. Even though in the past, our company has not faced any instances that adversely affected the Company's business, credit ratings, prospects, results of operations and financial condition, due to restrictive covenants of the debt financing agreements, there can be no assurance that our Company has complied with all such restrictive covenants in a timely manner or at all or that we will be able to observe compliance with all such restrictive covenants in the future. A failure to observe the restrictive covenants under our debt financing agreements may result in termination of our financing agreements, levy of default interest, acceleration of all amounts due under such facilities and the enforcement of any security provided in relation thereto. Any acceleration of amounts due under such debt financing agreements may trigger cross-default or cross-acceleration provisions under other debt financing agreements, which may compel us to dedicate a substantial portion of our cash flow from operations or sell certain assets to make such payments thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, in the event of any of the circumstances coming into effect our business, prospects, results of operations and financial condition may be adversely affected.

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

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

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

**55. *Certain key performance indicators for certain listed industry peers included in this Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete.***

We have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the **“Basis for Issue Price”** beginning on page 93 of the Prospectus. While our business comprises of the healthcare industry, these listed industry peers are related to associate industry. Although this information is sourced from and relied upon on the standalone/consolidated audited financial statements of the relevant listed industry peers for Fiscals 2024 as available on the websites of the Stock Exchanges, including the annual reports of the respective companies for the years ended March 31, 2024 submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There are different methodologies and formulas used to compute the various ratios.

**56. *An inability to renew quality accreditations in a timely manner or at all, or any deficiencies in the quality of our products may adversely affect our business prospects and financial performance.***

We obtain and maintain quality certifications and accreditations from independent certification entities and also comply with prescribed specifications and standards of quality approved by the Government in connection with the products we manufacture. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, in a timely manner or at all, our business prospects and financial performance will be materially and adversely affected.

**57. *Within the parameters as mentioned in the chapter titled “Objects of this Issue” beginning on page 85 of this Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.***

We intend to use entire Issue Proceeds towards Part Funding of Capital Expenditure towards purchase of additional medical equipment and general corporate purpose. We intend to deploy the Net Issue Proceeds in financial year 2024-25 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled **“Objects of the Issue”** beginning on page 85 of this Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled **“Objects of the Issue”** beginning on page 85 of this Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue.

**58. Some of the KMPs and SMPs is associated with our company for less than one year.**

Our Key Management Personnel (Chief Financial Officer and Company Secretary), Senior Managerial Personnel, is associated with our Company for a period of less than one year therefore they may not have been accustomed to the company affairs till date. For details of Key Management Personnel and their appointment, please refer to chapter “**Our Management**” beginning on page 167 of this Prospectus.

**59. Industry information included in this prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.**

We have relied on the industry reports derived from online publicly available sources and other sources for purposes of inclusion of such information in this prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their 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 any of our 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. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this prospectus.

**60. The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.**

Since the Issue size is less than Rs. 10,000.00 Lakh there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

**B. Issue Related Risks**

**61. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.**

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter “**Objects of the Issue**” on page 77 of this Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

**62. There is no guarantee that our Equity Shares will be listed on the SME Platform of BSE Limited in a timely manner or at all.**

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue. In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the SME Platform of BSE Limited within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.



**63. *The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.***

The Issue price is based on numerous factors and may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that you will be able to resell your Shares at or above the Issue Price. Among the factors that could affect our Share price are: variations in the rate of growth of our financial indicators, such as earnings per share, net profit and income; changes in income or earnings estimates or publication of research reports by analysts; speculation in the press or investment community; general market conditions; and domestic and international economic, legal and regulatory factors unrelated to our performance.

**64. *After this Issue, the price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not be sustained.***

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained upon the completion of this Issue. The initial public offering price of the Equity Shares offered hereby was determined through our negotiations with the LM and may not be indicative of the market price of the Equity Shares after this Issue. The market price of our Equity Shares after this Issue will be subject to significant fluctuations in response to, among other factors:

- variations in our operating results and the performance of our business;
- regulatory developments in our target markets affecting us, our customers, or our competitors;
- changes in financial estimates by securities research analysts;
- addition or loss of executive officers or key employees;
- loss of one or more significant customers;
- the performance of the Indian and global economy;
- significant developments in India's economic liberalization and deregulation policies, and the fiscal regime;
- volatility in the Indian and global securities markets;
- performance of our competitors and perception in the Indian market about investment in our industry; and
- adverse media reports, if any, on our Company, or the industry.

Many of these factors are beyond our control. There has been recent volatility in the Indian stock markets and our share price could fluctuate significantly as a result of such volatility in the future. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

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

Once listed, we would be subject to circuit breakers imposed by stock exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

We have applied to BSE Limited to use its name as the Stock Exchange in this offer document for listing our shares on the SME Platform of BSE Limited. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Offer will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a delay in listing the Equity Shares on the SME Platform of BSE Limited. Any delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**67. Any future issuance of Equity Shares may dilute the investors' shareholdings or sales of our Equity Shares by our Promoters or Promoter Group may adversely affect the trading price of our Equity Shares.**

Any future equity issuances by us or sales of our Equity Shares by our Promoters or Promoter Group may adversely affect the trading price of our Equity Shares and our Company's ability to raise capital through an issue of securities. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Additionally, the disposal, pledge or encumbrance of our Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of our Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under the current Indian Income Tax provisions, all transactions of purchase and sales of securities on Indian stock exchanges are subject to levy of securities transaction tax (STT) which will be collected by respective stock exchange on which the securities are transacted. Accordingly, the Indian Income Tax Act has special capital gains tax provisions for all transactions of purchase and sale of equity shares carried out on the Indian Stock Exchanges. Under the current Indian Income Tax provisions, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India.

**69. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.**

In terms of the SEBI (ICDR) Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

**70. The investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.**

Under the Companies Act, 2013, a Company incorporated in India must offer its holders of 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 shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares which are voted on the resolution. However, if the law of the jurisdiction the investors are in does not permit them to exercise their pre-emptive rights without us filing an offering document or registration statement with the applicable authority in the jurisdiction they are in, they will not be able to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, the new securities may be issued to a custodian, who may sell the securities for the investors' benefit. The value such custodian would receive upon the sale of such securities if any, and the related transaction costs cannot be predicted. To the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares, their proportional interest in us would be reduced.

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

The Companies Act and related regulations, the Articles of Association, and the Listing Agreements to be entered into with the Stock Exchange govern the corporate affairs of the Company. The Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights 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 a shareholder than as a shareholder of a corporation in another jurisdiction.

- 72. Our Equity Shares are quoted in Indian Rupees in India, and therefore investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupee and risks associated with the conversion of Indian Rupee proceeds into foreign currency.**

Investors are subject to currency fluctuation risk and convertibility risk since the Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. The volatility of the Indian Rupee against the U.S. dollar and other currencies subjects investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

### **EXTERNAL RISK FACTORS**

- 73. A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows.**

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 country 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 of materials, 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, financial condition and cash flows. 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 margin.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to “**Key Industry Regulations and Policies**” on page 144 of this Prospectus for details of the laws currently applicable to us.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Our Company will comply with relevant regulations as and when applicable. However, any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge being collected by the central and state governments. The GST has led to increase tax incidence and administrative compliance. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase

our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

**75. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

Inflation is typically impacted by factors such as governmental policies, regulations, commodity prices, liquidity and global economic environment. Any change in the government or a change in the economic and deregulation policies could adversely affect the inflation rates. Continued high rates of inflation may increase our costs such as salaries, travel costs and related allowances, which are typically linked to general price levels. There can be no assurance that we will be able to pass on any additional costs to our clients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

**76. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the Mumbai terrorist attacks and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

**77. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

**78. *We have not prepared, and currently do not intend to prepare, our financial statements in accordance with the International Financial Reporting Standards ("IFRS"). Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.***

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the "IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of converged Indian Accounting Standards may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding (restated) period in the comparative Fiscal/period.

**79. *Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business.***

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as "systemic risk," may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counter party, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect our business, financial condition, results of operations and cash flows.

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

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

**81. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.**

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

## SECTION IV: INTRODUCTION

### THE ISSUE

This Initial Public Offer has been authorized pursuant to a resolution of our Board of Directors held on June 14, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013, at the Extra Ordinary General Meeting of the members held on June 21, 2024.

The following is the summary of the Issue:

PARTICULARS	DETAILS
<b>Present Issue <sup>(1)</sup></b>	Up to <b>38,18,000</b> Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of <b>₹54/-</b> per Equity Share aggregating to <b>₹ 2,061.72</b> Lakhs.
<b>Out of which:</b>	
Market Maker Reservation Portion	Up to <b>1,92,000</b> Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of <b>₹54/-</b> per Equity Share aggregating to <b>₹ 103.68</b> Lakhs.
Net Issue to the Public <sup>(2)</sup>	Up to <b>36,26,000</b> Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of <b>₹54/-</b> per Equity Share aggregating to <b>₹ 1,958.04</b> Lakhs.
<b>Out of which:</b>	
Allocation to Retail Individual Investors for <b>up to Rs. 2.00 lakh</b>	<b>18,14,000</b> Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of <b>₹54/-</b> per Equity Share aggregating to <b>₹ 979.56</b> Lakhs.
Allocation to other investors for <b>above Rs. 2.00 lakh</b>	<b>18,12,000</b> Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of <b>₹54/-</b> per Equity Share aggregating to <b>₹ 978.48</b> Lakhs.
<b>Pre- and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	<b>97,95,000</b> Equity Shares having face value of ₹10/- each
Equity Shares outstanding after the Issue*	<b>1,36,13,000</b> Equity Shares having face value of ₹10/- each
<b>Objects of the Issue</b>	Please refer to the section titled <b>“Objects of the issue”</b> beginning on page no. 77 of this prospectus.
<b>Issue Opens on</b>	February 13, 2025
<b>Issue Closes on</b>	February 17, 2025

\*Assuming Full Allotment

<sup>(1)</sup> *The present Issue is being made by our Company in terms of Regulation 229(2) of the SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post-Issue paid-up equity share capital of our Company are being offered to the public for subscription*

<sup>(2)</sup> *This Issue is being made in terms of Section IX of the SEBI (ICDR) Regulations 2018, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per Regulation 253, sub regulation (2) of SEBI (ICDR) Regulations 2018, the allocation in the net issue to public category shall be made as follow:*

(a) *Minimum 50% to the Retail individual investors; and*

(b) *remaining to:*

- i. *individual applicants other than retail individual investors; and*
- ii. *other investors including corporate bodies or institutions; irrespective of the number of specified securities applied for;*

*Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.*

**Explanation:** *For the purpose of Regulation 253, sub-Regulation (2), if the retail individual investor category is entitled to more than fifty percent of the issue size on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

*For further details, kindly refer the chapter titled **“Terms of the Issue”** beginning on page 254 of this prospectus.*

**SUMMARY OF FINANCIAL INFORMATION**
**STATEMENT OF STANDALONE ASSETS & LIABILITIES, AS RESTATED**

Particulars	As at (Rs. In Lakhs)			
	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>I. EQUITY &amp; LIABILITIES</b>				
<b>(1) Shareholder's Fund</b>				
a) Share capital	979.50	979.50	8.00	8.00
b) Reserves and surplus	973.16	733.87	1,174.21	697.99
<b>Total Shareholder's Fund</b>	<b>1,952.66</b>	<b>1,713.37</b>	<b>1,182.21</b>	<b>705.99</b>
<b>(2) Non-Current Liabilities</b>				
a) Long-Term Borrowings	359.35	359.35	401.91	-
b) Deferred Tax Liability (Net)	31.49	27.56	15.53	5.33
c) Long Term provisions	11.07	4.62	3.11	1.94
<b>Total Non Current Liabilities</b>	<b>401.91</b>	<b>391.54</b>	<b>420.56</b>	<b>7.28</b>
<b>(3) Current Liabilities</b>				
a) Short Term Borrowings	616.79	542.53	363.08	-
b) Trade Payables				
- Total Outstanding Dues of Micro and Small Enterprises	8.98	11.98	1.04	0.58
- Total Outstanding Dues of Creditors Other than Micro and Small Enterprises	499.82	492.65	147.78	83.73
c) Other Current Liabilities	95.67	77.69	35.75	46.74
d) Short Term Provisions	77.57	161.76	154.49	220.36
<b>Total Current Liabilities</b>	<b>1,298.83</b>	<b>1,286.61</b>	<b>702.14</b>	<b>351.41</b>
<b>Total Equity &amp; Liabilities</b>	<b>3,653.40</b>	<b>3,391.51</b>	<b>2,304.91</b>	<b>1,064.68</b>
<b>II. ASSETS</b>				
<b>(1) Non-Current Assets</b>				
a) Property, Plant & Equipment and Intangible Assets				
(i) Property, Plant and Equipments	1,591.15	1,584.62	997.39	228.36
(ii) Intangible Assets	-	-	-	-
(iii) Capital Work-In-Progress	498.02	433.68	-	-
<b>Total Fixed Assets</b>	<b>2,089.17</b>	<b>2,018.30</b>	<b>997.39</b>	<b>228.36</b>
b) Non Current Investments	2.74	2.48	1.99	-
c) Other Non- Current Assets	27.12	16.85	7.28	2.71
<b>Total Non Current Assets</b>	<b>29.85</b>	<b>19.33</b>	<b>9.28</b>	<b>2.71</b>
<b>(2) Current assets</b>				
a) Inventories	253.63	195.16	157.72	88.82
b) Trade Receivables	969.74	696.15	585.94	471.35
c) Cash and Cash Equivalents balances	134.51	209.92	321.47	121.15
d) Short Term Loans and advances	47.01	33.57	28.50	5.13
e) Other Current Assets	129.48	219.09	204.62	147.15
<b>Total Current Assets</b>	<b>1,534.37</b>	<b>1,353.89</b>	<b>1,298.24</b>	<b>833.61</b>
<b>Total Assets</b>	<b>3,653.40</b>	<b>3,391.51</b>	<b>2,304.91</b>	<b>1,064.68</b>

For further details, kindly refer the chapter titled "Financial statement as Restated" beginning on page 189 of this prospectus.

## STATEMENT OF STANDALONE PROFIT &amp; LOSS, AS RESTATED

Particulars	For the period ended on (Rs. In lakhs)			
	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>I Income</b>				
Revenue from Operations	2,462.18	4,303.74	3,934.47	4,138.20
Other Income	20.63	35.04	15.09	8.90
<b>Total Income</b>	<b>2,482.81</b>	<b>4,338.78</b>	<b>3,949.56</b>	<b>4,147.10</b>
<b>II Expenditure</b>				
Purchase of Medicines & Consumables	1,024.32	1,733.82	1,653.16	1,757.83
Change in Inventories of Finished goods	(58.47)	(37.44)	(68.90)	(53.55)
Employee Benefit Expenses	304.54	323.64	299.03	371.09
Financial Charges	33.96	60.81	28.04	3.29
Depreciation & Amortisation Expenses	105.74	130.39	57.94	13.19
Other Expenses	749.10	1,424.07	1,322.30	1,158.77
<b>Total Expenses</b>	<b>2,159.20</b>	<b>3,635.29</b>	<b>3,291.58</b>	<b>3,250.62</b>
<b>III Profit Before Exceptional and Extraordinary Items and Tax (I-II)</b>	<b>323.61</b>	<b>703.49</b>	<b>657.98</b>	<b>896.48</b>
IV Exceptional and Extraordinary Items	-	-	-	-
<b>V Profit/(Loss) Before Tax (III-IV)</b>	<b>323.61</b>	<b>703.49</b>	<b>657.98</b>	<b>896.48</b>
<b>VI Tax Expense</b>				
- Current Tax	80.39	165.31	171.56	220.36
- Deferred Tax	3.93	12.03	10.20	4.30
<b>Total Tax Expense</b>	<b>84.32</b>	<b>177.34</b>	<b>181.75</b>	<b>224.66</b>
<b>VII Profit/(Loss) for the Year (V-VI)</b>	<b>239.29</b>	<b>526.15</b>	<b>476.22</b>	<b>671.82</b>
<b>Earnings per Equity share of Rs 10 each/- (Post Bonus)</b>				
<b>Basic EPS</b>	<b>2.44</b>	<b>5.37</b>	<b>4.90</b>	<b>6.91</b>
<b>Diluted EPS</b>	<b>2.44</b>	<b>5.37</b>	<b>4.90</b>	<b>6.91</b>

For further details, kindly refer the chapter titled “Financial statement as Restated” beginning on page 189 of this prospectus.



## STATEMENT OF STANDALONE CASH FLOW, AS RESTATED

Particulars	For the period ended on (Rs. In lakhs)			
	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax as per Profit & Loss A/c	323.61	703.49	657.98	896.48
<b>Adjusted for :</b>				
a. Depreciation	105.74	130.39	57.94	13.19
b. Interest Expenses & Finance Cost	33.96	60.81	28.04	3.29
c. Interest & Other Income	(1.07)	(11.52)	(2.11)	(0.75)
d. Provision for Gratuity	7.17	1.51	1.17	1.00
<b>Operating profit before working capital changes</b>	<b>469.41</b>	<b>884.68</b>	<b>743.02</b>	<b>913.21</b>
<b>Adjusted for :</b>				
a. Decrease /(Increase) in Inventories	(58.47)	(37.44)	(68.90)	(53.55)
b. Decrease / ( Increase ) in Trade Receivable	(273.60)	(110.21)	(114.59)	(471.20)
c. ( Increase ) / Decrease in Short Term Loans and Advances	(13.44)	(5.07)	(23.37)	(5.05)
d. Increase / ( Decrease ) in Trade Payables	4.18	355.81	64.51	(68.69)
e. Increase / ( Decrease ) in Other Current Liabilities & Provisions	17.98	55.47	(28.06)	22.51
f. ( Increase ) / Decrease in Other Current Assets	89.61	(14.47)	(57.47)	(136.37)
<b>Cash generated from operations</b>	<b>(233.73)</b>	<b>244.08</b>	<b>(227.87)</b>	<b>(712.35)</b>
Net Income Tax (Paid)/Refund	(165.32)	(171.56)	(220.36)	(8.76)
<b>Net Cash Generated/(Used) From Operating Activities (A)</b>	<b>70.35</b>	<b>957.21</b>	<b>294.78</b>	<b>192.10</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
a. (Purchase) Sale of Fixed Assets	(176.62)	(1,151.30)	(826.97)	(167.52)
b.( Purchase) / Sale of Non-Current Investment	(0.26)	(0.49)	(1.99)	-
c. ( Increase ) / Decrease in Other Non Current Assets	(10.27)	(9.57)	(4.57)	(0.71)
d. Interest & Other Income	1.07	11.52	2.11	0.75
<b>Net Cash Generated/(Used) From Investing Activities (B)</b>	<b>(186.06)</b>	<b>(1,149.83)</b>	<b>(831.42)</b>	<b>(167.49)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
a. Interest & Finance Cost	(33.96)	(60.81)	(28.04)	(3.29)
b. Proceeds from Share issued including Premium	-	5.00	-	-
c. ( Repayments ) / proceeds of Long Term Borrowings	-	(42.56)	401.91	-
d. ( Repayments ) / proceeds of Short Term Borrowings	74.26	179.45	363.08	-
<b>Net Cash Generated/(Used) From Financing Activities (C)</b>	<b>40.30</b>	<b>81.08</b>	<b>736.96</b>	<b>(3.29)</b>
<b>Net Increase / ( Decrease ) in Cash and cash equivalents</b>	<b>(75.41)</b>	<b>(111.55)</b>	<b>200.32</b>	<b>21.33</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>209.92</b>	<b>321.47</b>	<b>121.15</b>	<b>99.82</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>134.51</b>	<b>209.92</b>	<b>321.47</b>	<b>121.15</b>

For further details, kindly refer the chapter titled “Financial statement as Restated” beginning on page 189 of this prospectus.

## SECTION V: GENERAL INFORMATION

### GENERAL INFORMATION

Our company was originally incorporated as a Private Limited Company under the name "*Shanmuga Hospital Private Limited*" on June 26, 2020, in accordance with the Companies Act, 2013. We received a fresh certificate of incorporation, bearing the corporate identification number U85110TZ2020PTC033974, from the Registrar of Companies, Central Registration Centre. Subsequently, our company converted into a public limited company, resulting in a name change to "*Shanmuga Hospital Limited*". This alteration was formally recorded in a new Certificate of Incorporation dated June 06, 2024, with the Corporate Identification Number U85110TZ2020PLC033974, issued by the Registrar of Companies, Central Processing Centre. For further details of change in name and registered office of our company, please refer to section titled "*Our History and Certain Corporate Matters*" beginning on page no 159 of the Prospectus.

#### Brief of Company and Issue Information

<b>Registered Office</b>	<b>Shanmuga Hospital Limited</b> 51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India <b>Contact Person:</b> CS Veera Pratap Reddy Gandluru <b>Contact No:</b> +91 427 2706674 <b>Email ID:</b> <a href="mailto:cs@smrft.org">cs@smrft.org</a> <b>Website:</b> <a href="http://www.shanmugahospital.com">www.shanmugahospital.com</a>
<b>Date of Incorporation</b>	June 26, 2020
<b>Corporate Identification Number</b>	U85110TZ2020PLC033974
<b>Company Category</b>	Company Limited by Shares
<b>Company Subcategory</b>	Indian Non-Government Company
<b>Address of Registrar of Companies</b>	<b>Registrar Of Companies, Coimbatore</b> No.7, AGT Business Park, I Floor, Phase II, Avinashi Road, Civil Aerodrome Post, Coimbatore- 641014, Tamil Nadu, India
<b>Designated Stock Exchange<sup>^</sup></b>	<b>BSE Limited,</b> SME Platform of BSE Limited ("BSE SME") P.J. Towers, Dalal Street, Mumbai – 400 001
<b>Company Secretary and Compliance Officer</b>	<b>CS Veera Pratap Reddy Gandluru</b> <b>Shanmuga Hospital Limited</b> 51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India <b>Contact No:</b> +91 +91 427 2706674 <b>Email ID:</b> <a href="mailto:cs@smrft.org">cs@smrft.org</a> <b>Website:</b> <a href="http://www.shanmugahospital.com">www.shanmugahospital.com</a>
<b>Chief Financial Officer</b>	<b>Mr. Karthick</b> <b>Shanmuga Hospital Limited</b> 51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India <b>Contact No:</b> +91 9715193944 <b>Email ID:</b> <a href="mailto:headaccounts@smrft.org">headaccounts@smrft.org</a> <b>Website:</b> <a href="http://www.shanmugahospital.com">www.shanmugahospital.com</a>
<b>Peer Review / Statutory Auditor of the company</b>	<b>M/s. P P N and Company, Chartered Accountants</b> No. 2, IV Cross Street, Sterling Road, Nungambakkam, Chennai- 600034 <b>Contact Person:</b> CA R. Rajaram <b>Email ID:</b> <a href="mailto:info@ppnaco.com">info@ppnaco.com</a> <b>Contact No.:</b> +91 98844 48912 <b>Designation:</b> Partner <b>Membership No.:</b> 238452 <b>Firm Registration No:</b> 013623S <b>Peer Review Certificate No:</b> 013578, Valid till 30-09-2025

<sup>^</sup> In compliance with Regulation 230(1)(a) of SEBI (ICDR) Regulation, 2018, we have made an application to SME Platform of BSE only for listing of our equity shares.

### Board of Directors of Our Company

Our Company's Board comprises of the following Directors:

Sl. No.	Name of the Director	DIN	Current Designation	Address
1	Panneerselvam Palaniappan Shanmugam	08772887	Managing Director	49 Saradha College Road, Opposite LRN Hotel, Salem, Tamil Nadu, India, 636007
2	Prabu Sankar Panneerselvam	08772888	Executive Director & CEO	49 Saradha College Road, Opposite LRN Hotel, Salem, Tamil Nadu, India, 636007
3	Jayalakshmi Panneerselvam	10692764	Executive Director	49 Saradha College Road, Opposite LRN Hotel, Salem, Tamil Nadu, India, 636007
4	Dhandapani Priyadharshni	10469316	Non-Executive Director	49 LRN Colony Saradha College Road, Salem, Tamil Nadu, India, 636007
5	Karuppiyah Saravanan	10692765	Non-Executive Director	54, Sri Nagar, Pallakadu, Chinnathirupathi, Kannankurichi, Salem - 636008, Tamil Nadu, India
6	Gowri Senkkotaiyyan Attur	07830578	Independent Director	No. 55/17, Dr Ramanathan Street, Salem, Tamil Nadu, India, 636001
7	Rajkumar Ashwin	09217524	Independent Director	20/1, Sri Graha, 7th Cross, Maravaneri, Salem, Tamil Nadu, India, 636007
8	Bhoopathy Akilan	10670386	Independent Director	No. 30/1, Vijayaragava Chariar Road, Kumarasampatti, Salem - 636007, Tamil Nadu, India

For further details of the Board of Directors, please refer to the Section titled "Our Management" on page no. 163 of this prospectus.

### Details of Key Intermediaries pertaining to this Issue and our Company:

LEAD MANAGER	REGISTRAR TO THE ISSUE
<b>FINSHORE MANAGEMENT SERVICES LIMITED</b> 'Anandlok', Block-A, 2 <sup>nd</sup> Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata – 700020, West Bengal <b>Telephone:</b> 033 – 2289 5101 / 4603 2561 <b>Email:</b> <a href="mailto:info@finshoregroup.com">info@finshoregroup.com</a> <b>Website:</b> <a href="http://www.finshoregroup.com">www.finshoregroup.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investors@finshoregroup.com">investors@finshoregroup.com</a> <b>Contact Person:</b> Mr. S. Ramakrishna Iyengar <b>SEBI Registration No:</b> INM000012185 <b>CIN:</b> U74900WB2011PLC169377	<b>INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED</b> No 30, Ramana Residency-4th Cross, Sampige Road, Malleswaram, Bengaluru - 560003 <b>Telephone:</b> 080-23460815/816/817/818 <b>Email:</b> <a href="mailto:smeipo@integratedindia.in">smeipo@integratedindia.in</a> <b>Contact Person:</b> Mr. S Giridhar <b>Website:</b> <a href="http://www.integratedindia.in">www.integratedindia.in</a> <b>SEBI Registration Number:</b> INR000000544 <b>CIN:</b> U74900TN2015PTC101466
BANKER TO THE ISSUE AND SPONSOR BANK	LEGAL ADVISOR TO THE ISSUE
<b>ICICI Bank Limited</b> Capital Market Division, 163, 5th Floor, HT Parekh Marg, Backbay Reclamation, Churchgate, Mumbai-400020 <b>Tel No.:</b> 022 - 68052182 <b>Email:</b> <a href="mailto:ipocmg@icicibank.com">ipocmg@icicibank.com</a> <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a> <b>Contact Person:</b> Mr. Varun Badai	<b>J MUKHERJEE &amp; ASSOCIATES</b> D-1, MMS Chambers, 1 <sup>st</sup> Floor, 4A Council House Street, Kolkata-700001, West Bengal, India <b>Telephone:</b> +91 9830640366 <b>Email ID:</b> <a href="mailto:jmukherjeeandassociates@gmail.com">jmukherjeeandassociates@gmail.com</a> <b>Contact Person:</b> Mr. Jayabrata Mukherjee

*Note: Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.*

*All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.*

### **Statement of Inter Se Allocation of Responsibilities**

Finshore Management Services Limited is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

### **Self-Certified Syndicate Banks ("SCSBs")**

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

### **Issuer Banks for UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above-mentioned SEBI link.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at BSE Limited at [www.bseindia.com](http://www.bseindia.com) as updated from time to time.

### **Brokers to This Issue**

All brokers registered with SEBI and members of the Recognised Stock Exchange can act as brokers to the Offer.

### **Registrar to Issue and Share Transfer Agents**

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at BSE, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Credit Rating**

This being an Issue of Equity Shares, credit rating is not required.

### Trustees

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

### Debenture Trustees

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

### IPO Grading

Since the Issue is being made in terms of Section IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

### Monitoring Agency

As per regulation 262(1) of the SEBI ICDR Regulations 2018, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs.10,000 Lakhs. Since the Issue size is only of **₹ 2,061.72 Lakhs**, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### Appraising Entity

No appraising entity has been appointed in respect of any objects of this Issue.

### Filing of Draft Prospectus/Prospectus with the SEBI/ROC

In terms of Regulation 246(1) of the SEBI (ICDR) Regulations, 2018, a copy of the Prospectus shall be filed with the Board (SEBI) through the Lead Manager, immediately upon filing of the offer document with the Registrar of Companies. However, as per Regulation 246(2) of the SEBI (ICDR) Regulations, 2018, the Board (SEBI) shall not issue any observation on the offer document.

In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, 2018, a copy of the Prospectus shall also be furnished to the Board in a soft copy.

A copy of the Prospectus shall be filed electronically with the SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI and with the Designated Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, a copy of the Draft Prospectus will be mailed at the e-mail address: [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in)

A copy of the Prospectus, along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013 would be delivered for filing to the **Registrar of Companies – Coimbatore**.

### Issue Programme

Issue Opening Date	February 13, 2025
Issue Closing Date	February 17, 2025
Finalisation of Basis of Allotment with BSE SME	February 18, 2025
Initiation of Allotment / Refunds/ unblocking of ASBA Accounts	February 20, 2025
Credit of Equity Shares to demat accounts of the Allottees	February 20, 2025
Commencement of trading of the Equity Shares on BSE SME	February 21, 2025

### Expert Opinion

Our Company has not obtained any expert opinions except we have received consent from the Peer review Auditors of the Company to include their name as an expert in this prospectus in relation to the (a) Peer review Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits by the Peer review Auditors and such consent has not been withdrawn as on the date of this prospectus.

**Change in Auditors during the last three (3) years**

<b>Name of the Auditor</b>	<b>M/s. JV &amp; Co.</b>	<b>M/s. P P N and Company</b>
<b>FRN/Mem. No</b>	006382S	013623S
<b>Peer Review No.</b>	--	013578
<b>Date of Appointment</b>	31/12/2021	30/09/2023
<b>Date of Resignation</b>	18/08/2023	-
<b>Period From</b>	01/04/2021	01/04/2023
<b>Period to</b>	31/03/2026	31/03/2028
<b>Email ID</b>	<a href="mailto:jvslm@hotmail.com">jvslm@hotmail.com</a>	<a href="mailto:info@ppnaco.com">info@ppnaco.com</a>
<b>Address</b>	27/1, Narayan Extension, Salem – 636007, Tamil Nadu	No. 2, IV Cross Street, Sterling Road, Nungambakkam, Chennai- 600034
<b>Reason for Change</b>	Due to Personal Reasons	Having Peer Review Certificate

**Underwriter**

In terms of Regulation 260 (1) of the SEBI (ICDR) Regulations, 2018, the initial public offer shall be underwritten for hundred per cent (100%) of the offer and shall not be restricted up to the minimum subscription level and as per sub regulation (2) The lead manager(s) shall underwrite at least fifteen per cent of the issue size on their own account(s).

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated September 06, 2024 and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

<b>Name, Address, Telephone, and Email of the Underwriter</b>	<b>Indicated number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten</b>	<b>% of the total Issue Size Underwritten</b>
<b>Finshore Management Services Limited</b> Anandlok, Block-A, 2 <sup>nd</sup> Floor, Room No. 207, 227 A.J.C. Bose Road, Kolkata-700020, West Bengal, India <b>Tel No:</b> 033 – 2289 5101 / 4603 2561 <b>Website:</b> www.finshoregroup.com <b>Email:</b> info@finshoregroup.com <b>Investor Grievance Email:</b> <a href="mailto:investors@finshoregroup.com">investors@finshoregroup.com</a> <b>Contact Person:</b> Mr. S. Ramakrishna Iyengar <b>SEBI Registration No:</b> INM000012185	38,18,000 Equity Shares*	₹ 2,061.72 Lakhs	100.00%

\*Includes 1,92,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker vide their agreement dated September 06, 2024 in order to comply with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriter and Market Maker are sufficient to enable them to discharge their respective underwriting obligations in full.

**Details of Market Making Arrangement for This Issue**

Our Company and the Lead Manager has entered into Market Making Agreement dated September 06, 2024 with the following Market Maker to fulfil the obligations of Market Making for this Issue:

<b>Name</b>	Black Fox Financial Private Limited
<b>Address</b>	M-55, M Block Market, Greater Kailash-2, 3rd Floor, New Delhi – 110048, India
<b>Contact Person</b>	Mr. Suresh Bohra
<b>Telephone</b>	+91 11 41611745
<b>E-mail</b>	<a href="mailto:suresh@blackfoxindia.com">suresh@blackfoxindia.com</a>
<b>Website</b>	<a href="http://www.blackfoxindia.com">www.blackfoxindia.com</a>
<b>SEBI Registration No</b>	INZ000207033
<b>CIN</b>	U74999DL1992PTC048924
<b>MM Registration No</b>	SMEMM0631011102013

M/s. Black Fox Financial Private Limited, registered with BSE, will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified in SEBI (ICDR) Regulations as amended from time to time.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by the BSE and SEBI in this matter from time to time.

- *In terms of regulation 261(1) of SEBI ICDR Regulations 2018, the Market Making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by the BSE and SEBI regarding this matter from time to time.*
- *In terms of regulation 261(2) of SEBI ICDR Regulations 2018, The market maker or issuer, in consultation with the lead manager(s) may enter into agreements with the nominated investors for receiving or delivering the specified securities in market making, subject to the prior approval of the BSE.*
- *In terms of regulation 261(3) of SEBI ICDR Regulations 2018, Following is a summary of the key details pertaining to the Market Making arrangement*
  1. The Market Maker “Black Fox Financial Private Limited” shall be required to provide a two-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
  2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE SME and SEBI from time to time.
  3. The Market Maker is required to comply with SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 and SEBI ICDR Regulations and relevant Exchange Circulars requirement for Market Makers on SME platform.
  4. The minimum depth of the quote shall be Rs.1.00 Lakh. However, the investors with holdings of value less than Rs. 1.00 Lakh shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
  5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
  6. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on BSE SME (in this case currently the minimum trading lot size is 2,000 equity shares; however, the same may be changed by the BSE SME from time to time).
  7. The shares of the Company will be traded in Trade for Trade Segment for the first 10 days from commencement of trading (as per SEBI Circular no: CIR/MRD/DP/ 02/2012 dated January 20, 2012) on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
  8. The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the BSE.
  9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
  10. In terms of regulation 261(6) of SEBI ICDR Regulations 2018, Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of **Shanmuga Hospital Limited** or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.

11. In terms of regulation 261(7) of SEBI ICDR Regulations 2018, The Promoters' holding of **Shanmuga Hospital Limited** shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the promoters' holding of **Shanmuga Hospital Limited** which is not locked-in as per the SEBI (ICDR) Regulations, 2018 as amended, can be traded with prior permission of the SME Platform of BSE, in the manner specified by SEBI from time to time.
12. The Lead Manager may be represented on the Board of the Issuer Company in compliance with Regulation 261 (8) of SEBI (ICDR) Regulations, 2018.
13. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer Company at any particular level and is purely supposed to facilitate liquidity on the counter of **Shanmuga Hospital Limited** via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.
14. **Risk containment measures and monitoring for Market Maker:** BSE SME will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
15. **Punitive Action in case of default by Market Maker(s):** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case they are not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

The Market Maker(s) shall have the right to terminate said arrangement by giving 3 (three) months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the relevant laws and regulations applicable at that particular point of time.

16. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction
17. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the issue size)	Re-entry threshold for buy quote (including mandatory initial inventory of 5% of the issue size)
Up to Rs.20 Crore	25%	24%
Rs. 20 to Rs.50 Crore	20%	19%
Rs. 50 to Rs.80 Crore	15%	14%
Above Rs. 80 Crore	12%	11%

18. All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.



19. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

- *In terms of regulation 261(4) of SEBI ICDR Regulations 2018, The specified securities being bought or sold in the process of market making may be transferred to or from the nominated investors with whom the lead manager(s) and the issuer have entered into an agreement for market making: Provided that the inventory of the market maker, as on the date of allotment of the specified securities, shall be at least five per cent. of the specified securities proposed to be listed on BSE SME.*
- *In terms of regulation 261(5) of SEBI ICDR Regulations 2018, The market maker shall buy the entire shareholding of a shareholder of the issuer in one lot, where the value of such shareholding is less than the minimum contract size allowed for trading on the BSE SME: Provided that market maker shall not sell in lots less than the minimum contract size allowed for trading on the BSE SME.*

## SECTION VI: CAPITAL STRUCTURE

### CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of this prospectus, is set forth below:

(₹ in Lakhs except share data)

No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A.	<b>Authorized Share Capital</b>		
	1,40,00,000 Equity Shares of ₹10/- each	1,400.00	--
B.	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Offer<sup>(1)</sup></b>		
	97,95,000 Equity Shares of ₹10/- each	979.50	--
C.	<b>Present issue in terms of the prospectus<sup>(2)</sup></b>		
	Up to 38,18,000 Equity Shares of ₹10/- each for cash at a price of ₹54/- per share aggregating to ₹ 2,061.72 lakhs	381.80	2,061.72
<b>Which Comprises of</b>			
D.	<b>Reservation for Market Maker portion</b>		
	1,92,000 Shares of ₹10/- each for cash at a price a ₹54/- per Equity Share aggregating to ₹ 103.68 lakhs	19.20	103.68
E.	<b>Net Issue to the Public</b>		
	36,26,000 Equity Shares of ₹10/- each for cash at a price a ₹54/- per Equity Share aggregating to ₹ 1,958.04 lakhs, <b>out of which:</b>	362.60	1,958.04
	18,14,000 Equity Shares of ₹10/- each for cash at a price a ₹54/- per Equity Share aggregating to ₹ 979.56 lakhs will be available for allocation for allotment to Retail Individual Investors of <b>up to ₹2.00 lakhs</b>	181.40	979.56
	18,12,000 Equity Shares of ₹10/- each for cash at a price a ₹54/- per Equity Share aggregating to ₹ 978.48 lakhs will be available for allocation for allotment to Other Investors of <b>above ₹2.00 lakhs</b>	181.20	978.48
F.	<b>Paid up Equity capital after the Issue</b>		
	1,36,13,000 Equity Shares of ₹10/- each	1,361.30	
G.	<b>Securities Premium Account</b>		
	Before the Issue	Nil	
	After the Issue	1,679.92	

<sup>(1)</sup> Our Company has only one class of share, i.e., Equity Shares having face value of ₹10/- each and there are no partly paid-up Equity Shares or preference shares or convertible securities outstanding for conversion as on the date of this prospectus.

<sup>(2)</sup> This Initial Public Offer has been authorized pursuant to a resolution of our Board of Directors dated **June 14, 2024** and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting of the members held on **June 21, 2024**.

**Details of changes in Authorized Share Capital of our Company since incorporation:**

Date of Shareholders approval	EGM/AGM/ Postal Ballot	Authorized Share Capital (₹)	Details of change
26-06-2020	On Incorporation	15,00,000	Incorporated with an Authorized Share Capital of ₹15,00,000 comprising of 15,000 Equity Shares of Face Value of ₹ 100/- each
21-03-2022	EGM	5,15,00,000	Increase in Authorized Share Capital from ₹15,00,000 comprising of 15,000 Equity Shares of Face Value of ₹ 100/- each to ₹5,15,00,000 comprising of 5,15,000 Equity Shares of Face Value of ₹ 100/- each
31-03-2022	EGM	5,15,00,000	Sub-division of Authorized Share Capital from ₹ 5,15,00,000 divided into 5,15,000 Equity Shares of ₹ 100/- each to ₹ 5,15,00,000 divided into 51,50,000 Equity Shares of ₹ 10/- each
28-03-2023	EGM	7,15,00,000	Increase in Authorized Share Capital from ₹ 5,15,00,000 divided into 51,50,000 Equity Shares of ₹ 10/- each to ₹ 7,15,00,000 divided into 71,50,000 Equity Shares of Face Value of ₹ 10/- each
26-12-2023	EGM	14,00,00,000	Increase in Authorized Share Capital from ₹ 7,15,00,000 divided into 71,50,000 Equity Shares of ₹ 10/- each to ₹ 14,00,00,000 comprising of 1,40,00,000 Equity Shares of Face Value of ₹ 10/- each

**Notes to Capital Structure**
**Share capital history of our Company**
**(a) Equity shares capital history of our Company:**

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

Date of Allotment	No. of Equity Shares allotted	Face Value per Equity Share (In ₹)	Issue Price per Equity Share (In ₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up Capital (in ₹)
26-06-2020 <sup>(1)</sup>	8,000	100.00	100.00	Cash	Subscription to MOA	8,000	8,00,000
Pursuant to a resolution passed by our Shareholders at the EGM dated March 31, 2022, the Equity Shares of face value of ₹ 100/- each were sub-divided into Equity Shares of face value of ₹10/-each. Therefore, the cumulative number of issued, subscribed and paid-up Equity Shares, pursuant to sub-division was increased from 8,000 equity shares of ₹100 each to 80,000 Equity Shares of ₹ 10/-each.							
05-05-2023 <sup>(2)</sup>	64,00,000	10.00	10.00	Nil	Bonus Issue	64,80,000	6,48,00,000
08-07-2023 <sup>(3)</sup>	50,000	10.00	10.00	Nil	Rights Issue	65,30,000	6,53,00,000
16-02-2024 <sup>(4)</sup>	32,65,000	10.00	-	Nil	Bonus Issue	97,95,000	9,79,50,000

(1) Allotment of 8,000 Equity Shares on Initial subscription to the Memorandum of Association dated 26-06-2020:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Panneerselvam Palaniappan Shanmugam	100.00	100.00	Subscription to MOA	2,000
2	Prabu Sankar Panneerselvam	100.00	100.00	Subscription to MOA	2,000
3	Jayalakshmi Panneerselvam	100.00	100.00	Subscription to MOA	2,000
4	Priyadharshni Dhandapani	100.00	100.00	Subscription to MOA	2,000
<b>Total</b>					<b>8,000</b>

- (2) Further on 05-05-2023, Company has allotted 64,00,000 Equity Shares as Bonus Share in the ratio 80:1 i.e., Eighty fully paid-up Equity Shares of Face Value Rs. 10/- each for every One fully paid-up existing equity share held by existing shareholders as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Panneerselvam Palaniappan Shanmugam	10.00	-	Bonus Issue	16,00,000
2	Prabu Sankar Panneerselvam	10.00	-	Bonus Issue	16,00,000
3	Jayalakshmi Panneerselvam	10.00	-	Bonus Issue	16,00,000
4	Priyadharshni Dhandapani	10.00	-	Bonus Issue	16,00,000
<b>Total</b>					<b>64,00,000</b>

- (3) Further on 08-07-2023, Company has allotted 50,000 Equity Shares of Face Value Rs. 10/- each as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Harishankar Jayakumar	10.00	10.00	Rights Issue	10,000
2	Madhu Malar	10.00	10.00	Rights Issue	10,000
3	Dhandapani Adimoolam	10.00	10.00	Rights Issue	10,000
4	D Madhavi	10.00	10.00	Rights Issue	10,000
5	Murugavel R.	10.00	10.00	Rights Issue	10,000
<b>Total</b>					<b>50,000</b>

- (4) Further on 16-02-2024, Company has allotted 32,65,000 Equity Shares as Bonus Share in the ratio 1:2 i.e., One fully paid-up Equity Share of Face Value Rs. 10/- each for every Two fully paid-up existing equity shares held by existing shareholders as per details given below:

Sl. No.	Name of the allottee	Face Value (₹)	Issue Price (₹)	Nature of Allotment	Number of Equity Shares allotted
1	Panneerselvam Palaniappan Shanmugam	10.00	-	Bonus Issue	8,10,000
2	Prabu Sankar Panneerselvam	10.00	-	Bonus Issue	8,10,000
3	Jayalakshmi Panneerselvam	10.00	-	Bonus Issue	8,10,000
4	Priyadharshni Dhandapani	10.00	-	Bonus Issue	8,10,000
5	Harishankar Jayakumar	10.00	-	Bonus Issue	5,000
6	Madhu Malar	10.00	-	Bonus Issue	5,000
7	Dhandapani Adimoolam	10.00	-	Bonus Issue	5,000
8	D Madhavi	10.00	-	Bonus Issue	5,000
9	Murugavel R.	10.00	-	Bonus Issue	5,000
<b>Total</b>					<b>32,65,000</b>

As on the date of this prospectus, our Company does not have any preference share capital.

**(b) Equity shares issued for consideration other than cash:**

As on the date of this prospectus, Our Company has not issued Equity shares for consideration other than cash except as mentioned below.

Date of Allotment	Number of Equity Shares allotted	Issue Price (In ₹)	Consideration	Reason for Allotment	Name of the Allottee	Benefit accruing to the company
05-05-2023	64,00,000	Nil	Nil	Bonus Issue	#	Capitalization of reserves
16-02-2024	32,65,000	Nil	Nil	Bonus Issue	#	Capitalization of reserves

#For list of allottees, see note 2 & 4 of paragraph titled "Equity Share Capital History of our Company" mentioned above.

**(c) Revaluation of our assets:**

We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

**(d) If shares have been issued in terms of any scheme approved under section 230-234 of the Companies Act, 2013:**

Our Company has not issued any Equity Shares in terms of any scheme approved under section 230-234 of the Companies Act, 2013.

**(e) If shares have been issued under one or more employee stock option schemes:**

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this prospectus.

**(f) Issue of Equity Shares in the last one year below the Issue Price:**

Except as mentioned above, our company has not issued equity shares at a price lower than the issue price of ₹ 54/- each during the preceding one year from the date of this prospectus.

**(g) Shareholding Pattern of our Company:**

The table below presents the current shareholding pattern of our Company as on the date of this prospectus.

Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding 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 dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (Sb)	
								Class: X	Class: Y	Total								
A1	Promoter	4	97,20,000	-	-	97,20,000	99.23%	97,20,000	-	97,20,000	99.23%	-	99.23%	-	-	-	-	97,20,000
A2	Promoter Group	5	75,000	-	-	75,000	0.77%	75,000	-	75,000	0.77%	-	0.77%	-	-	-	-	75,000
B	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<b>9</b>	<b>97,95,000</b>	<b>-</b>	<b>-</b>	<b>97,95,000</b>	<b>100.00%</b>	<b>97,95,000</b>	<b>-</b>	<b>97,95,000</b>	<b>100.00%</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,95,000</b>

As on date of this prospectus, 1 Equity share holds 1 vote.

As on date, we have only one class of Equity Shares of face value of Rs. 10/- each.

All Pre-IPO equity shares of our company will be locked-in as per regulations of SEBI ICDR prior to listing of shares on SME Platform of BSE.

In terms of regulation 230(1)(d) of SEBI ICDR Regulation 2018, all specified securities held by promoters are dematerialized.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of BSE before commencement of trading of such Equity Share.

- (i) **List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to at least 80% of capital of our Company as on the date of the prospectus:**

Sl. No.	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue paid-up capital
1	Panneerselvam Palaniappan Shanmugam	24,30,000	24.81%
2	Prabu Sankar Panneerselvam	24,30,000	24.81%
3	Jayalakshmi Panneerselvam	24,30,000	24.81%
4	Priyadharshni Dhandapani	24,30,000	24.81%
<b>Total</b>		<b>97,20,000</b>	<b>99.23%</b>

- (ii) **List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to at least 80% of capital of our Company as on a date 10 days before the date of the prospectus:**

Sl. No.	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue paid-up capital
1	Panneerselvam Palaniappan Shanmugam	24,30,000	24.81%
2	Prabu Sankar Panneerselvam	24,30,000	24.81%
3	Jayalakshmi Panneerselvam	24,30,000	24.81%
4	Priyadharshni Dhandapani	24,30,000	24.81%
<b>Total</b>		<b>97,20,000</b>	<b>99.23%</b>

- (iii) **List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to atleast 80% of capital of our Company as on a date 1 (one) year before the date of the prospectus:**

Sl. No.	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue paid-up capital
1	Panneerselvam Palaniappan Shanmugam	20,000	25.00%
2	Prabu Sankar Panneerselvam	20,000	25.00%
3	Jayalakshmi Panneerselvam	20,000	25.00%
4	Priyadharshni Dhandapani	20,000	25.00%
<b>Total</b>		<b>80,000</b>	<b>100.00%</b>

- (iv) **List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to at least 80% of capital of our Company as on a date 2 (two) year before the date of the prospectus:**

Sl. No	Name of Shareholders	Number of Equity Shares	% of the Pre-Issue paid-up capital
1	Panneerselvam Palaniappan Shanmugam	2,000	25.00%
2	Prabu Sankar Panneerselvam	2,000	25.00%
3	Jayalakshmi Panneerselvam	2,000	25.00%
4	Priyadharshni Dhandapani	2,000	25.00%
<b>Total</b>		<b>8,000</b>	<b>100.00%</b>

- (h) **Proposal or intention to alter our capital structure within a period of 6 months from the date of opening of the Issue:**

Our Company does not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company after obtaining relevant approvals.

(i) *The Details of Shareholding of Promoter of Our Company;*

**Capital Build-up of our Promoter in our Company:** The current promoters of our Company are Mr. Panneerselvam Palaniappan Shanmugam and Mr. Prabu Sankar Panneerselvam.

Pursuant to Regulation 236 of SEBI (ICDR) Regulations 2018, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company. As on the date of this prospectus, our Promoters collectively hold 97,20,000 Equity Shares, which constitutes approximately 99.23% of the pre-IPO issued, subscribed and paid-up Equity Share capital of our Company and approximately 71.40% of the post-IPO issued, subscribed and paid-up Equity Share capital assuming full allotment of the shares offered in IPO. The Details are as under:

Particulars	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
<b>Promoter</b>				
Panneerselvam Palaniappan Shanmugam	24,30,000	24.81%	24,30,000	17.85%
Prabu Sankar Panneerselvam	24,30,000	24.81%	24,30,000	17.85%
Priyadharshni Dhandapani	24,30,000	24.81%	24,30,000	17.85%
Jayalakshmi Panneerselvam	24,30,000	24.81%	24,30,000	17.85%
<b>Total Promoters Shareholding</b>	<b>97,20,000</b>	<b>99.23%</b>	<b>97,20,000</b>	<b>71.40%</b>

All the Equity Shares allotted and held by our Promoter were fully paid at the time of allotment itself. Further, none of the Equity Shares held by our Promoters are subject to any pledge.

*Set forth below is the build-up of the equity shareholding of our Promoter since the incorporation of our Company.*

i) *Panneerselvam Palaniappan Shanmugam*

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of transaction	Pre-issue Share Holding %	Post-issue Share Holding %	Pledge
26-06-2020	2,000	100.00	100.00	Cash	Subscription to MoA	0.02%	0.01%	No
Pursuant to a resolution of our Shareholders dated March 31, 2022, each equity shares of our Company bearing face value of ₹100 each was sub-divided into 10 equity shares of bearing face value of ₹10 each. Accordingly, the shareholding of Panneerselvam Palaniappan Shanmugam changed from 2,000 equity shares bearing face value of ₹100 each to 20,000 equity shares bearing face value of ₹10 each.								
05-05-2023	16,00,000	10.00	-	Nil	Bonus Issue	16.33%	11.75%	No
16-02-2024	8,10,000	10.00	-	Nil	Bonus Issue	8.27%	5.95%	No
<b>Total</b>	<b>24,30,000</b>					<b>24.81%</b>	<b>17.85%</b>	

ii) *Prabu Sankar Panneerselvam*

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of transaction	Pre-issue Share Holding %	Post-issue Share Holding %	Pledge
26-06-2020	2,000	100.00	100.00	Cash	Subscription to MoA	0.02%	0.02%	No
Pursuant to a resolution of our Shareholders dated March 31, 2022, each equity shares of our Company bearing face value of ₹100 each was sub-divided into 10 equity shares of bearing face value of ₹10 each. Accordingly, the shareholding of Prabu Sankar Panneerselvam changed from 2,000 equity shares bearing face value of ₹100 each to 20,000 equity shares bearing face value of ₹10 each.								
05-05-2023	16,00,000	10.00	-	Nil	Bonus Issue	16.33%	11.75%	No
16-02-2024	8,10,000	10.00	-	Nil	Bonus Issue	8.27%	5.95%	No
<b>Total</b>	<b>24,30,000</b>					<b>24.81%</b>	<b>17.85%</b>	



## iii) Priyadharshni Dhandapani

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of transaction	Pre-issue Share Holding %	Post-issue Share Holding%	Pledge
26-06-2020	2,000	100.00	100.00	Cash	Subscription to MoA	0.02%	0.02%	No
Pursuant to a resolution of our Shareholders dated March 31, 2022, each equity shares of our Company bearing face value of ₹100 each was sub-divided into 10 equity shares of bearing face value of ₹10 each. Accordingly, the shareholding of Priyadharshni Dhandapani changed from 2,000 equity shares bearing face value of ₹100 each to 20,000 equity shares bearing face value of ₹10 each.								
05-05-2023	16,00,000	10.00	-	Nil	Bonus Issue	16.33%	11.75%	No
16-02-2024	8,10,000	10.00	-	Nil	Bonus Issue	8.27%	5.95%	No
<b>Total</b>	<b>24,30,000</b>					<b>24.81%</b>	<b>17.85%</b>	

## iv) Jayalakshmi Panneerselvam

Date of Allotment/ Acquisition/ Sale	Number of Equity Shares	Face Value (₹)	Issue/ Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of transaction	Pre-issue Share Holding %	Post-issue Share Holding%	Pledge
26-06-2020	2,000	100.00	100.00	Cash	Subscription to MoA	0.02%	0.02%	No
Pursuant to a resolution of our Shareholders dated March 31, 2022, each equity shares of our Company bearing face value of ₹100 each was sub-divided into 10 equity shares of bearing face value of ₹10 each. Accordingly, the shareholding of Jayalakshmi Panneerselvam changed from 2,000 equity shares bearing face value of ₹100 each to 20,000 equity shares bearing face value of ₹10 each.								
05-05-2023	16,00,000	10.00	-	Nil	Bonus Issue	16.33%	11.75%	No
16-02-2024	8,10,000	10.00	-	Nil	Bonus Issue	8.27%	5.95%	No
<b>Total</b>	<b>24,30,000</b>					<b>24.81%</b>	<b>17.85%</b>	

**Note:** All the Equity Shares held by our Promoter were fully paid up as on the respective dates of acquisition of such Equity Shares and there are no partly paid-up Equity Shares as on the date of filing of this prospectus.

(j) As on date of this prospectus, our Company has 9 (Nine) shareholders.

(k) The aggregate shareholding of the Promoter and Promoter Group and of the directors of the promoter, where the promoter is a body corporate:

The Aggregate shareholding of the Promoters & Promoter Group is as under:

Particulars	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
<b>Promoters</b>				
Panneerselvam Palaniappan Shanmugam	24,30,000	24.81%	24,30,000	17.85%
Prabu Sankar Panneerselvam	24,30,000	24.81%	24,30,000	17.85%
Priyadharshni Dhandapani	24,30,000	24.81%	24,30,000	17.85%
Jayalakshmi Panneerselvam	24,30,000	24.81%	24,30,000	17.85%
<b>Total Promoters Shareholding (A)</b>	<b>97,20,000</b>	<b>99.23%</b>	<b>97,20,000</b>	<b>71.40%</b>
<b>Promoter Group</b>				
J Harishankar	15,000	0.15%	15,000	0.11%
Madhu Malar	15,000	0.15%	15,000	0.11%
Dhandapani Adimoolam	15,000	0.15%	15,000	0.11%
D Madhavi	15,000	0.15%	15,000	0.11%
Murugavel R.	15,000	0.15%	15,000	0.11%
<b>Total Promoters Group Shareholding (B)</b>	<b>75,000</b>	<b>0.77%</b>	<b>75,000</b>	<b>0.55%</b>
<b>Total Promoters &amp; Promoters Group (A+B)</b>	<b>97,95,000</b>	<b>100.00%</b>	<b>97,95,000</b>	<b>71.95%</b>

- (l) *The aggregate number of specified securities purchased or sold by the promoter group and/or by the directors of the company and their relatives in the preceding six months: Nil*
- (m) *There are no financing arrangements whereby the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity in the six months immediately preceding the date of filing of the offer document.*
- (n) **Promoter's Contribution:**

**(i) Details of Promoter's Contribution Locked-in of Equity Shares for Three (3) Years**

Pursuant to Regulation 236 of SEBI (ICDR) Regulations 2018, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company.

Further, in terms of Regulation 238(a) of SEBI ICDR Regulations, minimum promoter's contribution will be locked-in for a period of three years from the date of Allotment or date of commencement of commercial production, whichever is later and the Equity Shares held by Promoter of our Company in excess of minimum promoter's contribution will be locked-in for a period of one year from the date of Allotment.

As on the date of this prospectus, our Promoters collectively hold 97,20,000 Equity Shares constituting 99.23% of the Post offer issued, subscribed and paid-up Equity Share capital of our Company, out of which 27,22,600 equity shares being 20.00% of the post Issue equity share capital of our Company are eligible for the Promoters' Contribution margin.

An aggregate of minimum 20.00% of the post-issue capital, held by our Promoters shall be considered as Promoters' Contribution ("Minimum Promoters' Contribution") and locked-in for a period of three years from the date of allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have granted their consents to include such number of Equity Shares held by them as may constitute minimum 20.00% of the post-issue Equity Share Capital of our Company as Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this prospectus until the completion of the lock-in period specified above.

*The details of lock-in of shares for 3 (three) years are as under:*

Date of Allotment / Acquisition	Date when made fully paid up	Nature of Allotment / Transfer	No. of Equity Shares	Face Value per Equity Share (in ₹)	Issue Price/ Transfer price per Equity Share (in ₹)	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital	Lock in Period
<b>Panneerselvam Palaniappan Shanmugam</b>								
05-05-2023	05-05-2023	Bonus Issue	6,80,650	10	--	6.95%	5.00%	3 Years
<b>Prabu Sankar Panneerselvam</b>								
05-05-2023	05-05-2023	Bonus Issue	6,80,650	10	--	6.95%	5.00%	3 Years
<b>Priyadharshni Dhandapani</b>								
05-05-2023	05-05-2023	Bonus Issue	6,80,650	10	--	6.95%	5.00%	3 Years
<b>Jayalakshmi Panneerselvam</b>								
05-05-2023	05-05-2023	Bonus Issue	6,80,650	10	--	6.95%	5.00%	3 Years
<b>Total</b>			<b>27,22,600</b>			<b>27.80%</b>	<b>20.00%</b>	

*27,22,600 Pre-IPO equity shares of our company held by Our Promoter will be locked-in for 3 (three) years as mentioned above prior to listing of shares.*

In terms of Regulation 237 of SEBI ICDR Regulations, our Company confirms that none of the Equity Shares forming part of minimum promoter's contribution –

- Are acquired by our Promoter during preceding three financial years;
  - For consideration other than cash and where revaluation of assets or capitalization of intangible assets was involved; or
  - Through bonus issue of Equity Shares made by utilizing the revaluation reserves or unrealized gain or through bonus issue against equity shares which are ineligible for minimum promoter's contribution;
- Are pledged by our Promoter with any creditor;
- Consist of Equity Shares acquired by our Promoter during preceding one year at a price lower than the Issue Price.

Our Company was incorporated under the Companies Act, 2013 and was not incorporated by converting the partnership firm(s) or LLP(s).

The Promoters have severally confirmed that the Equity Shares are eligible in terms of Regulation 237 of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares are free from any lien, encumbrance or third-party rights. The Promoters have also severally confirmed that they are the legal and beneficial owners of the Equity.

All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed of by them for such purpose.

#### (ii) Details of Equity Shares Locked-in for one (1) year

In excess of minimum 20% of the post-Issue shareholding of our Company held by the Promoter (locked in for three years as specified above), the balance pre-issue share capital of our Company held by promoters shall be locked in for a period of one year from the date of Allotment in this Issue as provided in clause 238(b) of SEBI (ICDR) Regulations 2018.

Further, in terms of Regulation 239 of SEBI ICDR Regulations, entire pre-Issue equity shares capital of our Company held by persons other than our Promoter will be locked-in for a period of one year from the date of Allotment in the Issue.

*The details of lock-in of shares for 1 (one) year are as under:*

<i>Name of Shareholders</i>	<i>Category</i>	<i>No. of Shares Held</i>	<i>Lock-in for 3 Years</i>	<i>Lock-in for 1 Year</i>
Panneerselvam Palaniappan Shanmugam	Promoter	24,30,000	6,80,650	17,49,350
Prabu Sankar Panneerselvam	Promoter	24,30,000	6,80,650	17,49,350
Priyadharshni Dhandapani	Promoter	24,30,000	6,80,650	17,49,350
Jayalakshmi Panneerselvam	Promoter	24,30,000	6,80,650	17,49,350
Harishankar Jayakumar	Promoter Group	15,000	-	15,000
Madhu Malar	Promoter Group	15,000	-	15,000
Dhandapani Adimoolam	Promoter Group	15,000	-	15,000
D Madhavi	Promoter Group	15,000	-	15,000
Murugavel R.	Promoter Group	15,000	-	15,000
<b>Total</b>		<b>97,95,000</b>	<b>27,22,600</b>	<b>70,72,400</b>

**(iii) Other requirements in respect of lock-in****1. Inscription or recording of non-transferability:**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription “Non-Transferable” and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

**2. Pledge of Locked-in Equity Shares**

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged with any scheduled commercial banks or public financial institutions or systemically important non-banking finance company or housing finance company as collateral security for loans granted by such scheduled commercial banks or public financial institutions or systemically important non-banking finance company or housing finance company, subject to fulfilment of following conditions:

- i. In respect of Equity Shares which are locked in for a period of one year, the pledge of the Equity Shares is one of the terms of the sanction of the loan;
- ii. In respect of Equity Shares which are locked in for a period of three years, the loan has been granted by such scheduled commercial bank or public financial institution or systemically important non-banking finance company or housing finance company to our Company or our Subsidiary (ies) for the purpose of financing one or more of the objects of the Issue and the pledge of the Equity Shares is one of the terms of the sanction of the loan.

**3. Transfer of Locked-in Equity Shares**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- a) The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters’ Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- b) The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters’ Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

**(iv) Sale/Purchase by Promoter Group and/or by directors of Company which is promoter of our company and/or by the director of our company and their immediate relatives during six months preceding the date of this prospectus:**

There is no other Sale/Purchase by Promoter Group and/or by directors of Company which is promoter of our company and/or by the director of our company and their immediate relatives during six months preceding the date of this prospectus except as mentioned in this chapter and prospectus.

- (o) Our Company, its Directors, Promoters or the Lead Manager have not entered into any buy-back or standby arrangements for the purchase of the Equity Shares of our Company.
- (p) Our Company is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Prospectus except as otherwise mentioned in “*Risk Factors*” beginning on Page 23 of Prospectus, if any.
- (q) The Equity Shares issued pursuant to this Issue shall be fully paid-up.
- (r) The Lead Manager and its associates do not hold any Equity Shares in our Company as on the date of filing this prospectus.

- (s) There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of issuer, in the preceding three years (separately for each year) and on a cumulative basis for all options or equity shares issued prior to the date of the prospectus.
- (t) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this prospectus.

**Other miscellaneous disclosures:**

1. None of the Equity Shares of our Company are subject to any pledge as on the date of this prospectus.
2. None of the shareholding of the Promoters & Promoter Group is subject to lock-in as on date of this prospectus.
3. Except as disclosed in the chapter titled **“Our Management”** on page no. 163 of this prospectus, none of our directors or Key Managerial Personnel or Senior Management holds any Equity Shares in our Company.
4. None of our Promoters, Promoter Group, our directors and their relatives has entered into any financing arrangements or financed the purchase of the Equity shares of our Company by any other person during the period of six (6) months immediately preceding the date of filing of the prospectus.
5. We hereby confirm that there will be no further issue of capital whether by the way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the prospectus until the Equity shares offered have been listed or application money unblocked on account of failure of issue.
6. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
7. Our Company has not issued Equity Shares out of Revaluation Reserves.
8. Our Company shall comply with such disclosures and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
9. Our Company has not made any public issue of any kind or class of securities of our Company within the immediately preceding two (2) years prior to filing this prospectus.
10. Our Company has not raised any bridge loan against the proceeds of this issue.
11. Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this prospectus.
12. Our Company has not revalued its assets since incorporation.
13. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to three (3) years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
14. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
15. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of SEBI (ICDR) Regulations.
16. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.

17. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
18. There are no Equity Shares against which depository receipts have been issued.
19. Other than the Equity Shares, there is no other class of securities issued by our Company.
20. This issue is being made through Fixed Price method.
21. This Issue is being made in terms of Section IX of the SEBI (ICDR) Regulations 2018, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per Regulation 253, sub regulation (2) of SEBI (ICDR) Regulations 2018, the allocation in the net issue to public category shall be made as follow:
  - (a) Minimum 50% to the Retail individual investors; and
  - (b) remaining to:
    - i. individual applicants other than retail individual investors; and
    - ii. other investors including corporate bodies or institutions; irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion is either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

**Explanation:** For the purpose of Regulation 253, sub-Regulation (2), if the retail individual investor category is entitled to more than fifty percent of the issue size on proportionate basis, the retail individual investors shall be allocated that higher percentage.

22. *None of the members of our Promoters and Promoter Group will participate in the Issue.*

## SECTION VII: PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of up to **38,18,000** Equity Shares of our Company having face value of Rs. 10/- each at an Issue Price of ₹54/- per Equity Share aggregating to ₹ **2,061.72** Lakhs. Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on Stock Exchange.

#### The Objects of the Issue are:

- A. Funding Capital Expenditure towards Purchase of additional Medical Equipment
- B. General Corporate Purposes

Our Company believes that listing will enhance our Company's corporate image, visibility of our brand name and create a public market for its Equity Shares in India. It will also make future financing easier and affordable in case of expansion or diversification of the business. Further, listing attracts interest of institutional investors as well as foreign institutional investors.

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

#### Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are set out in the following table:

(₹ in Lakhs)

Particulars	Amount
Gross Proceeds from the Issue	2,061.72
(Less) Issue related expenses	225.94
<b>Net Proceeds</b>	<b>1,835.78</b>

#### Utilization of Funds

The following table summarizes the requirement of funds:

(₹ in Lakhs)

Sr. No.	Particulars	Estimated Amount	% of total issue size	Amount to be financed from Issue Proceeds
A	Funding Capital Expenditure towards Purchase of additional Medical Equipment	1,452.50	70.45%	1,452.50
B	General Corporate Expenses	383.28	18.59%	383.28
	<b>Net Issue Proceeds</b>	<b>1,835.78</b>	<b>89.04%</b>	<b>1,835.78</b>

*The issue proceeds are estimated to be utilized in the FY 2024-25.*

#### Detailed breakup for usage of the Proceeds

##### A. Purchase of Medical Equipment:

We aim to enhance our hospital's capabilities and services by increasing its capacity and adding new equipment to meet rising demand. As part of this plan, our company intends to allocate ₹ 1,452.50 lakhs for funding of Capital Expenditure towards purchase of additional medical equipment. Accordingly, we intend to use the Proceeds allocated for this Object towards the medical equipment expenses of our hospital.

We plan to use ₹ 1,452.50 lakhs from the allocated funds to acquire equipment viz Computed Tomography (CT) scanner and Robotic Surgical Systems. Currently, we have not yet placed orders for the equipment, but the estimated total cost for these items approximately amounts to ₹ 1,452.50 lakhs. No payments have been made towards these items as of now. The details of the equipment are hereunder:

1. **Somatom go.Now Compact - 32 Slice CT Scanner**, manufactured by Siemens Healthcare Pvt. Ltd., is a cutting-edge medical imaging device. It swiftly generates detailed cross-sectional images of the body, aiding in the diagnosis and treatment planning of various medical conditions. With its compact design and high-speed imaging capabilities, this scanner is beneficial in quickly obtaining crucial diagnostic information. Its efficiency and user-friendly features streamline workflows, making it a valuable tool in hospitals and medical facilities for diagnosing injuries, diseases, and other medical conditions across different anatomical areas.
2. **da Vinci X® Single Console System** is a surgical robot developed by Intuitive Surgical India Pvt. Ltd. It is designed to assist surgeons in performing minimally invasive surgeries with enhanced precision and control. The system consists of a console where the surgeon sits, a patient cart with robotic arms, and an array of specialized surgical instruments.

The da Vinci X® System allows surgeons to operate through small incisions with greater dexterity and visualization compared to traditional open surgery. It offers features like 3D high-definition visualization and wristed instruments that mimic the movements of the human hand with greater range and flexibility.

This technology is widely used in various surgical specialties such as urology, gynaecology, and general surgery for procedures like prostatectomy, hysterectomy, and colorectal surgery. The da Vinci X® System aims to improve patient outcomes by reducing trauma, minimizing scarring, and speeding up recovery times compared to conventional surgical methods.

Below is a breakdown of our estimated costs for the equipment:

Sl. No.	Particulars of the equipment	Quotation received from	Date of Quotations	Validity	Date of Placement of Order	Expected Date of Supply	Cost of the Equipment (₹ in lakhs)	Amount to be funded from Net Proceeds (₹ in lakhs)
1	Somatom go.Now Compact - 32 Slice CT Scanner and accessories	Siemens Healthcare Pvt. Ltd.	09-07-2024	28-02-2025	Order not Placed	With in 3 months from the date of placing order	235.00*	235.00
2	da Vinci X® Single Console System	Intuitive Surgical India Pvt. Ltd.	08-04-2024	28-02-2025	Order not Placed	With in 8 to 12 weeks from the date of placing order	1,217.50*	1,217.50
<b>Total Estimated Cost</b>							<b>1,452.50</b>	<b>1,452.50</b>

\*Excluding GST, TCS and other levies which will be covered by our internal accruals.

Note: As certified by M/s. P P N and Company, Chartered Accountants, by way of certificate dated January 29, 2025.

- We have considered the above quotations for the budgetary estimate purposes and as on date of this Prospectus, neither our company has placed any orders nor made any payment towards purchase of above equipment. The actual cost of procurement and actual supplier may vary.
- We have not entered into definitive agreements with any of these suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the equipment or at the same costs.
- We do not intend to purchase any second-hand equipment. The quantity of equipment to be purchased is based on quotations received from suppliers and estimates of our management. The Management shall have the flexibility to revise such quantities/ estimates (including but not limited to change of the supplier or addition/deletion of any quantity of equipment) at the time of actual placement of the order. Furthermore, if any surplus from the proceeds remains after meeting the total cost of the machineries for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.



- The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of the equipment proposed to be acquired by us at the actual time of purchase, resulting in increase in the cost. Further, cost can be escalated on account of freight expenses and incidental charges. Such cost escalation would be met out of either of surplus portion of net issue proceeds (if any) or our internal accruals.
- The purchase of equipment and the proposed deployment is subject to final terms and conditions agreed with the supplier including the finalization of price, payment/credit terms, delivery schedule, technology advancement and other market factors prevailing at that time.
- Any additional costs which are not included in the prices as mentioned above, will be met from internal accruals of our Company.

### **B. General Corporate Purpose:**

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount being raised by our Company through this issue, in compliance with the Chapter IX, Regulation 230 (2) of SEBI ICDR Regulations, 2018. Our Company intends to deploy the balance Net Proceeds i.e., ₹ 383.28 Lakhs, which is 18.59% of the amount being raised by our company through this issue, towards general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) Strategic initiatives, partnerships, joint ventures and acquisitions;
- (ii) Brand building and strengthening of promotional & marketing activities and advisory;
- (iii) Enhancing infrastructure and facilities;
- (iv) Meeting exigencies and contingencies which our company in the ordinary course of business may not foresee; and
- (v) Any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the balance Net Proceeds for general corporate purposes, as mentioned above.

### **C. Issue Related Expense:**

The expenses for this Issue include issue management fees, underwriting fees, selling commission, registrar fees, legal advisor fees, printing and distribution expenses, issue related advertisement expenses, depository charges and listing fees, statutory expenses etc. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	Estimated Expenses (Rs. In Lakhs)	% of Total Issue Expenses	% of the Total Issue Size
Lead Manager Fees, Underwriting Commission, including other Intermediaries Fees, Printing and Distribution of Issue Stationery	85.24	37.73%	4.13%
Regulators Including Stock Exchanges	17.00	7.52%	0.82%
Advertising, Selling and Marketing Expenses, Advisory	123.70	54.75%	6.00%
<b>Total</b>	<b>225.94</b>	<b>100.00%</b>	<b>10.96%</b>

#### **Note:**

- **ASBA Bankers:** The SCSBs will be entitled to selling commission of 0.03% (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price) for the forms directly procured by them and uploaded on the electronic system of the stock exchange by them on the portion of Retail Individual Bidders and Non-Institutional Bidders. No other fees/commission shall be payable on the application forms directly procured by them.

- *The SCSBs would be entitled to processing fees of 0.03% (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price), for processing the application forms procured by other intermediaries and submitted to SCSBs for processing.*
- **SYNDICATE ASBA:** *Other intermediaries (syndicate/sub-syndicate/registered broker/CRTAs/CDPs or for using 3-in-1 type account i.e. linked online trading, demat and bank account provided by some of the registered brokers) will be entitled to selling commission of ₹10/- (plus GST) per valid application form wherein the shares has been allotted for the forms directly procured by them and submitted to SCSBs for processing by them on the portion of Retail Individual Bidders and Non-Institutional Bidders.*
- **Issuer banks for UPI Mechanism** *as registered with SEBI would be entitled to a processing fee of ₹7/- (plus GST) (or mutually decided and agreed) per valid application form made by the Retail Individual Bidders using the UPI mechanism for processing. The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars and other applicable laws.*
- *The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fess payable to the relevant registered broker and other intermediaries.*
- *Any expenses incurred towards IPO related expenses will be reimbursed/recouped out of the gross proceeds of the Issue.*
- *The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.*
- *Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs/LM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.*

#### **Means of Finance:**

We propose to meet the requirement of funds for the stated objects of the Issue from the IPO Proceeds and internal accruals. Accordingly, we confirm that we are in compliance with the requirements under Regulation 230(1)(e) of the SEBI ICDR Regulations and Clause 9(C) of Part A of Schedule VI of the SEBI (ICDR) Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals).

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below. In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail re-scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013 / Companies Act, 1956.

#### **Appraisal by Appraising Fund:**

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based

on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and / or unsecured Loans.

### **Bridge Financing Facilities**

As on the date of this prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement/cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

### **Interim Use of Proceeds**

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds which shall be as per applicable laws. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue subject to applicable laws.

### **Monitoring Utilization of Funds**

As the Issue size is less than Rs. 10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Management Personnel or Senior Management or companies promoted by the Promoters, except as may be required in the usual course of business and for the objects as stated above.

### **Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Initial Public Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. 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. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

### **Other Confirmations**

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel or Senior Management, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our directors or Key Managerial Personnel or Senior Management, except in the normal course of business and in compliance with the applicable laws.

## BASIS FOR ISSUE PRICE

The Issue Price of ₹54/- per Equity Share has been determined by our Company, in consultation with the Lead Manager and justified by our Company, on the basis of an assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share of our Company is ₹10/- and Issue Price is ₹54/- which is 5.40 times of the face value. Investors should also refer “**Our Business**”, “**Risk Factors**” and “**Financial Statements as Restated**” beginning on page no. 108, 23 and 189 respectively, of this prospectus, to have an informed view before making an investment decision.

### QUALITATIVE FACTORS:

Some of the qualitative factors, which form the basis for computing the price, are –

- Established and proven track record;
- Leveraging the experience of our Promoters;
- Experienced management team and a motivated and efficient work force;
- Cordial relations with our customers
- Quality Assurance & Control

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to Section titled, “**Our Business**”, beginning on page no. 108 of this prospectus.

### QUANTITATIVE FACTORS:

The information presented in this section is derived from our Company’s restated financial statements for the six months period ended 30<sup>th</sup> September 2024 and for the financial year ended on 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 prepared in accordance with Indian GAAP, the Companies Act and Restated in accordance with SEBI (ICDR) Regulations. For details, refer chapter titled “**Financial Statements as Restated**” beginning on page no 189 of this prospectus. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic & Diluted Earnings per share (EPS) as adjusted for changes in capital for last 3 years:

##### Earnings Per Share as per the Company’s Restated Financial Information

Particulars	Basic & Diluted EPS (Rs.)		Weight
	With Retrospective Effect of Bonus #	As per Restated (Book Value)	
Year ended March 31, 2022	6.91	839.78	1
Year ended March 31, 2023	4.90	595.28	2
Year ended March 31, 2024	5.37	5.37	3
<b>Weighted Average*</b>	<b>5.47</b>	<b>341.08</b>	
<b>Six months period ended on September 30, 2024 (Not annualized)</b>	<b>2.44</b>	<b>2.44</b>	

- **Basic & Diluted EPS:** EPS has been calculated as PAT/Weighted average no. of shares outstanding for particular period/year in accordance with Accounting Standard 20 (AS-20) ‘Earnings per Share’ issued by ICAI.
- **Weighted average:** Aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]

# On 05-05-2023, Company has allotted 64,00,000 Equity Shares as Bonus Issue in the ratio of 80:1 i.e., Eighty Equity Share for every One fully paid-up equity share of Face Value Rs. 10/- each and on 16-02-2024, Company has allotted 32,65,000 Equity Shares as Bonus Share in the ratio of 1:2 i.e. One Equity Share for every Two fully paid-up equity share. The EPS has been shown separately giving retrospective effect of Bonus allotment. (For further details, please refer chapter “**Capital Structure**” and “**Financial statement as Restated**” beginning from page no. 64 and 189 respectively of this prospectus.)

2. Price to Earning (P/E) Ratio in relation to the Issue Price of ₹54/- per equity share of face value of Rs. 10/- each

Particulars	P/E Ratio	
	With Retrospective Effect of Bonus #	As per Restated (Book Value)
P/E ratio based on the Basic & Diluted EPS as on March 31, 2024	10.06	10.06
P/E ratio based on the Weighted Average EPS	<b>9.87</b>	<b>0.16</b>
<i>P/E ratio based on the Basic &amp; Diluted EPS for the period ended September 30, 2024 (Not annualized)</i>	<b>22.13</b>	<b>22.13</b>

Industry Price to Earning (P/E)

Particulars	P/E Ratio
Highest	98.37
Lowest	2.59
Average	<b>50.48</b>

3. Average Return on Net Worth (RoNW) for last 3 years as per the Company's Restated Financial Information

Particulars	RONW in %	Weight
Year ended March 31, 2022	95.16%	1
Year ended March 31, 2023	40.28%	2
Year ended March 31, 2024	30.71%	3
<b>Weighted Average</b>	<b>44.64%</b>	
<b>Six months period ended on September 30, 2024 (Not annualized)</b>	<b>12.25%</b>	

**Weighted average:** Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e.  $[(Return\ on\ Net\ Worth\ \times\ Weight)\ for\ each\ year] / [Total\ of\ weights]$

**Note:** Net worth has been computed by aggregating share capital and reserves and surplus as per the audited restated financial information. Revaluation reserve or miscellaneous expenditure (to the extent not written off) is not considered for calculating Reserve & Surplus.

4. Net Assets Value:

Particulars	As per Restated
Net Asset Value per Equity Share as of March 31, 2024	17.49
Net Asset Value per Equity Share for the six months period ended September 30, 2024 (Not annualized)	19.94
<b>Net Asset Value per Equity Share after the Issue</b>	<b>29.49</b>
<b>Issue Price per equity share</b>	<b>54.00</b>

**Note:** Net Asset Value per equity share represents "total assets less total liability as per the restated financial information as divided by the number of equity shares outstanding as at the end of year/period.

5. Comparison with other listed companies/Industry peers:

Considering the nature and product manufactured by our company, turnover and size of business of our Company, the peer companies mentioned below are not strictly comparable. However, the below mentioned listed company have been taken into consideration as peer comparative listed companies and has been included for broad comparison only. The below mentioned listed company are those who provide healthcare services, i.e. Asarfi Hospital Limited, Family Care Hospitals Limited and Aashka Hospitals Limited.

Name of Company	CMP (in ₹)**	Face Value (in ₹)	EPS Basic	NAV per Equity Share	P/E Ratio	RONW (%)	Turnover (₹ in Lakhs)
<b>Peer Group**</b>							
Asarfi Hospital Limited	88.00	10.00	2.33	35.81	37.77	5.98%	8,440.04
Family Care Hospitals Limited	6.02	10.00	2.32	10.81	2.59	21.50%	4,000.73
Aashka Hospitals Limited	99.35	10.00	1.01	41.20	98.37	2.45%	2,287.39
<b>Issuer Company</b>							
Shanmuga Hospital Limited^	54.00	10.00	5.37	17.49	10.05	30.71%	4,303.74

#Considering the nature and size of business of the Company, the peers may not be exactly comparable. Hence a strict comparison is not possible. However, the above companies have been included for broader comparison.

^ Based on full completed financial year ended on March 31, 2024 on Restated basis

\*Source for Peer Companies: Annual Reports (figures as on March 31, 2024)

\*\* CMP as on 28/01/2025 for Peer Group and IPO price for Issuer Company.

## 6. Key Operational and Financial Performance Indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated 29/01/2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Prospectus. Further, the KPIs herein have been certified by M/s. P P N and Company, Independent Chartered Accountant, by their certificate dated 29/01/2025.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

### a. Financial KPIs of our Company:

₹ in lakhs except percentage and ratios

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Total Income	2,482.81	4,338.78	3,949.56	4,147.10
Growth (%)	-42.78%	9.85%	-4.76%	993.09%
Revenue from Operation	2,462.18	4,303.74	3,934.47	4,138.20
EBITDA (Operating Profit)	440.46	850.87	727.63	900.77
EBITDA Margin (%)	17.74%	19.61%	18.42%	21.72%
PAT	239.29	526.15	476.22	671.82
Growth (%)	-54.52%	10.48%	-29.12%	2255.03%
PAT Margin (%)	9.64%	12.13%	12.06%	16.20%
EPS (Basic & Diluted) - (As per end of Restated period)	2.44	5.37	595.28	839.78
EPS (Basic & Diluted) - (Post Bonus with retrospective effect)	2.44	5.37	4.90	6.91
Total Borrowings	976.15	901.88	765.00	-
Total Net Worth (TNW)	1,952.66	1,713.37	1,182.21	705.99
RONW (%)	12.25%	30.71%	40.28%	95.16%
ROCE (%)	15.09%	35.89%	42.72%	125.69%
Debt Equity Ratio (Total Borrowing/TNW)	0.50	0.53	0.65	-

\* Data as on 30/09/2024 are for six months only and not annualised, so it's not truly comparable.

As certified by M/s. P P N and Company, Chartered Accountant pursuant to their certificate dated January 29, 2025.

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 108 and 223 respectively of Prospectus. All such KPIs have been defined consistently and precisely in “**Definitions and Abbreviations**” on page 2 of Prospectus.

Subject to applicable laws, the Company confirms that it shall continue to disclose all the key performance indicators included in this “**Basis for Offer Price**” section, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchange; or (ii) till the utilization of the Net Proceeds as disclosed under “**Objects of the Issue**” on page 77 of Prospectus.

#### b. Comparison of KPIs with listed Industry Peers:

Considering the nature and product manufactured by our company, turnover and size of business of our Company, the peer companies mentioned below are not strictly comparable. However, the below mentioned listed company have been taken into consideration as peer comparative listed companies and has been included for broad comparison only. The below mentioned listed company are those who provide healthcare services, i.e. Asarfi Hospital Limited, Family Care Hospitals Limited and Aashka Hospitals Limited.

₹ in lakhs except percentage and ratios

Particulars	Asarfi Hospital Limited		
	31-03-2024	31-03-2023	31-03-2022
Total Income	8,607.05	7,303.26	6,619.53
Growth (%)	17.85%	10.33%	21.68%
Revenue from Operation	8,440.04	7,070.33	6,521.30
EBITDA (Operating Profit)	1,568.36	1,329.95	1,042.54
EBITDA Margin (%)	18.22%	18.21%	15.75%
PAT	421.22	801.53	582.41
Growth (%)	-47.45%	37.62%	59.93%
PAT Margin (%)	4.89%	10.97%	8.80%
EPS (Basic & Diluted)	2.33	7.58	46.61
Total Borrowings	3,191.22	1,720.21	1,163.31
Total Net Worth (TNW)	7,045.76	4,185.65	2,295.83
RONW (%)	5.98%	19.15%	25.37%
Debt Equity Ratio (Total Borrowing/TNW)	0.45	0.41	0.51

₹ in lakhs except percentage and ratios

Particulars	Family Care Hospitals Limited		
	31-03-2024	31-03-2023	31-03-2022
Total Income	4,319.49	4,302.82	4,237.85
Growth (%)	0.39%	1.53%	19.81%
Revenue from Operation	4,000.73	4,204.23	4,206.52
EBITDA (Operating Profit)	664.79	817.01	838.91
EBITDA Margin (%)	15.39%	18.99%	19.80%
PAT	1,254.76	525.72	519.88
Growth (%)	138.67%	1.12%	27.61%
PAT Margin (%)	29.05%	12.22%	12.27%
EPS (Basic & Diluted)	2.32	1.64	5.11
Total Borrowings	365.87	431.92	425.69
Total Net Worth (TNW)	5,837.25	4,580.97	1,423.97
RONW (%)	21.50%	11.48%	36.51%
Debt Equity Ratio (Total Borrowing/TNW)	0.06	0.09	0.30

₹ in lakhs except percentage and ratios

Particulars	Aashka Hospitals Limited		
	31-03-2024	31-03-2023	31-03-2022
Total Income	2,708.95	2,204.83	3,986.14
Growth (%)	22.86%	-44.69%	-2.04%
Revenue from Operation	2,287.39	1,894.47	3,973.36
EBITDA (Operating Profit)	412.96	14.85	806.86
EBITDA Margin (%)	15.24%	0.67%	20.24%
PAT	235.78	-256.91	236.52
Growth (%)	-191.78%	-208.62%	-42.51%
PAT Margin (%)	8.70%	-11.65%	5.93%
EPS (Basic & Diluted)	1.01	-1.10	1.12
Total Borrowings	2,038.77	2,918.12	2,821.31
Total Net Worth (TNW)	9,627.44	9,391.66	9,656.43
RONW (%)	2.45%	-2.74%	2.45%
Debt Equity Ratio (Total Borrowing/TNW)	0.21	0.31	0.29

Source: All the financial information for listed industry peer mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the respective year/ period to compute the corresponding financial ratios.

#### Explanation for the Key Performance Indicators

1. Total Income means Revenue from Operations and Other Incomes as appeared in the Restated Financial Statements;
2. Total Income Growth (%) is calculated as a percentage of Total Income of the relevant period minus Total Income of the preceding period, divided by Total Income of the preceding period.
3. Revenue from operations means Revenue from Operations as appearing in the Restated Financial Statements;
4. EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation and amortisation and impairment expense and reducing other income;
5. EBITDA Margin is calculated as EBITDA as a percentage of total income;
6. PAT represents total profit after tax for the year / period;
7. PAT Growth (%) is calculated as a percentage of PAT of the relevant period minus PAT of the preceding period, divided by PAT of the preceding period.
8. PAT Margin is calculated as PAT divided by total income;
9. Basic and Diluted EPS = PAT divided by weighted average no. of equity shares outstanding during the year / period, as adjusted for changes in capital due to sub-division of equity shares; For Diluted EPS, the weighted no. of shares shall include the impact of potential convertible securities;
10. Total Borrowings are calculated as total of current and non-current borrowings;
11. "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per SEBI ICDR Regulations;
12. "RONW" is calculated Profit after Tax for the period / Net Worth
13. "ROCE" is calculated by dividing total Capital Employed from EBIT i.e. Earnings before Interest and Taxation. Capital Employed is total of Shareholders equity and total debt (if any).
14. Debt Equity Ratio: This is defined as total debt divided by total equity. Total debt is the sum of total current & noncurrent borrowings; total equity means sum of equity share capital and other equity;

#### Explanation for Key Performance Indicators metrics

Set out below are explanations for how the KPIs listed above have been used by the management historically to analyse, track or monitor the operational and/or financial performance of our Company:



KPI	Explanation
Total Income	Total income is used by the management to track revenue from operations and other income.
Total Income Growth (%)	Total Income growth provides information regarding the growth of the Total Income for the respective period
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of our business
PAT	Profit After Tax (PAT) for the year / period provides information regarding the overall profitability of the business
PAT Growth (%)	Profit after tax growth provides information regarding the growth of the operational performance for the respective period
PAT Margin (%)	PAT Margin is an indicator of the overall profitability and financial performance of our business
EPS (Basic & Diluted) (%)	EPS provide information on per share profitability of our Company which helps us in taking key corporate finance decisions
Total Borrowings	Total Borrowings is used by us to track our leverage position on time to time
Net Worth	Net worth is used to track the book value and overall value of shareholders' equity
RONW	RONW provides how efficiently our Company generates earnings for the equity shareholders of the Company.
ROCE	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Debt Equity Ratio	Debt to Equity Ratio is used to measure the financial leverage of our Company and provides comparison benchmark against peers

## 7. Weighted Average Cost of Acquisition:

### (a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)

There have been no issuance of Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of this Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of 30 days.

### (b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

There have been no secondary sale/ acquisitions of Equity Shares, where the Promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

### (c) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoters / Promoter Group members or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to date of prospectus irrespective of the size of transactions, is as below:

**Primary Transaction:**

Date of Allotment	No. of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Nature/Reason of Allotment	Nature of Consideration	Total Consideration (in ₹)
08-07-2023	50,000	10.00	10.00	Rights Issue	Cash	5,00,000
<b>Total</b>	<b>50,000</b>					<b>5,00,000</b>
<b>Weighted Average Cost of Acquisition (WACA) per Equity Share</b>						<b>10.00</b>
<b>Weighted average cost of acquisition after Bonus Shares Adjustment*</b>						<b>6.67</b>

\* On 16-02-2024, Company has allotted 32,65,000 Equity Shares as Bonus Share in the ratio 1:2 i.e., One fully paid-up Equity Share of Face Value Rs. 10/- each for every Two fully paid-up existing equity shares

**Secondary Transaction:**

Date of Allotment/ Transfer	No. of Equity Shares	Face Value (in ₹)	Issue Price /Acquisition Price / Transfer price per Equity Share (in ₹)	Nature of acquisition (Allotment/ Acquired/ transfer)	Nature of Consideration	Percentage of Pre-Issue Equity Share Capital (%)
Nil						

**(d) Weighted Average Cost of Acquisition and Offer Price**

Type of Transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Offer Price (i.e. ₹ 54/-)
Weighted average cost of acquisition of primary / new issue as per paragraph 7(a) above.	N.A.^	N.A.^
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 7(b) above.	N.A.^	N.A.^
Weighted average cost of acquisition of primary issuances /secondary transactions as per paragraph 7(c) above	6.67	8.10 times

^There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Prospectus.

^^There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) as mentioned in paragraph 7(b)) above, in last 18 months from the date of this Prospectus.

- The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue Price of ₹ 54/- per Equity Share is 5.4 times the face value.
- The Issue Price of ₹ 54/- is determined by our Company in consultation with the Lead Manager and is justified based on the above accounting ratios. For further details, please refer to the section titled **“Risk Factors”**, and chapters titled **“Our Business”** and **“Financial Statements as Restated”** beginning on page no. 23, 108 and 189 respectively of this Prospectus.

## STATEMENT OF POSSIBLE TAX BENEFITS

**To,**  
**The Board of Directors**  
**Shanmuga Hospital Limited**  
*(formerly known as Shanmuga Hospital Private Limited)*  
 51/24, Saradha College Road, Salem,  
 Tamil Nadu, India, 636007.

Dear Sir/Madam,

**Sub: Statement of possible Special tax benefit ('the Statement') available to M/s Shanmuga Hospital Limited (erstwhile known as M/s Shanmuga Hospital Private Limited) and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')**

**Ref: Proposed Initial Public Offering ("IPO") of Equity Shares by M/s Shanmuga Hospital Limited ("The Issuer" or "The Company")**

We refer to the proposed initial public offering of equity shares (the "**Offer**") of the Company. We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "**GST Act**"), the Customs Act, 1962 and the Customs Tariff Act, 1975, (collectively the "**Taxation Laws**") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2025-2026 relevant to the financial year 2024-25 for inclusion in the Prospectus ("**Offer Document**") for the proposed offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of taxation laws. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

- the Company or its Shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met; or
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the offer document for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

## **LIMITATIONS**

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume Reliance on responsibility to update the views consequent to such changes. The statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the offering of Equity shares by the Company as required under the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

The enclosed Annexure is intended solely for your information and for inclusion in the Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

We also authorise you to deliver a copy of this certificate to SEBI, ROC and the Stock Exchanges or any other regulatory authorities as required by law.

**Thanking You,**

**Yours faithfully,**

**For P P N And COMPANY**

Chartered Accountants

Firm's Registration No: 013623S

Peer review Certificate No.013578

**Sd/-**

**CA R. Rajaram**

Partner

Membership No. 238452

Place: Chennai

Date: 29/01/2025

**UDIN: 25238452BMHSSM6906**

## Annexure to the statement of Possible Tax Benefits

### A. DIRECT TAXATION

Outlined below are the possible Special tax benefits available to the Company **Shanmuga Hospital Limited** (Formerly known as M/s. Shanmuga Hospital Private Limited) and its shareholders under the Income Tax Act, 1961 (“The Act”) presently forced in India.

***YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.***

#### 1. Special Tax Benefits available to the Company under the Act:

Section 115BAB of the Act, as inserted vide the Taxation Laws (Amendment) Act, 2019, provides that domestic company has to opt for a corporate tax rate of 15% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. As company opts for section 115BAB, provisions of Minimum Alternate Tax (‘MAT’) would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company may claim such beneficial tax rate in future years’ subject to giving away any other income-tax benefits under the Act (other than the deduction available under section 80JJAA and 80M of the Act) and fulfilling the then prevailing provisions under the Act.

Subject to the fulfilment of prescribed conditions, the Company is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business, for three assessment years including the assessment year relevant in which such employment is provided. Further, where the Company wishes to claim such possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

Section 115BAA was inserted in the Act by the Taxation Laws (Amendment) Act, 2019 (‘the Amendment Act, 2019’) w.e.f. April 1, 2020 (Assessment Year 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess).

Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (‘MAT’) on their ‘book profit’ under section 115JB of the Act. However, such a company will no longer be eligible to avail certain specified exemptions / incentives under the Act and will also need to comply with certain other conditions specified in section 115BAA of the Act.

If a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it was entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has represented to us that it has opted for section 115BAA.

## 2. Special Tax Benefits available to the shareholders of the Company:

The Shareholders of the Company are not entitled to any special tax benefits under the Act; However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act.

- i) **Dividend Income:** Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, maximum rate of surcharge would be restricted to 15%, irrespective of the amount of dividend. Further in case the shareholder is a domestic company, deduction under Section 80M of the Income tax act would be available on fulfilling certain conditions.
- ii) **Tax on Long-Term Capital Gain:** As per Section 112A of the Income Tax Act, Long-Term Capital Gains arising from transfer of equity shares, shall be taxed as mentioned below of such capital gains subject to payment of securities transaction tax on acquisition and transfer of equity shares. However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,25,000 in a financial year.
  - (a) On long-term capital gains at the rate of 10% (Ten per cent) for any transfer which takes place before the 23rd day of July, 2024; and
  - (b) On long-term capital gains, at the rate of 12.50% (Twelve and one-half per cent) for any transfer which takes place on or after the 23rd day of July, 2024.
- iii) **Tax on Long-Term Capital Gain:** As per Section 111A of the Income Tax Act, Short-Term Capital Gains arising from transfer of equity shares, shall be taxed as mentioned below-
  - (a) At the rate of 15% (Fifteen per cent) for any transfer which takes place before the 23rd day of July, 2024; and
  - (b) At the rate of 20% (Twenty per cent) for any transfer which takes place on or after the 23rd day of July, 2024.
- iv) **Double Taxation Avoidance Agreement benefit:** In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and fulfilment of other conditions to avail the treaty benefit.

## B. 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**”).

### 1. Special tax benefits available to the Company:

Under the GST regime, supplies of goods and services which qualify as export of goods or services are zero-rated. On account of zero rating of supplies, the supplier is entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies, which can either be utilised towards the discharge of GST liability in respect of domestic turnover or can seek the refund of accumulated/ unutilized ITC.

GST law inter-alia allows export of services at zero rate on fulfilment of certain conditions. Exporters can export services under Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated ITC. There is also an alternative available to export services with payment of IGST and subsequently claim refund thereof, as per the provisions of section 54 of the CGST Act.

There are no special tax benefits available to the Company under GST law.

## 2. Special tax benefits available to the shareholders of the Company

There are no special tax benefits available to the shareholders under the indirect taxes.

### Notes:

- a) All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
- b) The above statement of Direct/Indirect Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.
- c) 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, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- d) This statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
- e) The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

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. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

**Thanking You,**

**Yours faithfully,**

**For P P N And COMPANY**

**Chartered Accountants**

**Firm's Registration No: 013623S**

Peer review Certificate No.013578

Sd/-

**CA R. Rajaram**

**Partner**

**Membership No. 238452**

**Place: Chennai**

**Date: 29/01/2025**

**UDIN: 25238452BMHSSM6906**

**SECTION VIII: ABOUT THE COMPANY AND THE INDUSTRY**

**INDUSTRY OVERVIEW**

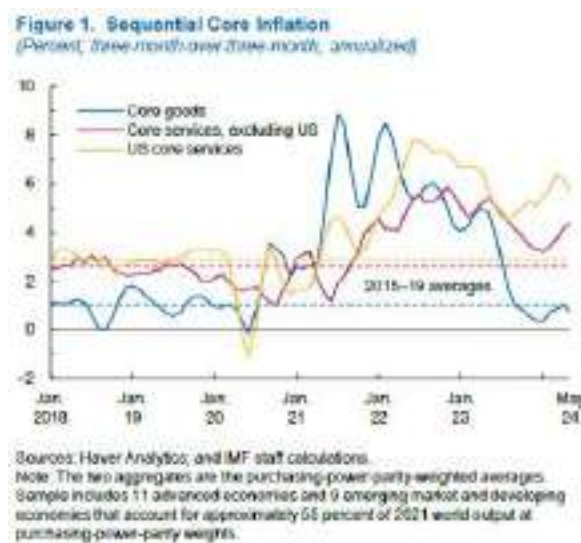
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**GLOBAL ECONOMIC OVERVIEW**

Global growth is projected to be in line with the April 2024 World Economic Outlook (WEO) forecast, at 3.2 percent in 2024 and 3.3 percent in 2025. However, varied momentum in activity at the turn of the year has somewhat narrowed the output divergence across economies as cyclical factors wane and activity becomes better aligned with its potential. Services price inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Upside risks to inflation have thus increased, raising the prospect of higher-for-even-longer interest rates, in the context of escalating trade tensions and increased policy uncertainty. To manage these risks and preserve growth, the policy mix should be sequenced carefully to achieve price stability and replenish diminished buffers.

Global activity and world trade firmed up at the turn of the year, with trade spurred by strong exports from Asia, particularly in the technology sector. Relative to the April 2024 WEO, *first quarter growth* surprised on the upside in many countries, although downside surprises in Japan and the United States were notable. In the United States, after a sustained period of strong outperformance, a sharper-than-expected slowdown in growth reflected moderating consumption and a negative contribution from net trade. In Japan, the negative growth surprise stemmed from temporary supply disruptions linked to the shutdown of a major automobile plant in the first quarter. In contrast, shoots of economic recovery materialized in Europe, led by an improvement in services activity. In China, resurgent domestic consumption propelled the positive upside in the first quarter, aided by what looked to be a temporary surge in exports belatedly reconnecting with last year’s rise in global demand. These developments have narrowed the output divergences somewhat across economies, as cyclical factors wane and activity becomes better aligned with its potential.

Meanwhile, the momentum on global disinflation is slowing, signaling bumps along the path. This reflects different sectoral dynamics: the persistence of higher-than-average inflation in services prices, tempered to some extent by stronger disinflation in the prices of goods (Figure 1). Nominal wage growth remains brisk, above price inflation in some countries, partly reflecting the outcome of wage negotiations earlier this year and short-term inflation expectations that remain above target. The uptick in sequential inflation in the United States during the first quarter has delayed policy normalization. This has put other advanced economies, such as the euro area and Canada, where underlying inflation is cooling more in line with expectations, ahead of the United States in the easing cycle. At the same time, a number of central banks in emerging market economies remain cautious in regard to cutting rates owing to external risks triggered by changes in interest rate differentials and associated depreciation of those economies’ currencies against the dollar.





## A Waxing and Waning Outlook

IMF staff projections are based on upward revisions to commodity prices, including a rise in nonfuel prices by 5 percent in 2024. Energy commodity prices are expected to fall by about 4.6 percent in 2024, less than projected in the April WEO, reflecting elevated oil prices from deep cuts by OPEC+ (the Organization of the Petroleum Exporting Countries, including Russia and other non-OPEC oil exporters) and reduced, but still present, price pressure from the Middle East conflict. Monetary policy rates of major central banks are still expected to decline in the second half of 2024, with divergence in the pace of normalization reflecting varied inflation circumstances.

The forecast for growth in emerging market and developing economies is revised upward; the projected increase is powered by stronger activity in Asia, particularly China and India. For China, the growth forecast is revised upward to 5 percent in 2024, primarily on account of a rebound in private consumption and strong exports in the first quarter. In 2025, GDP is projected to slow to 4.5 percent, and to continue to decelerate over the medium term to 3.3 percent by 2029, because of headwinds from aging and slowing productivity growth. The forecast for growth in India has also been revised upward, to 7.0 percent, this year, with the change reflecting carryover from upward revisions to growth in 2023 and improved prospects for private consumption, particularly in rural areas.

### **Global inflation will continue to decline.**

In advanced economies, the revised forecast is for the pace of disinflation to slow in 2024 and 2025. That is because inflation in prices for services is now expected to be more persistent and commodity prices higher. However, the gradual cooling of labor markets, together with an expected decline in energy prices, should bring headline inflation back to target by the end of 2025. Inflation is expected to remain higher in emerging market and developing economies (and to drop more slowly) than in advanced economies. However, partly thanks to falling energy prices, inflation is already close to prepandemic levels for the median emerging market and developing economy.

## **FUTURE-PROOFING THE ECONOMY**

As output gaps start to close and inflation recedes, policymakers face two tasks: persevering with restoring price stability and addressing the legacies of recent crises, including replenishing lost buffers and durably uplifting growth. In the near term, this will require careful calibration and sequencing of the policy mix. In countries where upside risks to inflation—including those arising through external channels—have materialized, central banks should refrain from easing too early and remain open to

further tightening should it become necessary. Where inflation data encouragingly signal a durable return to price stability, monetary policy easing should proceed gradually, which would simultaneously provide room for the required fiscal consolidation to take place. Fiscal slippages over the past year in some countries could require a stance significantly tighter than envisaged. As the space for fiscal maneuver narrows, commitments to achieving fiscal consolidation targets should be earnestly adhered to, aided by sound fiscal frameworks and resource mobilization.

In emerging market and developing economies, recent policy divergences highlight the need to manage the risks of currency and capital flow volatility. Given that economic fundamentals remain the main factor in dollar appreciation, the appropriate response is to allow the exchange rate to adjust, while using monetary policy to keep inflation close to target. Foreign reserves should be used prudently and preserved to deal with potentially worse outflows in the future, in line with the IMF's Integrated Policy Framework. To the extent possible, macroprudential policies should mitigate vulnerabilities from large exposures to foreign-currency-denominated debt.

Near-term challenges aside, policymakers must act now to revitalize declining medium-term growth prospects. Striking differences in productivity trends across countries since the pandemic suggest that not all factors are cyclical and that decisive policy action is needed to enhance business dynamism and reduce resource misallocation to arrest weaknesses. Further boosting labor supply, especially by better integrating women and immigrants—key segments contributing to economic resilience in advanced economies—will mitigate demographic pressures, adding to potential growth gains. While emigration of the young and educated population can take a toll on source countries, the costs can be mitigated. Policies that help leverage diaspora networks, maximize the benefits from remittances, and expand domestic labor market opportunities are possible avenues.

Finally, the misuse of inward and domestically oriented policies compromises the ability to tackle global challenges—such as climate change—in regard to which multilateral cooperation and trade are vital. These policies are also often inadequate to address domestic issues, as they increase fiscal pressures and risk further distortions such as resource misallocation. All countries should thus scale back on use of trade-distorting measures and strive instead to strengthen the multilateral trading system.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024>

## INDIAN ECONOMY

### INTRODUCTION

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

### MARKET SIZE

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 172.90 lakh crores (US\$ 2.07 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 7.6% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current account deficit (CAD) narrowed to 1.2% of GDP in the October-December quarter. The CAD stood at US\$ 10.5 billion for the third quarter of 2023-24 compared to US\$ 11.4 billion or 1.3% of GDP in the preceding quarter. This was largely due to higher service exports.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

### RECENT DEVELOPMENTS

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of April 12, 2024, India's foreign exchange reserves stood at US\$ 643.162 billion.
- In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
- Merchandise exports in March 2024 stood at US\$ 41.68 billion, with total merchandise exports of US\$ 437.06 billion during the period of April 2023 to March 2024.
- India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.
- In March 2024, the gross Goods and Services Tax (GST) stood at second highest monthly revenue collection at Rs.1.78 lakh crore (US\$ 21.35 billion), of which CGST is Rs. 34,532 crore (US\$ 4.14 billion), SGST is Rs. 43,746 crore (US\$ 5.25 billion).
- Between April 2000–December 2023, cumulative FDI equity inflows to India stood at US\$ 971.52 billion.
- In February 2024, the overall IIP (Index of Industrial Production) stood at 147.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 139.6, 144.5 and 187.1, respectively, in February 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 8.06 billion) in India during January-April 2024.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

## GOVERNMENT INITIATIVES

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.

- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
- On October 7, 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETBs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.

- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.

- By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

## ROAD AHEAD

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

Source: <https://www.ibef.org/economy/indian-economy-overview>  
Data as of July, 2024

## GLOBAL HEALTH SCENARIO

Since the onset of the 21st century, the world has witnessed remarkable transformations in the landscape of global health. As the incidence of many infectious diseases including HIV, TB and malaria dropped, the risks of dying prematurely from NCDs and injuries declined, child mortality rates halved, and maternal mortality rate fell by a third, and the global life expectancy at birth increased from 67 years in 2000 to 73 years in 2019. These advances are attributed mainly to better access to healthcare services and reduced exposure to risks like tobacco use, alcohol consumption, and child undernutrition. However, progress has slowed since 2015, affecting the timely attainment of the Sustainable Development Goals (SDGs) targets by 2030. This is evidenced by the falling annual rate of reduction in indicators such as the maternal mortality ratio, under-five and neonatal mortality rates, premature mortality from major NCDs, suicides and road traffic mortality rates. The United Nations predicts a nearly 90% increase in the number of people who will die from NCDs by 2048 compared to 2019.

The adverse impact of the COVID-19 pandemic on the health systems and important health programmes is yet to be accurately estimated. The COVID-19 pandemic has severely hampered the performance of countries in many healthcare-related areas thereby reversing the achievements against important health indicators. Healthcare service disruptions have halted the increasing trend in immunization coverage and reversed the declining trends in the incidence of major killer diseases like TB, HIV, and malaria. Moreover, fewer people have received treatment for neglected tropical diseases (NTDs). The COVID-19 pandemic underscores the threat of infectious diseases, which can emerge or re-emerge at any time and affect anyone.

According to the Global Sustainable Development Report 2023, globally, only 12 per cent of the SDGs are currently on track, due to multiple crises including wars, the COVID-19 pandemic, and the increasingly tangible climate crisis. Despite reductions in exposure to numerous health risks, progress has been inadequate in many areas. Exposure remains high, particularly for factors like alcohol consumption and hypertension, with declines only beginning in recent years. The prevalence of obesity is moving in the wrong direction, with no immediate signs of reversal. In addition, the expansion of access to essential health services has slowed after 2015, and there has been negligible progress in reducing the financial burden associated with healthcare costs. Persistent inequalities in access to healthcare, and exposure to health risks continue to affect disadvantaged populations disproportionately, further hindering the efforts towards achieving health equity.

Antimicrobial resistance (AMR) may cause a resurgence of infectious diseases that were previously under control, undermining the achievements. Climate change also erodes the environmental and social determinants of physical and mental health, exposing everyone to enormous risks.

These challenges require scaling up efforts and accelerating progress towards the SDG targets for 2030. Global, regional, and national priorities and interventions should aim to eliminate deaths from preventable injuries, maternal and child mortality, and infectious diseases, as well as to delay NCD deaths by reducing their underlying risk factors. Equitable access to essential health services should be increased while minimizing the risks of catastrophic costs. Timely, reliable and disaggregated data, estimates, and forecasts are essential to inform policy and guide actions at all levels for maximizing health gains and eliminating inequalities. Enhanced technical assistance from the global UN agencies like WHO and other technical partners, and increased financial assistance from international donors will be the key to success in revamping the global efforts to achieve universal health care.

## INDIAN HEALTH SCENARIO

Over recent decades, India's health sector has made steady and significant progress. The average life expectancy has surpassed 70 years, and there is a noticeable decrease in infant and under-five mortality rates, as well as overall disease incidence. Major achievements in recent years include the eradication of diseases like polio, guinea worm disease, yaws, and tetanus. Despite various programs and initiatives run by the government, private sector, NGOs, and other healthcare organizations to address healthcare challenges, India, as of 2023, ranks 112th out of 162 countries in the SDG Index, according to the United Nations' Sustainable Development Solutions Network. India's health sector faces significant challenges due to one of the lowest allocations of health funding as a percentage of GDP globally. India's healthcare system faces numerous challenges, including a large population (1.4 billion estimated in 2023), social and gender disparities, geographical gaps, and a shortage of resources.

Communicable diseases continue to be a major public health concern in the country, posing significant threats to both national and international health security. The COVID-19 pandemic has highlighted the vulnerabilities in the health systems of the country and the need for robust infectious disease surveillance and response mechanisms. Older diseases, such as HIV/AIDS, TB, malaria, and neglected tropical diseases, continue to challenge the country's public health efforts. Additionally, vector-borne diseases, such as dengue and acute encephalitis syndrome, remain areas of concern. Moreover, the growing problem of antimicrobial resistance poses a significant global health challenge, necessitating immediate and comprehensive action.

India is undergoing a significant health transition marked by an increasing burden of non-communicable diseases (NCDs) that account for 66% of all deaths in the country. Cardiovascular diseases, cancers, diabetes, and chronic respiratory diseases constitute approximately 80 per cent of these NCD-related deaths. These conditions are primarily driven by lifestyle factors such as tobacco use, harmful alcohol consumption, unhealthy diets, and physical inactivity, each of which plays a significant role in the development and progression of these diseases. India is also facing a significant demographic change, with the number of individuals aged 60 years or older expected to increase to almost 20% of the total Indian population by 2050, which will be equivalent to 319 million people. This change is likely to result in a rise in the prevalence of conditions like dementia. At present, approximately 8.8 million Indians aged 60 years or older are living with dementia, which is considered an emerging epidemic. Non-Alcoholic Fatty Liver Disease has emerged as one of the leading causes of cirrhosis, hepatocellular carcinoma, and Liver transplant in India. The burden of liver disease is significant because it alone contributes to 18.3% of the two million world liver disease-related death.

The country continues to experience high maternal and infant mortality rates, largely due to inadequate access to healthcare, prevalent malnutrition, and limited awareness of maternal and child health practices. Nutritional issues, manifesting as undernutrition, micronutrient deficiencies, and obesity, variably affect different population segments across regions. Mental health issues are increasingly recognized as critical public health concerns, aggravated by stigma, a lack of awareness, and inadequate mental health care infrastructure. Moreover, significant disparities in healthcare access and infrastructure persist between urban and rural areas, resulting in unequal healthcare services and outcomes. Environmental factors, notably air and water pollution, further contribute to a range of health issues, including respiratory and waterborne diseases.

The private healthcare sector in India caters to a considerable share of healthcare needs. However, this sector is highly diverse, consisting of healthcare providers ranging from state-of-the-art urban hospitals to quacks in many rural areas. The lack of consistent and uniform application of regulations has led to the emergence and flourishing of self-proclaimed healers, unscientific mixing of different systems of healing by a large number of practitioners, and unauthorized and irrational prescriptions of life-saving medicines, including antibiotics, that further muddle the already complex health systems, resulting in people receiving widely variable quality of care across healthcare facilities. Despite this, the authorized private health sector with qualified healthcare providers plays a substantial role in the country, while major issues related to accessibility, affordability, and standardization persist.

## **MAJOR HEALTH PROBLEMS IN INDIA: CHALLENGES AND RECOMMENDATIONS**

### **COMMUNICABLE DISEASES**

#### **Global Scenario**

According to the WHO, communicable diseases such as tuberculosis (TB), HIV/AIDS, malaria, viral hepatitis, sexually transmitted infections, and neglected tropical diseases (NTD) are the leading causes of death and disability in low-income countries and marginalized populations. In 2019, 13.7 million people worldwide died from communicable diseases. Globally, an estimated 10.6 million individuals contracted TB worldwide and 1.3 million people lost their lives to this disease in 2022, making the disease the world's second leading cause of death from a single infectious agent after coronavirus disease (COVID-19). TB caused almost twice as many deaths as HIV/AIDS (0.63million in 2022). The global TB incidence rate rose by 3.6% between 2020 and 2022, reversing the previous trend of about 2% annual decline observed over the previous two decades, possibly due to the disruptions in TB services caused by the pandemic. As of 2020 data, 296 million people globally had hepatitis B, and 58million had hepatitis C, causing 1.1 million deaths. Global coverage of the hepatitis B vaccine was 83%, with 42% of children receiving a birth dose to prevent mother-to-child transmission. In 2022, there were 249 million cases of malaria globally, 5 million more cases as compared to 2021. There are emerging and reemerging diseases such as SARS, Nipah, Zika, Ebola, MERS, H1N1, Measles, Dengue, Cholera, and Lyme disease. Diseases of zoonotic origin and growing threats of antimicrobial resistance (AMR) are making the scenario worse; AMR alone was directly responsible for 1.27 million deaths in 2019. NTDs like Schistosomiasis, Onchocerciasis (River Blindness), Lymphatic Filariasis, Trachoma, Soil- Transmitted Helminthiasis, Dengue Fever, Chagas Disease, and Leishmaniasis, primarily affect tropical and subtropical regions, often in low-income countries. STDs like HIV/AIDS, Gonorrhea, Chlamydia, Syphilis, Herpes Simplex Virus (HSV), Human Papillomavirus (HPV), Hepatitis B and C, Trichomoniasis, Mycoplasma dentalium, Bacterial vaginosis (BV) have significant global impact. The prevalence and distribution of STDs vary across regions and the efforts to control and prevent these diseases such as research focusing on developing vaccines, improving diagnosis, and understanding the epidemiological dynamics of these infections to devise effective control strategies are ongoing. 'Disease X' is a term used by the World Health Organization (WHO) to denote a hypothetical, unknown, or unexpected disease that could potentially cause a future epidemic or pandemic. In the remaining six years of the sustainable development goals (SDG) of the UN, there must be accelerated efforts globally and in high-burden countries to address the burden of major communicable diseases to significantly progress towards SDG targets.



## Indian Scenario

In India, the landscape of communicable diseases presents formidable challenges. Tuberculosis (TB) stands out, with 2.8 million cases in 2022, contributing to 27% of the global burden, and 600,000 cases went unreported to the National TB Elimination Programme (NTEP). COVID-19 has significantly impacted the nation, recording 45 million confirmed cases and 533,295 deaths. Estimated 2.4 million people are living with HIV/AIDS, primarily in the 15-49 age group, with women constituting 42% of cases. An estimated 40 million people are infected with Hepatitis B virus, with 21 million annual infections due to unsafe injections. India reports 1.4% of global Malaria cases and 0.9% of deaths, Plasmodium vivax malaria contributes to 66% of cases. Vector-borne diseases like dengue (94,198 cases, 91 deaths), chikungunya, and Zika remain prevalent. As per NVBDCP, the active Indian cases of dengue increased by 23.21 % in 6 years from 2015 to 2022. Nipah virus caused over 100 deaths since the first outbreak in 2001 and the last case was reported in Kerala in 2023. Communicable diseases like dengue (188,366 cases, 247 deaths), Acute Encephalitis Syndrome (5,946 cases, 216 deaths), Kala-Azar (1,353 cases, 28 deaths), and Japanese Encephalitis (754 cases, 66 deaths) pose ongoing health threats, emphasizing the complex public health scenario in India. In India, 550,000 cases of lymphedema and 150,000 cases of hydrocele were reported in 2022 across 339 districts in 20 states/Union Territories. As of 2022, over 336millionchildren in India require preventive chemotherapy for soil-transmitted helminthiasis is caused by soil contamination from human waste, leading to nutritional and physical impairments. Intestinal worm infestations contribute to iron deficiency anemia, increasing the risks of maternal and infant mortality, as well as low birth weight. In India, the latest cholera outbreak in July 2023 impacted over 400 people. In 2019, H1N1 cases numbered 28,798 cases, resulting in 1218 deaths, adding to the multifaceted challenges faced by the country's healthcare system. Due to COVID-19 pandemic, these numbers have drastically reduced to 2752 confirmed cases and 44 deaths in 2020 and 778 confirmed cases and 10 deaths in 2021.

### *Actions so far in India*

The National Strategic Plan (NSP) for tuberculosis (2017-25) has a goal of ending TB by 2025. The National AIDS and STD Control Program (NACP) aims to reduce annual new HIV infections and AIDS related mortalities by 80% by 2025-26 from the baseline value of 2010. The National Framework for Malaria Elimination in India 2016–2030 was initiated with the goal to eliminate malaria (zero indigenous cases) throughout the entire country by 2030 and maintain malaria-free status in areas where malaria transmission has been interrupted and prevent re-introduction of malaria. The Government of India provides IgM MAC ELISA test kits free of cost through NIV Pune to maintain uniformity and standard of diagnostics for dengue. In 2023, India launched a nationwide Mass Drug Administration campaign, employing door-to-door anti-filarial drug distribution, particularly in high-burden districts of 10 states, with the goal of eliminating lymphatic filariasis by 2027. The influenza surveillance is conducted through structured influenza surveillance network of DHR-ICMR Virus Research and Diagnostic Laboratories (VRDLs), and its National Influenza Centre (WHO-NIC) housed at ICMR- NIV Pune (also a WHO CC for GISRS) since July 2021. Under surveillance, a network of 29 sites is collecting the data and monitoring the influenza activity round the year.

### *Major Issues Considered*

India's dense urban population accelerates communicable disease spread due to overcrowded living conditions, poor waste management, and stagnant water fostering vectors. Inadequate sanitation, diminishing access to clean water, and social determinants like poverty and limited healthcare exacerbate the prevalence of water and vector-borne diseases.

The prevention and control of communicable diseases face new challenges, including climate change, emerging zoonotic diseases, and antibiotic resistance. Increased human-animal interactions heighten the risk of zoonotic diseases, emphasizing the importance of a comprehensive one health action plan. Climate change is anticipated to elevate vector-borne diseases like malaria and dengue, altering vector dynamics. Rising temperatures expedite the lifecycle of vectors, potentially enhancing the transmission of disease-causing pathogens. Antimicrobial resistance (AMR) is exacerbated by the misuse of antibiotics, anti-malarial drugs, and anti-retroviral drugs, fuelled by unrestricted access without qualified prescriptions and inadequate drug resistance surveillance. In India, timely disease reporting and surveillance, particularly in remote areas, pose challenges. To address this, there's a need to invest in technology for real-time reporting, online dashboards, and collaboration between public and private healthcare providers. Challenges include a shortage of trained human resources, insufficient healthcare workers, and the need for equitable access to testing and diagnostic services, especially in underserved regions. Additionally, disparities in health outcomes persist due to social determinants like poverty, education, and unequal access to healthcare, highlighting the necessity for uniform integration of disease control programs into the general health system nationwide.

Tuberculosis (TB), Malaria, and HIV/AIDS are the major disease contributing to India's morbidity and mortality. The COVID-19 pandemic disrupted TB management services, resulting in a backlog of undetected cases globally. The reported increase in TB cases post-pandemic, both globally and in India, reveals the impact of resuming health services and addressing

backlogged cases. Challenges include poor coverage of WHO-recommended testing, inadequate private sector engagement, and the escalating threat of multidrug-resistant TB (MDR-TB). TB prevention efforts face obstacles such as insufficient preventive treatment coverage, absence of an effective adult vaccine, and prolonged antibiotic regimens leading to non-adherence. Inadequate financial support and the absence of services like nutritional supplementation during and after treatment impose significant socioeconomic burdens. Societal stigma surrounding TB hinders community cooperation and engagement, complicating disease control initiatives. COVID-19 surveillance faces challenges due to the absence of continuous clinical and genomic surveillance systems, hindering professional analysis and scientific research. The lack of online dashboards detailing genetic data on newer variants further impedes independent assessments. India doesn't have upgraded COVID-19 vaccines, creating the need for booster shots, particularly for vulnerable populations. Development of a subunit vaccine, considered safer than mRNA vaccines, is crucial to meet the evolving needs of COVID-19 cycles. HIV/AIDS has varying prevalence across regions and populations. Despite progress, the UNAIDS 95-95-95 targets for ending the HIV epidemic by 2030 stand offtrack with an interim target of 80-87-87 against the achieved target of 77-84-85. The latest data on India shows that out of the individuals who are affected by HIV, only a mere 79% of them are aware of their status, only 68% are receiving the necessary treatment, and only a mere 63% have achieved viral suppression. Stigma and discrimination faced by patients prevent appropriate care seeking and disclosure of diagnosis in critical situations putting themselves and others at risk. Engaging adolescents and young adults in testing and treatment is hindered by misconceptions and lack of awareness.

In the group of eleven High Burden to High Impact (HBHI) countries, India has witnessed a decrease in malaria-related deaths, yet it remains a significant contributor to the overall malaria burden among these nations. The emergence of drug resistance poses a substantial challenge to effective malaria management, while insecticide resistance hampers vector control efforts. Mutations like PfHRP2/3 gene deletions further complicate diagnosis using rapid diagnostic test kits. Malaria's prevalence among migrant populations raises health concerns due to tracking difficulties and the potential for spreading the disease. The government's reduced emphasis on leprosy as a top public health priority has impeded progress, particularly with the cessation of active case finding. Limited engagement of stakeholders, including private providers, further hampers meaningful involvement in leprosy control efforts. Growing resistance to anti-leprosy drugs and high relapse rates pose significant challenges. Insufficient awareness, diagnostic skills, and commitment among general health personnel, coupled with community ignorance, contribute to delayed diagnosis and patient self-reporting, perpetuating the challenges in leprosy eradication. Rabies encephalitis disproportionately affects the impoverished in rural areas. The absence of a coordinated national program hinders efficient reporting and tracking efforts. Widespread lack of awareness about pre- and post-exposure prophylaxis contributes to preventable cases and deaths. Addressing breakthrough infections post-vaccination poses a significant challenge.

India faces challenges in timely disease reporting and surveillance, especially in remote areas. Hence it is recommended to enhance disease surveillance systems, by investing in technology for real-time reporting, including maintenance of online dashboards, strengthening collaboration between public and private healthcare providers.

## **NONCOMMUNICABLE DISEASES**

### **Global Scenario**

Non-communicable diseases (NCDs) account for 74% of total deaths, leading to a loss of 41 million lives each year. More than three-fourths of these deaths occur in low- and middle-income countries. The Sustainable Development Goals (SDGs) envisage a reduction in NCD-related deaths by one-third through targeted prevention and treatment. Over 80% of premature NCD deaths are attributed to cardiovascular diseases (CVDs), cancers, chronic respiratory diseases, and diabetes. CVDs are the leading cause of death globally, taking an estimated 17.9 million lives each year. More than four out of five CVD deaths are due to heart attacks and strokes, and one third of these deaths occur prematurely in people under 70 years of age. Out of nearly 10 million cancer-related deaths worldwide in 2020, 70% were in low-and-middle-income countries. In all, 537 million adults were living with diabetes in 2021, with expected rise to 643 million by 2030 and 783 million by 2045. An estimated 1.28 billion adults aged 30–79 years worldwide have hypertension. In 2019, 545 million people globally had chronic respiratory conditions, with chronic obstructive pulmonary disease (COPD) causing 3.23 million deaths, representing 90% of respiratory-related fatalities.

### **Indian Scenario**

In India, nearly 6 million people die from NCDs every year, which accounts for 66% of total deaths. CVDs are the leading cause of death accounting for 28% followed by COPD (12%), cancer (10%), and diabetes (4%). The national prevalence rates for various health conditions are as follows: diabetes at 11.4%, prediabetes at 15.3%, hypertension at 35.5%, generalized obesity at 28.6%, abdominal obesity at 39.5%, hypercholesterolemia at 24%, and high LDL cholesterol at 20.9%. Changing consumption patterns, rapid urbanization and increasing longevity have contributed to the rise in NCDs which account for about 55% of DALY loss in the country. Based on current estimates, 101 million individuals have diabetes, which is expected

to rise to over 134 million by 2045. Only about 15.7% people with diabetes in India have their diabetes under control. In approximately 57% of these individuals with diabetes, the condition remains undiagnosed. An estimated 33% of urban and 25% of rural Indians are hypertensive. Of these, only 25% of rural and 42% of urban are aware of their hypertensive status. Only about 12% of people with hypertension have their blood pressure under control. India witnesses over 1.3 million new cancer cases annually and one in nine people are likely to develop cancer in their lifetime. Lung and breast cancers were the leading sites of cancer in males and females, respectively. According to the Global Burden of Disease project, there were about 1.2 million new cases of stroke in India in 2016. The annual incidence rate of stroke ranges from 105 to 152 per 100,000 individuals. India has a severe shortage of mental health professionals, with only 0.7 professionals for every 100,000 people, and far below the recommended ratio of three psychiatrists per 100,000 population.

### ***Actions so far in India***

Recognizing the rising burden of NCDs, India started its comprehensive NCD program in 2010. The current program is the National Program for Prevention and Control of NCDs (NP-NCD) which was launched in 2023. NP-NCD focuses on strengthening infrastructure, human resource development, health promotion and awareness generation for the prevention, early diagnosis, management, and referral to an appropriate level of healthcare facility. The NCD program is implemented through the primary healthcare system, especially by delivering services through Health and Wellness Centre's (HWC) and by engaging ASHA workers for delivery at the last mile. The National Action Plan has a specific target to reduce premature deaths from NCDs by 25% by 2025. The 75/25 initiative aims to help 75 million people with hypertension and diabetes to be put in standard care by 2025.

### ***Major Issues Considered***

There are gaps in the access to care, barriers to early detection, initiation of treatment, continuum of care and palliative care. Similarly, there are implementation and operational challenges in NP-NCD like difficulties in access to essential medicines, shortages in human resources and inadequate levels of dedicated staff. Addressing the differentials in NCD prevalence and outcomes among vulnerable populations, including rural communities, tribal groups, and marginalized urban populations is important. Governments' recognition and meaningful involvement of civil societies and professional bodies including people living with NCDs, organizations and communities in the NCD response has been too slow and suboptimal.

Lack of standardized services, particularly within the private health sectors, contributes to significant challenges in addressing NCDs. Even though 50-70% of NCD patients seek treatment from the private health sector, they are still not systematically integrated into the national surveillance system. This lack of inclusion hinders comprehensive tracking and analysis of NCD trends, thereby limiting the efficacy of public health interventions. There is a lack of common data standards to facilitate interoperability between public and private health systems. Heavy reliance on the private sector is accompanied by a concerning trend of out-of-pocket spending, resulting in catastrophic health expenditures for individuals. The prevalence of modifiable risk factors such as tobacco smoking, excessive alcohol consumption, unhealthy diet, and poor physical activity is notably high among the younger population. Despite the higher prevalence among older individuals, these behaviours often originate in young adulthood. This underscores the significance of School Health Promotion activities to address and modify these behaviours early on. The suboptimal integration between programs like the National Program for Health Care of the Elderly (NPHCE) and the National Mental Health Program (NMHP) poses a barrier to effectively controlling NCDs. For example, depression, linked to behaviours like alcohol consumption and tobacco dependence contributes to increased NCD risk. Half of the low-income population of rural India cannot afford a balanced diet. India has also been undergoing a nutritional transition owing to rapid economic growth and urbanization, characterized by a decrease in intake of healthy foods such as whole grain cereals, pulses, fruits and vegetables, and a corresponding increase in processed meat and ready-to-eat energy dense and high salt foods.

There is a pressing need to shift health systems from being disease-centric to people-specific, providing continuous support throughout individuals' life courses. The current gap in the continuum of care for those with chronic diseases, especially older adults, and bed-ridden patients during extreme climatic events, exacerbates health challenges.

The widespread prevalence of hypertension and diabetes is primarily attributed to a lack of awareness and education regarding the disease's risk factors, combined with urbanization, unhealthy diet, obesity and sedentary lifestyle. Limited access to screening, early detection, and affordable, high-quality healthcare services exacerbates the burden of hypertension and diabetes, leading to significant out-of-pocket expenditures for disease management. Co-morbidities and complications associated with hypertension and diabetes further contribute to the overall disease burden. Inadequate community mobilization and weak coordination between civil societies, private sectors and government agencies hinder effective disease management. Additionally, suboptimal access to basic prevention and management of hypertension and diabetes in primary healthcare settings, including affordable medicines, diagnostics and consumables results in premature deaths.

Multiple factors contribute to a significant number of individuals not seeking medical assistance for stroke. These include a lack of awareness about stroke symptoms and urgency, considerable distances to the nearest hospitals equipped to provide diagnosis and management of stroke, inadequate ambulance services and transportation options. Additionally, the perception of alternative therapies as effective post-stroke care, and financial constraints also hinders access to necessary care.

In many of the peripheral hospitals physicians facing challenges in identifying fewer common causes of stroke, lack of skilled health workforce combined with limitations in diagnostic facilities and inadequate ambulance services hampers timely diagnosis and management of stroke. Patients face increased agony due to the unavailability and inaccessibility of rehabilitation and palliative care, resulting in a significant reduction in their quality of life and DALYs. The suboptimal availability of real-time data updates in the nationwide stroke register impairs the timely utilization of crucial information on stroke incidence and prevalence.

Hospital data on cardiovascular morbidity and deaths may not fully capture the entire burden of cardiovascular diseases. Structured data collection methods for cardiac mortality and morbidity are not in place, with most deaths occurring at home without knowing the exact cause of death. Alarming, up to three-fourths of patients with coronary artery disease (CAD) do not receive guideline-recommended basic therapy drugs, contributing to increased morbidity and mortality. This complex interplay of factors underscores the multifaceted challenges in addressing cardiovascular health in the Indian scenario.

India faces significant challenges in the spectrum of cancer care, necessitating urgent attention. There is a low rate of cancer registration which only covers 16% of total cases. The lack of screening guidelines tailored to the Indian context for early detection and treatment of common cancers, coupled with insufficient infrastructure development for implementation, poses a significant challenge.

In India, one among every two people with chronic respiratory illness is suffering from COPD, resulting in a loss of 70% of their potential healthy years. COPD stands as the second-leading cause of death and disability-adjusted life years (DALYs) in the country. Several challenges faced by public and healthcare professionals hamper early diagnosis, exacerbated by restricted access to gold-standard diagnostic like spirometry. Even after diagnosis individuals face challenges with insufficient infrastructure for specialized care, medication cost barriers, and continued exposure to risk factors like tobacco smoke, indoor air pollution, and urban smog.

Social stigma and discrimination impede help-seeking by the people with NCDs and mental health diseases. It also curbs their accessibility to healthcare and often exacerbates the existing disparities. Particularly in rural areas, there is a scarcity of qualified mental health professionals which leads to a significant knowledge gap that hinders early identification and intervention, potentially leading to chronicity and adverse outcomes. Stigma and negativity around mental health in India leave countless young people struggling in silence, despite widespread mental health challenges. These challenges restrict the ambitious goals of the NMHP.

Lack of robust planning and implementation of health policies for building healthcare facilities in rural, semi urban India has resulted in missed opportunities to strengthen primary care and establish seamless referral pathways for combating NCDs. This lapse has a significant effect on the increased burden on tertiary care facilities and in turn compromised the quality of services they delivered.

## **ONE HEALTH**

### **Global Scenario**

About 60% of the known infectious diseases in humans and 75% of all emerging infectious diseases are caused by pathogens that originate in animals. Since 2003, diseases and pandemics, including those related to One Health threats, have resulted in over 15 million human deaths and economic losses exceeding US\$ 4 trillion. The COVID-19 pandemic has highlighted the urgent need for a global framework to improve surveillance and establish a more integrated system, besides systematically strengthening health systems to address such threats. The World Bank estimates a potential annual benefit of at least US\$ 37 billion in 2022 through a One Health approach. The cost of inaction is expected to be catastrophic to the economy, especially for Low-Middle Income Countries.

### **Indian Scenario**

India is currently confronting numerous health threats, including antimicrobial resistance (AMR), environmental hazards, food safety issues, and a range of zoonotic diseases such as Nipah, Avian Influenza, Scrub typhus, Congo fever, Kyasanur forest disease, COVID-19, and leptospirosis. In the Global Health Security Index 2021, India was ranked 66th, a measure reflecting the country's preparedness and response capabilities for public health emergencies. The country faces escalating zoonotic disease threats, driven by the exponential growth in human and livestock population, rapid urbanization, rapidly

changing farming practices, closer interaction between livestock and wildlife, encroachment on forests, changes in ecosystems, and the globalization of trade of animal products. The lack of interdisciplinary collaboration, which often leads to isolated efforts, has not only facilitated the spread and endemicity of zoonotic diseases in several regions but also contributed to the escalation of AMR challenges in India. Addressing these challenges requires a concerted effort to integrate the One Health approach and allocate more resources towards strengthening India's public health infrastructure.

### ***Actions so far in India***

In 2009, India initiated regional collaboration in One Health by joining the One Health network of South Asia (OHASA). This was followed by the establishment of the Global Disease Detection – India Centre in 2010, a collaborative effort between India and the US CDC, marking a significant advancement in global health cooperation. The Kerala Veterinary and Animal Science University established COHEART (Centre for One Health Education, Advocacy, Research and Training) in 2014, and launched specialized One Health courses, and in 2015, India began recruiting cross-sectoral professionals for IDSP state surveillance units, integrating various health sectors. The National Action Plan on Antimicrobial Resistance (NAP-AMR), adopted in 2017, advocates a one-health approach and close coordination between the sectors to tackle the rising threat of AMR. In 2018, the Integrated Health Information Platform was launched by the union health secretary, enhancing public health surveillance with near-real-time data. The establishment of the One Health Centre in Maharashtra in 2020, in collaboration with the Maharashtra Animal and Fishery Sciences University and ICMR-National Institute of Virology, Pune, marked another significant step. In the same year, the central government announced the formation of a national institutional platform for One Health as part of the COVID-19 recovery plans under the Atma Nirbhar Bharat economic stimulus package. This initiative was further strengthened by the constitution of a national expert group on One Health to promote multisectoral, transdisciplinary collaboration, and cooperation to achieve OH framework in India. Moreover, the National One Health Program for Prevention and Control of Zoonoses (NOHP-PCZ) was launched by the National Centre for Disease Control (NCDC). The Prime Minister's Science, Technology, and Innovation Advisory Council (PM-STIAC) also played a crucial role, approving the establishment of a National One Health Mission in its 21st meeting, aimed at coordinating and integrating all One Health activities across the country. Elimination of dog-bite mediated human rabies should be attempted in India through One Health approach.

### ***Major Issues Considered***

One Health challenges in India are multifaceted, reflecting the complexity of integrating human, animal, and environmental health strategies in a developing country context. A major challenge is the widespread lack of awareness about zoonotic diseases among animal handlers and the public. This gap in knowledge is compounded by the absence of a clear and compelling narrative that effectively communicates the benefits of the One Health approach to communities. Data sharing mechanisms across different sectors are limited, which hinders a comprehensive understanding of health risks and the development of effective responses to outbreaks. This challenge is further intensified by inadequate coordination between public and private entities across multiple sectors, including healthcare, agriculture, and environmental management, despite the significant role of the private sector in these areas. Another critical issue is the lack of availability of prescriptions and hospital records with medical professionals and institutions, impeding effective health management and data analysis. In animal healthcare, there is a noticeable absence of regular health services, such as check-ups and immunizations, for animals. This oversight can lead to the failure of adequate and timely diagnosis and treatment. Additionally, growing antibiotic resistance among animals, rodents, and insects, which persists in the skin and gut and circulates in the ecosystem, presents a significant challenge. Research efforts dedicated to multidisciplinary One Health studies are scarce, highlighting a gap in understanding and addressing interconnected health issues. Furthermore, there are limited capacity-building programs and training opportunities available for health workers in the country. There are not many comprehensive, long-term education programs for graduates in One Health, indicating a need for more specialized training in this area. Finally, a critical challenge is the significant lack of resources and funding for One Health programs. This scarcity of support hampers the development of effective pandemic preparedness and response systems, which are essential for tackling complex health challenges that span human, animal, and environmental spheres. Addressing these issues requires a concerted effort to enhance awareness, improve coordination, and increase investment in One Health initiatives.

*Source: [www.ima-india.org](http://www.ima-india.org)*

## INDIAN HEALTHCARE INDUSTRY OVERVIEW

### INTRODUCTION

Healthcare has become one of India's largest sectors, both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services, and increasing expenditure by public as well as private players.

India's healthcare delivery system is categorised into two major components - public and private. The government, i.e., the public healthcare system, comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of Primary Healthcare Centers (PHCs) in rural areas. The private sector provides the majority of secondary, tertiary, and quaternary care institutions with a major concentration in metros, tier-I, and tier-II cities.

India's competitive advantage lies in its large pool of well-trained medical professionals. India is also cost-competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe. The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from across the world. Moreover, India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research.

### MARKET SIZE

The Indian Healthcare industry continued its healthy growth in 2023 and reached a value of US\$ 372 billion driven by both the private sector and the government. As of 2024, the Indian healthcare sector is one of India's largest employers as it employs a total of 7.5 million people. Progress in telemedicine, virtual assistants, and data analytics is expected to create 2.7-3.5 million new tech jobs.

India's public expenditure on healthcare touched 2.1 % of GDP in FY23 and 2.2% in FY22, against 1.6% in FY21, as per the Economic Survey 2022-23.

India's hospital market was valued at US\$ 98.98 billion in 2023, projected to grow at a CAGR of 8.0% from 2024 to 2032, reaching an estimated value of US\$ 193.59 billion by 2032.

In FY24 (Till February 2024), premiums underwritten by health insurance companies grew to Rs. 2,63,082 crore (US\$ 31.84 billion). The health segment has a 33.33% share in the total gross written premiums earned in the country.

Indian medical tourism market was valued at US\$ 7.69 billion in 2024 and is expected to reach US\$ 14.31 billion by 2029. According to India Tourism Statistics, around 634,561 foreign tourists came for medical treatment in India in 2023, which was nearly 6.87% of the total international tourists who visited the nation. With US\$ 5-6 billion size of medical value travel (MVT) and 500000 International patients annually, India is among the global leader destinations for international patients seeking advanced treatment.

The e-health market size is estimated to reach US\$ 10.6 billion by 2025. As per information provided to the Lok Sabha by the Minister of Health & Family Welfare, Dr. Bharati Pravin Pawar, the doctor population ratio in the country is 1:854, assuming 80% availability of 12.68 lakh registered allopathic doctors and 5.65 lakh AYUSH doctors.

### INVESTMENTS/ DEVELOPMENTS

Between April 2000-March 2024, the FDI inflow for the drugs and pharmaceuticals sector stood at US\$ 22.57 billion.

Inflows in sectors such as hospitals and diagnostic centres and medical and surgical appliances stood at US\$ 10.26 billion and US\$ 3.28 billion, respectively, between April 2000-March 2024.

During 2022-23 (up to December 2022) Foreign Direct Investment, (FDI) inflow in India stood at US\$ 36,746 million. Some of the recent developments in the Indian healthcare industry are as follows:

- DocPlix, a health-tech startup, raises Rs 1.2 crore (US\$ 0.14 million) in a bridge round led by Inflection Point Ventures (IPV), aiming to digitize health records for India's 1.4 billion population and enhance healthcare accessibility.
- IIT Bombay partners with Blockchain for Impact (BFI) to receive a US\$ 900,000 investment aimed at developing affordable healthcare technologies, as part of a broader US\$ 15 million BFI-Biome initiative to address urgent health challenges and advance biomedical innovation.
- In May 2023, Temasek, a Singaporean investment company, invested US\$ 2 billion in Manipal Health Enterprises, a leading healthcare provider in India, highlighting the growing interest in the Asian healthcare market.

- In September 2023, Nirma a diversified Indian conglomerate, acquired a 75% stake in Glenmark Life Sciences, a pharmaceutical company, for US\$ 689 million. This transaction marked one of the biggest Indian healthcare M&A deals of the year.
- As of August 1, 2023, a total of 24.33 crore Ayushman cards have been created. To prevent, detect, and deter healthcare fraud and to ensure that eligible beneficiaries receive adequate treatment, the Government of India is using Artificial Intelligence (AI) and Machine Learning (ML). As of October 2023, a total of 26 crore Ayushman cards have been created.
- As of February 20, 2023, more than 220.63 crore COVID-19 vaccine doses have been administered across the country. While as of May 11, 2023, more than 2.20 billion COVID-19 vaccine doses have been administered across the country.
- As of July 15, 2023, India has exported 30.12 crore vaccine doses.
- Multinational healthcare company Abbott has committed to converting 75 Primary Health Centers (PHCs) to Health and Wellness Centers (HWCs) in nine Indian States, in collaboration with Americares India Foundation, a nonprofit organisation dedicated to relief and development in the field of health. This will benefit over 2.5 million people from under-resourced communities every year.
- In November 2022, diabetes management app BeatO raised US\$ 33 million in its Series B funding round led by impact investor Lightrock India.
- In August 2022, Edelweiss General Insurance partnered with the Ministry of Health, Government of India, to help Indians generate their Ayushman Bharat Health Account (ABHA) number.
- The healthcare and pharmaceutical sector in India had M&A activity worth US\$ 4.32 billion in the first half of 2022.
- As of 2023, the number medical colleges in India stood at 706.
- In July 2022, the Indian Council of Medical Research (ICMR) released standard treatment guidelines for 51 common illnesses across 11 specialities to assist doctors, particularly in rural regions, in diagnosing, treating, or referring patients in time for improved treatment outcomes.
- In July 2022, the National Pharmaceutical Pricing Authority (NPPA) fixed the retail prices for 84 drug formulations, including those used for the treatment of diabetes, headache, and high blood pressure.
- In March 2022, Hyderabad-based pharmaceutical company Biological E applied for emergency use authorisation (EUA) for its Covid-19 vaccine Corbevax for the 5-12 years age group.
- In January 2022, Phase 3 trials commenced of India's first intranasal vaccine against COVID-19 which is being developed by Bharat Biotech, in conjunction with the Washington University School of Medicine in St Louis, the US.
- Startup HealthifyMe, with a total user base of 30 million people, is adding half a million new users every month and crossed US\$ 40 million ARR in January 2022.
- The number of policies issued to women in FY21 stood at 93 lakhs, with one out of every three life insurance policies in FY21 sold to a woman.
- In December 2021, Eka Care became the first CoWIN-approved organization in India, through which users could book their vaccination slot, download their certificate, and even create their Health IDs.
- As of November 18, 2021, 80,136 Ayushman Bharat Health and Wellness Centres (AB-HWCs) are operational in India.
- As of November 18, 2021, 638 e-Hospitals are established across India as part of the central government's 'Digital India' initiative.
- In November 2021, Aster DM Healthcare announced that it is planning Rs. 900 crore (US\$ 120.97 million) capital expenditure over the next three years to expand its presence in India, as it looks at increasing the share of revenue from the country to 40% of the total revenue by 2025.
- In September 2021, a Russian-made COVID-19 vaccine, Sputnik Light received permission for Phase 3 trials in India.
- In September 2021, Biocon Biologics Limited, a subsidiary of Biocon, announced a strategic alliance with Serum Institute Life Sciences, a subsidiary of Serum Institute of India (SII). The alliance is expected to strengthen India's position as a global vaccine and biologics manufacturing powerhouse.

## GOVERNMENT INITIATIVES

Some of the major initiatives taken by the Government of India to promote the Indian healthcare industry are as follows:

- Union Minister of Health and Family Welfare and Chemicals & Fertilizers Dr. Mansukh Mandaviya, virtually launched 'MedTech Mitra,' a platform designed to support young Indian innovators in the MedTech sector by aiding in their research, development, and regulatory approvals, aiming to reduce import dependence and transform India into a leading US\$ 50 billion MedTech industry by 2030, while fostering indigenous development of affordable, quality medical devices and diagnostics, in line with the vision of Viksit Bharat and Atmanirbhar Bharat.
- PoshanAbhiyan is a Centrally Sponsored Scheme with the implementation of the scheme being done by States/UTs. To ensure that all Anganwadi Centres are equipped with Smartphones and Growth Monitoring devices (GMDs) such as Infantometer, Stadiometers, and Weighing Scale for Mothers and Infant, the Ministry has released revised guidelines for technical specifications and replacement of GMDs by the States.
- In the Union Budget 2023-24:
  - On February 25, 2024, Prime Minister Narendra Modi marked a significant stride in India's healthcare landscape by inaugurating five new All India Institute of Medical Sciences (AIIMS) across different states. These AIIMS facilities, situated in Rajkot (Gujarat), Bathinda (Punjab), Raebareli (Uttar Pradesh), Kalyani (West Bengal), and Mangalagiri (Andhra Pradesh), signify a transformative step towards bolstering tertiary healthcare infrastructure.

- On January 18, 2024, the Union Cabinet was briefed on a Memorandum of Understanding signed between CDSCO, India, and ARCSA, Ecuador, fostering cooperation in medical product regulation, enhancing international coordination, and potentially boosting India's pharmaceutical exports.
- On November 8, 2023, India and Netherlands inked a significant Memorandum of Intent in The Hague, aiming to bolster cooperation on medical product regulation, thereby elevating the quality of healthcare services for both nations.
- Under the Interim Union Budget 2024-25, the Ministry of Health and Family Welfare has been allocated Rs. 90,659 crore (US\$ 10.93 billion), an increase of 1.69% compared to Rs. 89,155 crore (US\$ 10.75 billion) in 2023-24.
- Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was allocated Rs. 2,400 crore (US\$ 0.29 billion)
- Human Resources for Health and Medical Education was allotted Rs. 5,016 crore (US\$ 0.60 billion)
- National Health Mission was allotted Rs. 38,183 crore (US\$ 4.60 billion).
- Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) was allotted Rs. 7,500 crore (US\$ 0.90 billion).
- In July 2022, the World Bank approved a US\$ 1 billion loan towards India's Pradhan Mantri-Ayushman Bharat Health Infrastructure Mission.
- To promote medical tourism in the country, the government of India is extending the e-medical visa facility to the citizens of 156 countries.
- In May 2022, the Union Government approved grants for five new medical colleges in Gujarat with a grant of Rs. 190 crore (US\$ 23.78 million) each. These colleges will come up in Navsari, Porbandar, Rajpipla, Godhra and Morbi.
- In November 2021, the Government of India, the Government of Meghalaya, and the World Bank signed a US\$ 40-million health project for the state of Meghalaya. The project will improve the quality of health services and strengthen the state's capacity to handle future health emergencies, including the COVID-19 pandemic.
- In September 2021, Prime Minister Mr. Narendra Modi launched the Ayushman Bharat Digital Mission. The mission will connect the digital health solutions of hospitals across the country. Under this, every citizen will now get a digital health ID and their health record will be digitally protected.
- In September 2021, the Telangana government, in a joint initiative with World Economic Forum, NITI Aayog and HealthNet Global (Apollo Hospitals), launched the 'Medicine from the Sky' project. The project will pave the way for drone delivery of life-saving medicines and jabs in far-flung regions of the country.
- According to a spokesperson, the Indian government is planning to introduce a credit incentive programme worth Rs. 50,000 crore (US\$ 6.8 billion) to boost the country's healthcare infrastructure. The programme will allow firms to leverage the fund to expand hospital capacity or medical supplies with the government acting as a guarantor and strengthening COVID-19-related health infrastructure in smaller towns.
- In July 2021, the Ministry of Tourism established the 'National Medical & Wellness Tourism Board' to promote medical and wellness tourism in India.
- In July 2021, the Union Cabinet approved the continuation of the National Ayush Mission, responsible for the development of traditional medicines in India, as a centrally sponsored scheme until 2026.
- In July 2021, the Union Cabinet approved the MoU between India and Denmark on cooperation in health and medicine. The agreement will focus on joint initiatives and technology development in the health sector, to improve the public health status of the population of both countries.
- In June 2021, the Ministry of Health, and Family Welfare, in partnership with UNICEF, held a capacity-building workshop for media professionals and health correspondents in Northeastern states on the current COVID-19 situation in India, to bust myths regarding COVID-19 vaccines & vaccination and reinforce the importance of COVID-19 Appropriate Behaviour (CAB).

## ROAD AHEAD

India's healthcare sector is extremely diversified and is full of opportunities in every segment, which includes providers, payers, and medical technology. With the increase in the competition, businesses are looking to explore the latest dynamics and trends which will have a positive impact on their business. The hospital industry in India is forecast to increase to Rs. 8.6 lakh crore (US\$ 132.84 billion) by FY22 from Rs. 4 lakh crore (US\$ 61.79 billion) in FY17 at a CAGR of 16–17%.

India is a land full of opportunities for players in the medical devices industry. The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of the population. Besides, Indian medical service consumers have become more conscious towards their healthcare upkeep. Rising income levels, an ageing population, growing health awareness and a changing attitude towards preventive healthcare are expected to boost healthcare services demand in the future. Greater penetration of health insurance aided the rise in healthcare spending, a trend likely to intensify in the coming decade.

The Government aims to develop India as a global healthcare hub and is planning to increase public health spending to 2.5% of the country's GDP by 2025.



## Executive Summary

### 1. Fourth Largest Employer

- India climbed to the 63rd rank among 190 countries in the World Bank's 'Ease of Doing Business' rankings in 2020.
- The World Bank's Logistics Performance Index (LPI) 2023 has ranked India at 38th position (out of 139 economies), recording an improvement of 6 positions.
- As of 2024, the Indian healthcare sector is one of India's largest employers as it employs a total of 7.5 million people. Progress in telemedicine, virtual assistants, and data analytics is expected to create 2.7-3.5 million new tech jobs.

### 2. Impressive Growth Prospects

- The Indian Healthcare industry continued its healthy growth in 2023 and reached a value of US\$ 372 billion driven by both the private sector and the government.
- As of December 13, 2023, more than 2.20 billion COVID-19 vaccine doses have been administered across the country.
- India's hospital market was valued at US\$ 98.98 billion in 2023, projected to grow at a CAGR of 8.0% from 2024 to 2032, reaching an estimated value of US\$ 193.59 billion by 2032

### 3. Strong Fundamentals and Cost Advantage

- Rising income levels, an ageing population, growing health awareness and a changing attitude towards preventive healthcare is expected to boost healthcare services demand in the future.
- The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from across the world. Moreover, India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research.

### 4. Favourable Investment Environment

- Conducive policies for encouraging FDI, tax benefits, and favourable Government policies coupled with promising growth prospects have helped the industry attract private equity (PE), venture capitals (VCs) and foreign players.

## Advantage India

### 1. Strong Demand

- The healthcare sector, as of 2024, is one of India's largest employers, employing a total of 7.5 million people.
- The demand for Indian healthcare professionals is expected to double nationally and globally by 2030 due to a shortage of healthcare workers in India, where there are only 1.7 nurses per 1,000 people and a doctor-to-patient ratio of 1:1,500 nationwide.

### 2. Attractive Opportunities

- India's public expenditure on healthcare touched 2.1 % of GDP in FY23 and 2.2% in FY22, against 1.6% in FY21, as per the Economic Survey 2022-23. The Health Ministry aims to reach 2.5% by FY25.
- Two vaccines (Bharat Biotech's Covaxin and OxfordAstraZeneca's Covishield manufactured by the Serum Institute of India) were instrumental in medically safeguarding the Indian population and those of 100+ countries against COVID-19.

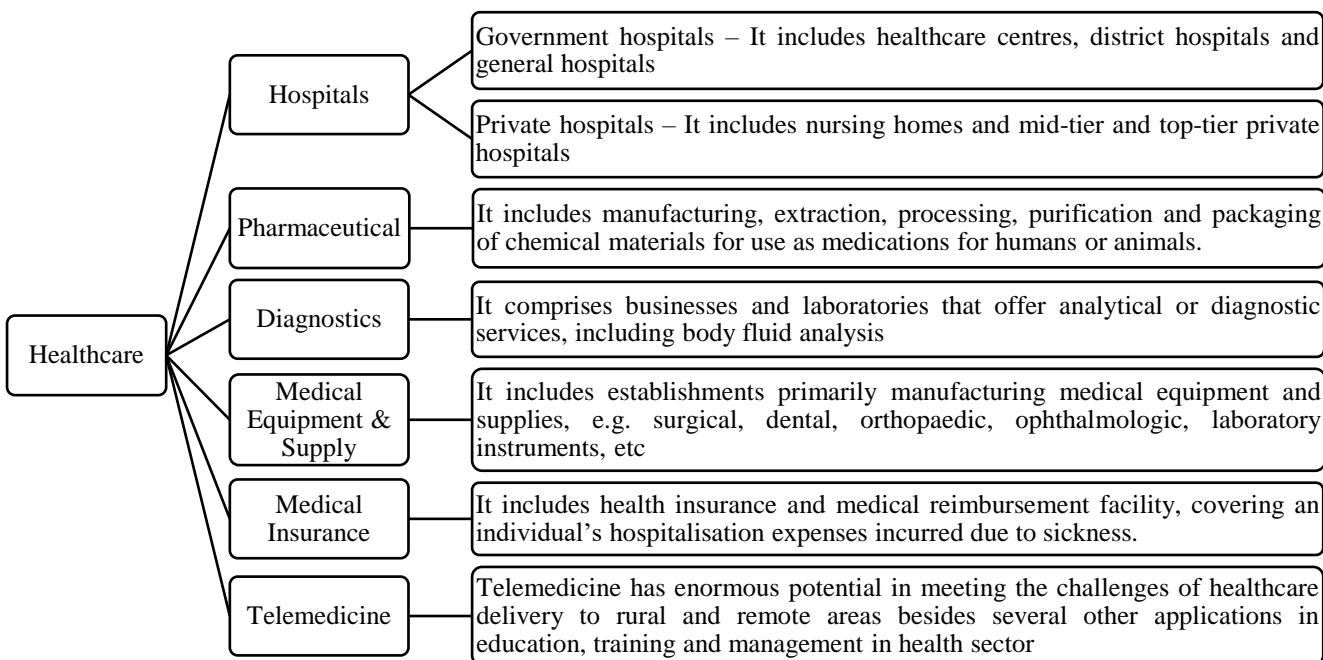
### 3. Policy and Government Support

- The Government aims to develop India as a global healthcare hub.
- Public health surveillance in India will further strengthen the health systems.
- In the Interim Union Budget 2024-25, the government allocated Rs. 90,659 crore (US\$ 10.93 billion) to the Ministry of Health and Family Welfare (MoHFW).
- In March 2021, the Parliament passed the National Commission for Allied & Healthcare Professions Bill 2021, which aims to create a body that will regulate and maintain educational and service standards for healthcare professionals.

### 4. Rising Manpower

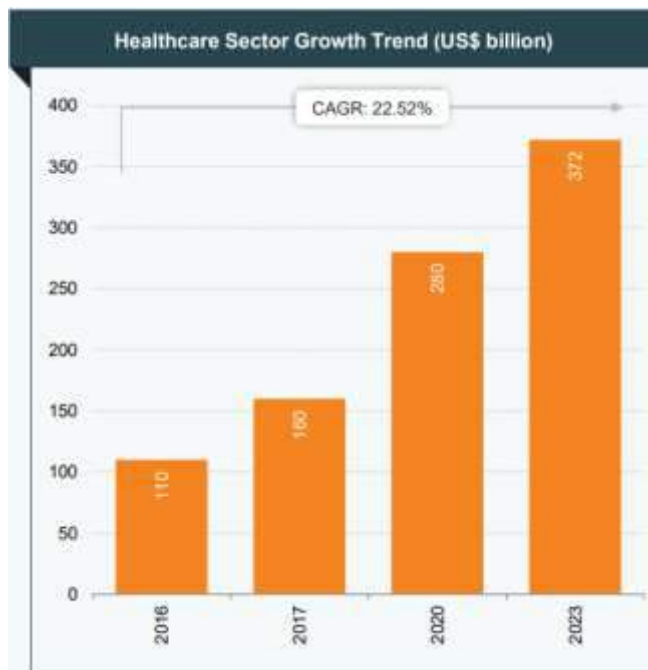
- Availability of a large pool of well-trained medical professionals in the country.
- The number of allopathic doctors with recognised medical qualifications (under the I.M.C Act) registered with state medical councils/national medical councils increased to 1.308 million in June 2022, from 0.83 million in 2010.

**Market Overview and Trends**



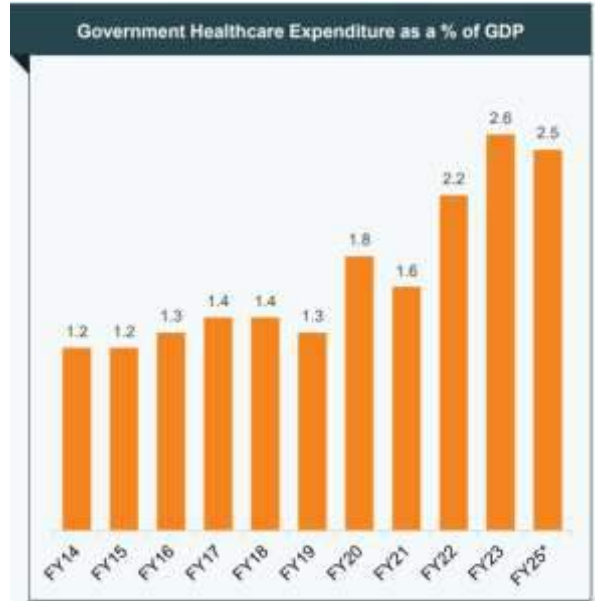
**Strong growth in healthcare expenditure over the years**

- Healthcare has become one of India's largest sectors, both in terms of revenue and employment. The industry is growing at a tremendous pace owing to its strengthening coverage, service and increasing expenditure by public as well private players.
- The Indian healthcare market enjoyed a robust Compound Annual Growth Rate (CAGR) of 22.52% between 2016 and 2022, highlighting its rapid growth trajectory.
- The healthcare profit pools will grow at a 4% CAGR from US\$ 654 billion in 2021 to US\$ 790 billion in 2026.
- The total industry size is estimated to be at US\$ 372 billion in 2023.
- The Indian healthcare market, which was valued at US\$ 110 billion in 2016 is now projected to reach US\$ 638 billion by 2025.
- The e-health market size is estimated to reach US\$ 10.6 billion by 2025.
- Union Minister of Health and Family Welfare and Chemicals & Fertilizers Dr. Mansukh Mandaviya, virtually launched 'MedTech Mitra,' a platform designed to support young Indian innovators in the MedTech sector by aiding in their research, development, and regulatory approvals, aiming to reduce import dependence and transform India into a leading US\$ 50 billion MedTech industry by 2030, while fostering indigenous development of affordable, quality medical devices and diagnostics, in line with the vision of Viksit Bharat and Atmanirbhar Bharat.

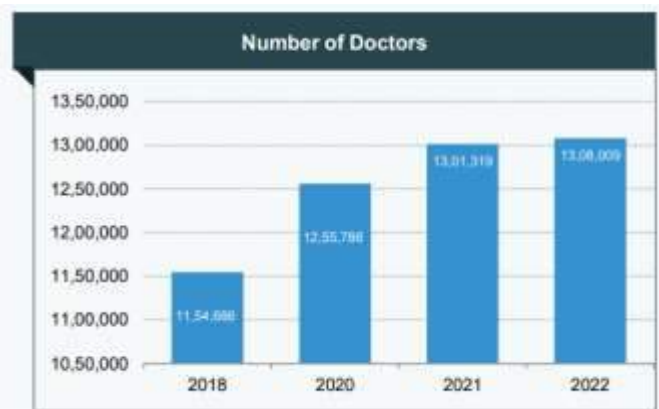
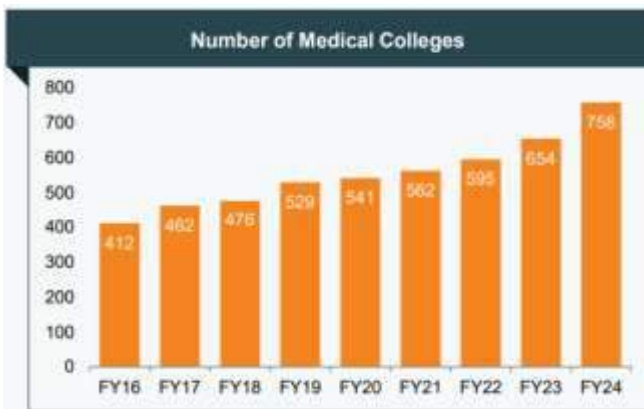


**Per capita healthcare expenditure has risen at a fast pace**

- This is due to rising income, easier access to high-quality healthcare facilities and greater awareness of personal health and hygiene.
- Greater penetration of health insurance aided the rise in healthcare spending, a trend likely to intensify in the coming decade.
- Economic prosperity is driving the improvement in affordability for generic drugs in the market.
- The budgeted spending on the health sector by the federal and state governments was 2.1% of Gross Domestic Production (GDP) in FY23 and 2.2% in FY22, up from 1.6% in FY21. The Government is planning to increase public health spending to 2.5% of the country's GDP by 2025.



**Healthcare infrastructure has risen at a fast pace**



- India’s medical educational infrastructure has grown rapidly in the last few decades.
- The Indian healthcare market, which was valued at US\$ 86 billion in 2016 is now projected to reach US\$ 638 billion by 2025.
- The Government of India's 2024-25 interim budget proposes expanding medical colleges using existing hospitals, building a stronger foundation for future healthcare professionals.
- The number of allopathic doctors, with recognised medical qualifications (under the I.M.C Act), registered with state medical councils/national medical councils increased to 1.3 million in June 2022, from 0.83 million in 2010.
- As per information provided to the Lok Sabha by the Minister of Health & Family Welfare, Dr. Bharati Pravin Pawar, the doctor population ratio in the country is 1:834, assuming 80% availability of 12.68 lakh registered allopathic doctors and 5.65 lakh AYUSH doctors.
- Healthcare innovation in India, currently a US\$ 30 billion opportunity led by pharma services and healthtech, is seeing increased investment in medtech and biotech. With rising consumerization of health, global value chain changes, and regulatory support, this innovation opportunity is projected to reach US\$ 60 billion by FY 2028, alongside ecosystem shifts like consolidation and new partnerships.

## **Covid-19 fightback from the Indian healthcare sector**

### **1. Export of the COVID-19 vaccine and drugs**

- As of July 15, 2023, India has exported 30.12 crore vaccine doses.
- Minister of Health & Family Welfare, Chemicals and Fertilizers, Mr. Mansukh Mandaviya, stated that 96 countries have agreed to mutual recognition of COVID-19 vaccination certificates with India.

### **2. COVID-19 Vaccination**

- As of December 13, 2023, more than 2.20 billion COVID-19 vaccine doses have been administered across the country.
- In March 2022, Hyderabad-based pharmaceutical company Biological E applied for emergency use authorisation (EUA) for its COVID-19 vaccine Corbevax for the 5-12 years age group.
- In January 2022, Phase 3 trials commenced of India's first intranasal vaccine against COVID-19 which is being developed by Bharat Biotech, in conjunction with the Washington University School of Medicine in St Louis, the US.

### **3. Collaboration**

- In April 2023, Cognizant and Microsoft will work together to build an integration roadmap between Cognizant's TriZetto healthcare products with Microsoft Cloud for healthcare.
- IIT Bombay partners with Blockchain for Impact (BFI) to receive a US\$ 900,000 investment aimed at developing affordable healthcare technologies, as part of a broader US\$ 15 million BFI-Biome initiative to address urgent health challenges and advance biomedical innovation.
- In September 2021, the Telangana government, in a joint initiative with the World Economic Forum, NITI Aayog and HealthNet Global (Apollo Hospitals), launched the 'Medicine from the Sky' project. The project will pave the way for drone delivery of life-saving medicines and jabs in far-flung regions of the country.

## **Strategies adopted**

### **1. Cost Leadership**

- Private players in the industry are making their supply chains efficient and leveraging economies of scale to reduce costs. One such example is Narayan Hrudayalaya (NH), where healthcare is provided at an affordable cost. NH reduces costs by high procurement of medical supplies, high-volume by high capacity utilization, staff productivity and good human capital management (i.e., training).

### **2. Differentiation and Diversified Business Approach**

- Players in the industry are trying to differentiate themselves by providing multiple healthcare services under one roof.
- Offering a range of healthcare and wellness services under a single brand has become a trend. Patients and healthcare services-seekers find it convenient. Demand of such arrangements boosts the healthcare sector.

### **3. Co-Development**

- Key players in the industry are focusing on start-ups for co-developing innovative healthcare solutions. In December 2020, a cohort of six healthtech start-ups - AarogyaAI, BrainSightAI, Fluid AI, InMed Prognostics, Wellthy Therapeutics and Onward Assist - were selected by the India Edison Accelerator. This start-up partnership programme focused on Indian mentors, creating strategic partners to co-develop healthcare solutions.

### **4. Mergers & Acquisitions (M&A)**

- In the Indian pharmaceutical industry, there were 17 M&A deals announced in Q2 2023, worth a total value of US\$ 287.2 million.
- The healthcare and pharmaceutical sector in India had M&A activity worth US\$ 5 billion in 2023.
- India's increasing M&A activity in healthcare, driven by rising private and public spending, is positioning the country as a leader in the Asia Pacific region. This trend is supported by substantial inorganic growth through M&A, joint ventures, and partnerships. Strategic M&A is fuelled by the demand for quality healthcare, digital innovation, and government initiatives like 'Make in India'.
- In May 2023, Temasek, a Singaporean investment company, invested US\$ 2 billion in Manipal Health Enterprises, a leading healthcare provider in India, highlighting the growing interest in the Asian healthcare market.

## Indian healthcare sector is poised to grow

### 1. Growing Demand

- Rising income and affordability.
- Growing elderly population, changing disease patterns.
- Rise in medical tourism.
- Better awareness of wellness, preventive care and diagnosis.

### 2. Policy Support

- Encouraging policies for FDI in the private sector.
- Reduction in customs duty and other taxes on life-saving equipment.
- NRHM allocated US\$ 10 billion for healthcare facilities.
- The WHO and G20 India presidency launched the Global Initiative on Digital Health (GIDH) at the G20 Summit's Health Minister's Meeting, aiming to leverage digital health for universal coverage and Sustainable Development Goals by 2030.

### 3. Focus

- Expanding R&D and distribution facilities in India.
- Public-private partnerships facilitate collaborative research aimed at addressing specific medical challenges in India.
- The government provides financial grants, tax breaks, and subsidies to encourage research and development in pharmaceuticals.

### 4. M&A

- Rising FDI and private sector investment.
- Lucrative M&A opportunities.
- Foreign players setting up R&D centres and hospitals in India.

## Rising income, ageing population to be key healthcare demand driver

- Rising income means a steady growth in the ability to access healthcare and related services.
- Per capita GDP of India is expected to reach US\$ 3,277.28 in 2024 from US\$ 1,761.63 in 2016.
- Moreover, changing demographics will also contribute to greater healthcare spending.
- Per capita GDP at current prices in February 2024, stood at US\$ 2,850.40.



## Re-emergence of traditional medical care

### 1. Market size and services offered

- The overall Ayush industry in the country is worth over US\$ 50 billion.- in 2024.
- Ayurveda and Unani medicines consist of more than 90% of plant-based formulations.
- The sector has broadened its offerings and now includes services on diet and nutrition, yoga, herbal medicine, humour therapy and spa.

### 2. Leading brands and players

- Many big players such as Apollo, VLCC and Manipal Group are setting up wellness centres across India with traditional healthcare remedies as the focus of their offerings.

### 3. Developing infrastructure

- In January 2021, the PM Cares fund allocated Rs. 201.58 crore (US\$ 27.55 million) for the construction of 162 additional dedicated pressure swing adsorption medical oxygen generation plants inside the country's public health facilities. The AI in Healthcare Market is projected to grow from US\$ 14.6 billion in 2023 to US\$ 102.7 billion by 2028.
- In July 2021, the Union Cabinet approved continuation of the National Ayush Mission, responsible for the development of traditional medicines in India, as a centrally sponsored scheme until 2026.

### 4. Notable trends

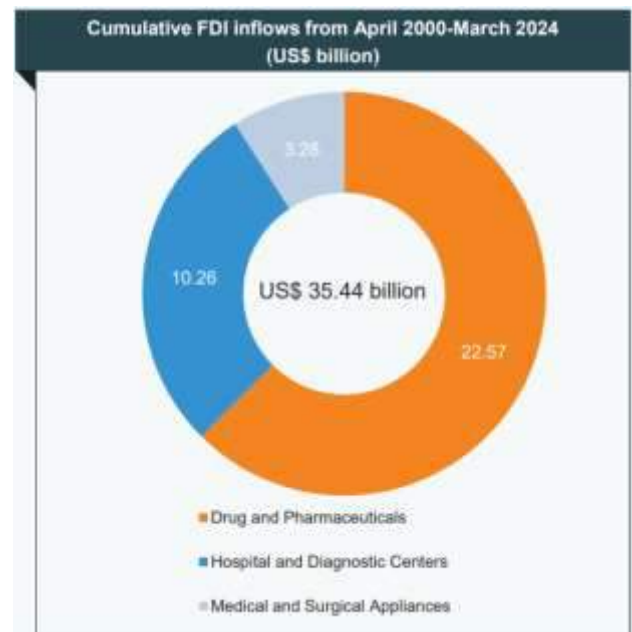
- The traditional medical sector is developing a traditional knowledge digital library to prevent companies from claiming patents on such remedies. There is a growing interest from numerous PE firms in the traditional healthcare sector in India.

### 5. Recent Developments

- The Government of India approved the continuation of the 'National Health Mission' with a budget of Rs. 36,785 crore (US\$ 4.44 billion) under the Union Budget 2023-24.
- Union Minister of Health and Family Welfare and Chemicals & Fertilizers Dr. Mansukh Mandaviya, virtually launched 'MedTech Mitra,' a platform designed to support young Indian innovators in the MedTech sector by aiding in their research, development, and regulatory approvals, aiming to reduce import dependence and transform India into a leading US\$ 50 billion MedTech industry by 2030, while fostering indigenous development of affordable, quality medical devices and diagnostics, in line with the vision of Viksit Bharat and Atmanirbhar Bharat.

## FDI inflow

- 100% FDI is allowed under the automatic route for greenfield projects.
- For brownfield project investments, up to 100% FDI is permitted under the government route.
- Demand growth, cost advantages and policy support have been instrumental in attracting FDI.
- Between April 2000-March 2024, the FDI inflow for the drugs and pharmaceuticals sector stood at US\$ 22.57 billion.
- Inflows in sectors such as hospitals and diagnostic centres and medical and surgical appliances stood at US\$ 10.26 billion and US\$ 3.28 billion, respectively, between April 2000-March 2024.
- In May 2023, Temasek invested US\$ 2 billion in Manipal Health Enterprises, a leading healthcare provider in India, highlighting the growing interest in the Asian healthcare market.



## Medical tourism: a new growth factor for India's healthcare sector

- Presence of world-class hospitals and skilled medical professionals has strengthened India's position as a preferred destination for medical tourism.
- With US\$ 5-6 billion size of Medical Value Travel (MVT) and 500000 International patients annually, India is among the global leader destinations for international patients seeking advanced treatment.
- Treatment for major surgeries in India costs approximately 20% of that in developed countries.
- India also attracts medical tourists from developing nations due to the lack of advanced medical facilities in many of these countries.
- Indian medical tourism market was valued at US\$ 7.69 billion in 2024 and is expected to reach US\$ 14.31 billion by 2029.
- According to India Tourism Statistics, around 634,561 foreign tourists came for medical treatment in India in 2023, which was nearly 6.87% of the total international tourists who visited the nation.
- India has been ranked 10th in the Medical Tourism Index (MTI) for 2020-21 out of 46 destinations by the Medical Tourism Association.
- Yoga, meditation, ayurveda, allopathy and other traditional methods of treatment are major service offerings that attract medical tourists from European nations and the Middle East to India.
- The Government of India liberalised its policy by providing 100% FDI in the AYUSH sector for the wellness and medical tourism segment.
- On February 25, 2024, Prime Minister Mr. Narendra Modi inaugurated five new All India Institute of Medical Sciences (AIIMS) across different states. These AIIMS facilities, situated in Rajkot (Gujarat), Bathinda (Punjab), Raebareli (Uttar Pradesh), Kalyani (West Bengal), and Mangalagiri (Andhra Pradesh), signify a transformative step towards bolstering tertiary healthcare infrastructure.
- With a vision to promote Medical and Wellness Tourism in India, the Ministry of Tourism established the 'National Medical & Wellness Tourism Board' in July 2021. The board will operate as an umbrella organisation with the goal of promoting all types of medical tourism. Yoga and Ayurveda tourism would also be promoted, along with any alternative form of medicine under the Indian system of medicine that is covered under AYUSH.
- India's medical tourism is set to exceed pre-pandemic levels, reaching 7.3 million tourists in CY 2024. Major hospital chains like Max Healthcare, Fortis Healthcare, and Apollo Hospitals are driving this growth. With top-notch infrastructure and skilled experts, medical tourism is expected to contribute 10-12% to hospital revenue, outpacing industry growth.

## Opportunities in healthcare

### 1. Healthcare Infrastructure

- Additional three million beds will be needed for India to achieve the target of 3 beds per 1,000 people by 2025. Also, India will have one doctor to every 800 patients by 2030.
- Additional 1.54 million doctors and 2.4 million nurses will be required to meet the growing demand for healthcare. 58,000 job opportunities are expected to be generated in the healthcare sector by 2025.
- Over US\$ 500 billion is expected to be spent on medical infrastructure by 2030.
- Over the years, India has made strategic interventions in the National Health Mission and the national disease control programmes to ensure quality and affordable healthcare for all.

### 2. Research

- On January 6, 2021, Dr. Harsh Vardhan, the Minister for Health & Family Welfare, released INDIA REPORT on Longitudinal Ageing Study of India (LASI) Wave-1. He stated that this report will be used to further improve and expand the reach of the 'National Elderly Health Care' network and contribute to the implementation of a spectrum of preventive and healthcare services for the elderly and vulnerable population.

### 3. Health-Tech

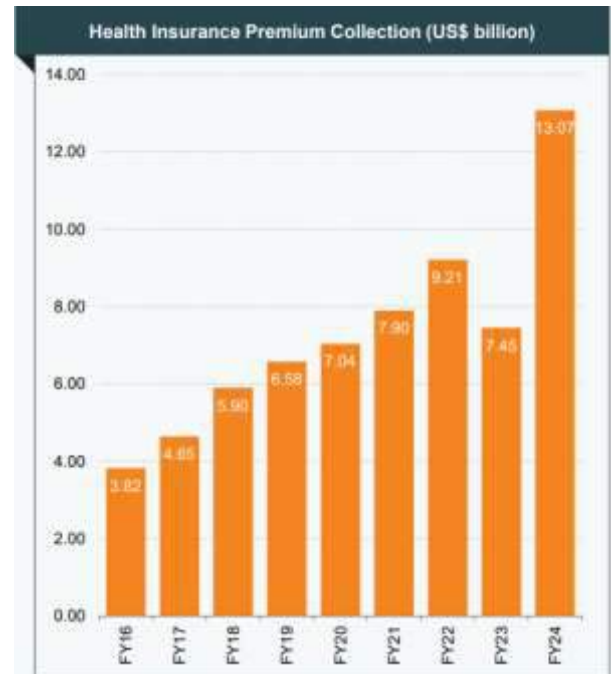
- India currently holds the fourth position in attracting VC funding to the health-tech sector, with investments of US\$ 4.4 billion between 2016-21, with US\$ 1.9 billion invested in 2021 alone.
- In November 2022, diabetes management app BeatO raised US\$ 33 million in its Series B funding round led by impact investor Lightrock India.
- DocPlix, a health-tech startup, raises Rs 1.2 crore (US\$ 0.14 million) in a bridge round led by Inflection Point Ventures (IPV), aiming to digitize health records for India's 1.4 billion population and enhance healthcare accessibility.

### 4. Medical Devices

- India's MedTech industry is experiencing rapid growth driven by initiatives like the PLI Scheme and Medical Devices Parks, attracting significant investments from both domestic and international players and positioning the country as a key player in the global medical device market.

#### Opportunities in health insurance

- A growing middle-class, coupled with rising burden of new diseases, are boosting the demand for health insurance coverage. With increasing demand for affordable and quality healthcare, penetration of health insurance is poised to expand in the coming years.
- According to data released by Just Dial Consumer Insights, the demand for health insurance in India increased by 321% after COVID, with Star Health, Max Bupa, Aditya Birla, HDFC Ergo, and Acko dominating the top five searched and desired insurance brands.
- During April 2021-January 2022, health insurance portfolio of insurers increased by 25.9%, with rise in retail health policies of 17.3% and group policies of 30.1%.
- In FY24, premiums underwritten by health insurance companies grew to Rs. 109,006.79 crore (US\$ 13.07 billion). The health segment has a 37.62% share in the total gross written premiums earned in the country.
- The number of policies issued to women in FY21 stood at 93 lakh, with one out of every three life insurance policies in FY21 sold to a woman.
- By leveraging strategic partnerships, WhatsApp plans to debut opportunities for health insurance and micro-pension products in India. WhatsApp plans to collaborate for the Sachet-Health Insurance Programme with the State Bank of India (SBI) General and plans to work with HDFC Pension to introduce the National Pension Scheme



References: Department for Promotion of Industry and Internal Trade (DPIIT), RNCOS Reports, Media Reports, Press Information Bureau (PIB), Union Budget 2023-24

Source: <https://www.ibef.org/industry/healthcare-india>  
 Data as of May, 2024



## **ROBOTIC SURGERY – Reshaping the Healthcare Sector**

Robotic surgery, also known as robot-assisted surgery, has been in practice for more than two decades now. This cutting-edge technology does not only represent the next era of surgical innovation, but also offers several advantages over traditional surgical methods. As new technologies continue to enter the healthcare sector, robotic surgeries will surely have far-reaching implications and reshape the way we have been practicing surgery over the past centuries.

Robotic surgery is a minimally invasive surgical technique that is performed using a robotic surgical system. This system allows the surgeon to carry out complex surgical procedures by providing augmented vision, enhanced precision control and better ergonomics.

The procedure is essentially remote-controlled by a professional surgeon. The robotic surgical system, consisting of the surgeon's console, a patient cart, and the vision cart, helps the surgeon in reaching hard-to-access parts of the human body and carry out successful surgeries. Since Robotic Surgery is minimally invasive, it results in minimal blood loss and faster recovery. It also carries a lower risk of infection and is less painful compared to traditional methods.

### **The Indian Robotic Surgery Market**

India is a highly sought-after medical value destination for patients from all over the world due to the availability of skilled doctors and surgeons, who can provide high-quality medical services at an affordable cost. The emergence of robotic surgery in India will draw more international patients and give a boost to the country's medical value tourism industry.

For the Indian health ecosystem in terms of accessibility and cost, the recent emergence of indigenous surgical systems inspires considerable optimism and expectations. It will be important to keep in mind, though, that these systems are still at the beginning of their learning curve and will require time and market experience to compete with the cutting-edge surgical systems now available on the market. On the quality of service and patient safety, a substantial influence from the new legislation restricting the use of imported systems and technology in the public healthcare ecosystem is anticipated.

### **The Way Ahead**

Surgical robots are becoming more sophisticated as a result of technological advancement, offering a greater range of movement and precise dissection. Similar to this, modern visualization tools like binocular lenses, high-resolution HD cameras, and amplified 3D vision provide surgeons with more comfort and better dexterity. Robotic towers and arms can enhance control and coordination and lessen mistakes brought on by weariness. In addition, there is a lesser probability of bleeding and infection.

It is crucial to realise that the systems now on the market, although being imported, have amassed sufficient data and insights over time about not only the effectiveness of these systems but also many elements of surgical use and patient safety. Long-standing surgical systems must be permitted to continue investing in and developing the ecosystem in India, particularly the public sector, where we see all segments of the society gain access to high-quality and equitable healthcare, even as we continuously create and build space for indigenous players to define and enhance their capabilities and efficacies steadily.

The popularity of robotic surgical procedures is expected to rise globally with an increase in chronic diseases and a steep rise in the demand for quality health care. Given our aspiration to excel in the healthcare industry, with well-trained robotic surgeons and state-of-the-art infrastructure, India is poised to rise as a world leader in robotic surgery.

*Source: [www.ciiblog.in](http://www.ciiblog.in)*

## **Robot-assisted surgery in India: A SWOT analysis**

After the US FDA approval of the da Vinci system in 2000, India got its first urologic robotic installation at the All India Institute of Medical Sciences, New Delhi, in 2006. The following decade saw an unprecedented growth of robotic surgery in India. There are currently 66 centers and 71 robotic installations as on July 2019, with more than 500 trained robotic surgeons in our country. More than 12,800 surgeries have been performed with robotic assistance in these 12 years. The numbers are expected to increase as more robotic surgeons get trained and other surgical specialties increasingly utilizing this platform. The trend suggests that the rise of robotic surgery in India has been, and is, going to be a rapid and huge one; therefore, we scrutinize this rise of robotic surgery in India, and its future, using a strength-weakness-opportunities-threats (SWOT) analysis.

### **STRENGTHS**

#### ***Patient volumes***

The success of any surgical program depends on the availability of a large number of cases, standardization of all surgical steps, and repeated exposure to the same disease reinforcing the stringent management protocols and ensuring efficient utilization of resources in a cost-effective manner. The alarmingly rising population of India, though a major social concern, results in very large number of patients being treated by a single surgeon. This blessing in disguise leads to an early crossing of the learning curve for most robotic surgeons and ample learning opportunities.

#### ***Growing economy***

India is the world's 7<sup>th</sup> largest economy by nominal gross domestic product and the 3<sup>rd</sup> largest by purchasing power parity. In the financial year 2015 and 2018, India's economy became the world's fastest-growing major economy, surpassing China. The healthcare sector has become one of the India's largest sectors, with healthcare market likely to have threefold jump by 2022, driven by the growing incidence of lifestyle diseases and rising demand for affordable healthcare delivery systems. The growing economy and the rapidly expanding healthcare sector have resulted in decentralization of institutions and are expected to bring in more hospitals offering robotic surgeries, resulting in a decline in the cost of the treatment.

#### ***Good laparoscopic surgeons***

The need of laparoscopic experience prior to robotic surgery is debatable. However, there is no denying the fact that surgeons with excellent laparoscopic skills would have an edge and also a shorter learning curve. Laparoscopy is well established in India. Hence, the transition from a laparoscopic surgeon to a robotic surgeon is smooth, which ensures a shorter learning curve and a faster dissipation.

#### ***Training and proctorship***

Several institutes in India are offering training programs in robotic surgery, mentored by senior consultants at various government institutions and private hospitals. With the Vattikuti 1-year fellowship in robotic surgery, the training process has been streamlined with increased opportunities for upcoming young surgeons. Moreover, the da Vinci Basic Surgical Skills Training Center has been started in India to provide additional training opportunities.

#### ***Increase in experienced surgeon cohort***

Robotic technology has also increased the age of the surgical capabilities of surgeons by its improved ergonomics, motion scaling, and tremor filtration. It is particularly beneficial in a country like India where the demand of surgeons is ever increasing.

#### ***Increased insurance (National Health Profile 2018)***

General Budget brought in the 'Ayushman Bharat' as the National Health Protection Scheme that is expected to cover over 10 crore poor and vulnerable families. With the implementation of this insurance, more patients, including those from the lower-income group, will be able to afford robotic Surgery and get benefitted.

### **WEAKNESS**

#### ***Huge initial investment***

The robot currently costs around US \$1,500,000 as an initial investment with a yearly maintenance cost of US \$100,000. Besides the cost of the machine, the expenditure incurred in setting up a facility dedicated to robotic surgery is also huge.

#### ***Recurring cost of consumables***

Much more concerning is the recurring cost of the instruments. A number of procedure-wise cost-effectiveness studies have shown that open/laparoscopic surgeries are much more cost-effective than robotic surgeries for pyeloplasty and

prostatectomy. Large burden of communicable diseases such as tuberculosis, malaria etc., take priority in the health sector budget of India. The expenditure on robotic surgery will increase the load on the health sector expenditure.

#### ***Considerable reliance on technology: device malfunction***

Robot, being a machine, is prone to break downs and malfunctions. FDA data on adverse events in robotic surgery found that there were 1535 (14.4%) adverse events with significant negative patient impacts, including injuries (1391 cases) and deaths (144 cases), and over 8061 (75.9%) device malfunction. Manufacturer and User facility Device Experience, which is an independent voluntary database for reporting robotic malfunction, is also plagued by a significant under-reporting and remains an imprecise tool for reporting such malfunction.

#### ***True benefit of robotic surgery: No data in India***

Systematic reviews/meta-analyses comparing robotic surgery to conventional surgery have failed to show superiority of robotic surgery, thus questioning its true benefit. Contrary to the West where there is a strict quality control in place by keeping a tab on the readmissions, prolonged stay, and re-exploration rates for every surgeon, Indian hospitals do not have such robust checks and balances. Therefore, the assessment of actual benefit of robotic surgery in our population becomes more difficult.

### **OPPORTUNITIES**

#### ***Scope for expansion***

As other specialties are slowly accepting the role of this technology in India, the multidisciplinary use of robotic surgery creates an opportunity to decrease the maintenance cost associated with it, making it much more cost-effective.

#### ***Medical tourism***

The availability of excellent physicians and surgeons providing care at par with any nation of the West, coupled with the Indian hospitality, low cost, and short waiting time, makes India a sought-after destination for patients all over the world. Currently, medical tourism in India is a 2 billion USD industry. Availability of robotic surgery would attract more foreign patients who may be requiring not only robotic procedures but also other nonrobotic surgeries.

#### ***Newer robotic systems***

Newer robotic systems are currently underway for clinical applications. These systems usher a competitive market for intuitive surgical, which may lead to a decreased cost of initial investment as well as maintenance, thereby increasing the affordability and widespread use for Indian population.

### **THREATS**

#### ***Fear of missing out***

Increasing popularity of robotic surgery can lead to an increase in irrational demand by the patients, mounting an undue pressure upon the surgeon. This may lead to the irrational use of robotic surgery in view of fear of missing out. This is especially true in India where the literacy rates and awareness about health are poor and belief systems are more prevalent. In addition, hospitals are more likely to buy a robot for commercial publicity and superiority, and subsequently, to regain expenses, push surgeons into recruiting patients for robotic surgery.

#### ***Compromise in training***

India is currently in need of trained taskforce which can cater to millions of people, not limited to cities. Due to the limited availability of robotic systems, a trained surgeon/urologist capable of performing an open or a laparoscopic surgery is desirable. However, in academic institutions with robotic facility, the exposure of residents/fellows to open/laparoscopic procedures is decreased. This can lead to a vacuum in the training of these new residents who will have to perform open/laparoscopic procedures on their own as they go and work in hospitals where robot-assisted facility is not available.

#### ***Risk of infection***

Although not pertinent only to India, there is a definite possibility of the increased risk of infection by robotic instruments and ample data are available, suggesting incomplete sterilization of robotic instruments due to a complex pulley system run by thin wires. Saito *et al.* reported higher levels of contamination of proteins and residue in robotic instruments as compared to other instruments. They concluded that the complex robotic surgical instruments necessitate the establishment of new standards of cleaning and novel classification. It is virtually impossible to completely remove the protein from surgical instruments and, with increasing complexity of the instrument such as the robotic one, endangers the patients for unknown organisms and prion-based diseases.

## OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the section titled “Risk Factors”, beginning on page 23 of this Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section title “Risk Factors” and the chapters titled “Restated Financial Statements” and “Management Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page 23, 189 and 223 respectively of this Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Prospectus, all references to “we”, “us”, “our” and “our Company” are to “Shanmuga Hospital Limited”. Unless stated otherwise, the financial data in this section is as per our Restated Financial Statements prepared in accordance with Indian Accounting Policies set forth in the Prospectus.*

### OVERVIEW

Our company was originally incorporated as a Private Limited Company under the name “**Shanmuga Hospital Private Limited**” on June 26, 2020, in accordance with the Companies Act, 2013. We received a fresh certificate of incorporation, bearing the corporate identification number U85110TZ2020PTC033974, from the Registrar of Companies, Central Registration Centre. Subsequently, our company converted into a public limited company, resulting in a name change to “**Shanmuga Hospital Limited**”. This alteration was formally recorded in a new Certificate of Incorporation dated June 06, 2024, with the Corporate Identification Number U85110TZ2020PLC033974, issued by the Registrar of Companies, Central Processing Centre. For further details of change in name and registered office of our company, please refer to section titled “**Our History and Certain Corporate Matters**” beginning on page no 159 of the Prospectus.

In 1981, Dr. Panneerselvam Palaniappan Shanmugam, started a hospital in the name of ‘Shanmuga Hospital’ as a sole proprietorship in Salem town of Tamil Nadu state. Recognizing the demand for increased bed capacity and lack of space, the hospital was relocated in 1992 and formed a Partnership Firm along with his parents and wife in the name of “Shanmuga Hospital” to run the said hospital. In 1996, the Salem Cancer Institute, specializing in oncology, was established, becoming the first cancer hospital for the surrounding regions. In the same year, Thirumigu Vanavasi P. Shanmugam and Dr. P. S. Panneerselvam founded Shanmuga Medical Research Foundation Trust (SMRFT) to provide comprehensive medical services and paramedical education.

In the year 2020, Shanmuga Hospital Private Limited (converted to Shanmuga Hospital Limited during last year) was incorporated. A significant milestone was achieved on December 15, 2023, with the execution of a Business Transfer Agreement on a slump basis which resulted in the acquisition of the assets and liabilities of M/s. Shanmuga Hospital, a partnership firm. This expansion will mark a notable development for our company, signifying sustained growth and progress and holding promising opportunities for future advancements in our healthcare services. For further details, please refer to the chapter titled “**History and Certain Corporate Matters**” beginning on page 159 of this Prospectus.

Shanmuga Hospital Limited, a Multispecialty Hospital, was strategically established in Salem. Equipped with advanced healthcare technology and having 151 bed capacity, it addresses the community’s medical needs, serving patients from nearby regions. Accredited by the National Accreditation Board for Hospitals and Healthcare (NABH Accredited) and National Accreditation Board for Testing and Calibration Laboratories (“NABL Accredited”), our hospital is committed to high-quality healthcare services, including prevention, treatment, and rehabilitation.

Our medical facility encompasses a Oncology Unit, High Dependency Unit (HDU), Emergency Department (ED), Outpatient Consultation Services, Cardiac Care Unit (CCU), Intensive Care Unit (ICU), Neonatal Intensive Care Unit (NICU), Labour Room, Endoscopy Room, Neurosurgery Unit, and Cardiac Unit. The Diagnostic Centre features advanced laboratory and imaging technologies such as X-Ray, Ultrasound, Computed Tomography (CT) scan, Magnetic Resonance Imaging (MRI), and modular operational theatres. Providing extensive inpatient and outpatient care across various Medical and Surgical specialties, our facility is well-equipped to meet diverse healthcare needs.

Our success comes from providing quality healthcare at affordable rates, appreciations to our skilled medical professionals who connect personally with patients. We've built a reputation for delivering top-notch medical services at competitive prices. As a growing organization, our goal is to solidify our position as a leading healthcare provider. We're committed to continuous improvement in our facilities, aiming for a higher standard of care and quality.

Our team of medical practitioners is dedicated to delivering high-quality healthcare, equipped with training to handle emergencies. Collaborations with insurance companies for smooth claim processing and partnerships with renowned medical specialists enhance our healthcare services.

We are associated with Government Agencies, Companies and Organizations for providing health care facilities to their employees and their dependants, as per details given below:

- Empanelled with Employees State Insurance Corporation (ESIC) for providing certain treatment/diagnostic facilities to the ESI beneficiaries.
- Empanelled with Railway Hospital for providing comprehensive medical care facilities to the employees/pensioners, their eligible family members.
- Empanelled under Ex-Servicemen Contributory Health Scheme (ECHS) for treatment of the members of ECHS and their dependants.
- Empanelled with Airport Authority of India Limited for providing medical treatment diagnostic facilities to AAI Beneficiaries
- MoU with Food Corporation of India (FCI) to provide medical facilities and treatment to the employees/member(s)

Additionally, Shanmuga Hospital Limited is empanelled with the insurance and TPA providers. Patients can now get easier access to affordable healthcare and quality treatment. These initiatives have been undertaken by Shanmuga Hospital keeping the patient's needs in mind.

Service-wise break up of our Revenues is as follows:

(₹ in Lakhs)

Particulars	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Hospital Sales & Services	1,741.20	3,092.15	2,927.22	3,172.09
Hospital Medicinal Sales	720.98	1,211.59	1,007.25	966.10
<b>Total Revenue from Operations</b>	<b>2,462.18</b>	<b>4,303.74</b>	<b>3,934.47</b>	<b>4,138.20</b>

As certified by our statutory auditor having peer review certificate M/s. P P N and Company, Chartered Accountant vide their examination report dated January 29, 2025.

The financial performance of the company is as follows:

(₹ in lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Total Income	2,482.81	4,338.78	3,949.56	4,147.10
Growth (%)	-42.78%	9.85%	-4.76%	993.09%
Revenue from Operation	2,462.18	4,303.74	3,934.47	4,138.20
EBITDA (Operating Profit)	440.46	850.87	727.63	900.77
EBITDA Margin (%)	17.74%	19.61%	18.42%	21.72%
PAT	239.29	526.15	476.22	671.82
Growth (%)	-54.52%	10.48%	-29.12%	2255.03%
PAT Margin (%)	9.64%	12.13%	12.06%	16.20%
EPS (Basic & Diluted) - (As per end of Restated period)	2.44	5.37	595.28	839.78
EPS (Basic & Diluted) - (Post Bonus with retrospective effect)	2.44	5.37	4.90	6.91
Total Borrowings	976.15	901.88	765.00	-
Total Net Worth (TNW)	1,952.66	1,713.37	1,182.21	705.99
RONW (%)	12.25%	30.71%	40.28%	95.16%
ROCE (%)	15.09%	35.89%	42.72%	125.69%
Debt Equity Ratio (Total Borrowing/TNW)	0.50	0.53	0.65	-

As certified by our statutory auditor having peer review certificate M/s. P P N and Company, Chartered Accountant vide their examination report dated January 29, 2025.

Our Company is a burgeoning organization dedicated to enhancing and solidifying our position as the premier healthcare services provider. We endeavour to deliver top-notch medical and surgical care solutions through our cutting-edge medicinal practices and state-of-the-art infrastructure. Our goal is to continually enhance our healthcare facilities and attain the highest standards of care and quality. To achieve this, we have established committees such as the Pharmacy Committee, Hospital Infection Control (HIC) Committee, Safety Committee, Quality Committee, Cardiopulmonary Resuscitation (CPR) Committee, Purchase & Condemnation Committee, Prevention of Sexual Harassment (POSH) Committee, Green Committee etc.

### About the Hospital and other units

Our hospital, situated at 51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India, is spanning approximately 45,311 square feet, the hospital is strategically located in a well-developed area with convenient road access, positioned centrally within the city. Comprising two blocks and three floors, including the basement in the main block, we provide healthcare services to both IPD and OPD patients. Our dedicated team of medical professionals, overseen by our promoters, efficiently manages the hospital. Additionally, we collaborate with prominent medical specialists as consultants to further enhance our services. Furthermore, we have one Pharmacy (Shanmuga Pharmacy & Diagnostics) at Agraharam and one Clinic (Shanmuga Clinics) at Ayothiapattinam.

Here are the refined details of our units:

- **Shanmuga Pharmacy & Diagnostics:** Our hospital operates Shanmuga Pharmacy, providing essential medications to both OPD and IPD patients. This unit ensures timely access to prescribed medications, contributing to comprehensive patient care within our facility. Additionally, Shanmuga Diagnostics, also a unit of our company, serves as a specialized pathology laboratory. Committed to delivering reliable diagnostic services, this unit caters to the needs of both OPD and IPD patients. Through state-of-the-art equipment and skilled professionals, Shanmuga Diagnostics plays a vital role in accurate medical evaluations and treatment planning within our hospital.
- **Shanmuga Clinics:** Our hospital extends its services through Shanmuga Clinics, with a dedicated Peripheral Unit serving OPD patients in the Salem area. Located in a convenient peripheral location, this unit offers specialized medical consultations and treatments in close proximity to residential areas. Equipped with essential medical facilities and staffed by experienced healthcare professionals, the clinic provides comprehensive care for various health concerns. In case of critical conditions, patients are seamlessly transferred to our main hospital ensuring access to advanced medical care when needed.

Each department and unit within Shanmuga Hospital Limited operate synergistically under a unified framework, ensuring seamless coordination and collaboration across various functions including operations, nursing, and marketing management. This integrated approach facilitates a comprehensive and patient-centric healthcare delivery system. By leveraging this organizational structure, we aim to optimize resource allocation, streamline processes, and enhance communication channels, ultimately leading to improved patient outcomes and operational efficiency. This commitment to a cohesive operational model underscores our dedication to providing high-quality healthcare services while maximizing the effectiveness of each department in meeting the diverse needs of our patients.

### Insights of the Hospital

#### Floor Directory

Floor	Description
Basement (Main Block)	Chemotherapy Ward
	Laboratory
	X-ray Room
	Blood Storage
	Stores
	Mammogram Room
	Human Resources Department
	Ethics Committee Room
	Chief Nursing Officer (CNO) Room
	Insurance Billing Office
Administrative Offices	
Ground Floor	OP Department
	Dressing Room
	OP Pharmacy
	Emergency Room
	Front Office
	CT Scan
MRI Scan	

Floor	Description
	Linear Accelerator (LINAC)
First Floor	Single Rooms
	Medical Intensive Care Unit
	Air-conditioned Sharing Rooms
	Pediatric Oncology Ward
	Dialysis Unit
	HDR Room
	Catheterization Laboratory (Cath Lab)
	Cosmetic Clinic
	Labour Operating Theatre (OT)
	Major OT
	Endoscopy Suite
	Accounts Department
	Chairman Room
	CEO Office
	Ultrasound Room
Second Floor	Neonatal Intensive Care Unit
	Surgical Intensive Care Unit
	General Ward
	Single Rooms
Third Floor	Suite Rooms
	Inpatient (IP) Pharmacy
	General Ward
	Single Rooms

#### Details of Beds in Rooms/Wards

Floor	Name of Rooms/Wards	No. of Beds
Basement	Chemotherapy Ward	9
Ground Floor	Emergency Unit	4
	Single Rooms	7
First Floor	Medical Intensive Care Unit	16
	Paediatric Ward	6
	Neonatal Intensive Care Unit	10
	Air-conditioned Sharing Rooms	13
	Surgical Intensive Care Unit	8
Second Floor	General Ward	16
	Single Rooms	23
	Suite Rooms	9
Third Floor	General Ward	14
	Single Rooms	16
<b>Total Bed capacity</b>		<b>151</b>

#### Details of Operation Theatres

Floor	Name of Operation Theatres	Room
First Floor	OT Complex	3
	Labour OT	1
<b>Total Operation Theatres</b>		<b>4</b>

Our hospital houses the following departments:

- Department of Oncology (Salem Cancer Institute)
- Department of General Surgery
- Department of Surgical Gastroenterology
- Department of Orthopaedics
- Department of Cardiology
- Department of General Medicine
- Department of Paediatrics & Neonatology
- Department of Neurology
- Department of endocrinology & Diabetes
- Department of Psychiatry
- Department of Plastic Surgery
- Department of Respiratory medicine

### Our Specialities and Services:

#### Oncology

At our hospital, the Oncology Department operates with a commitment to providing comprehensive care across three specialized areas: medical oncology, surgical oncology, and radiation oncology. Our dedicated team of specialists ensures round-the-clock tertiary care, supported by cutting-edge facilities and advanced technology.

Key Specializations:

- **Medical Oncology:** Our medical oncologists specialize in the diagnosis and treatment of cancer using systemic therapies such as chemotherapy, immunotherapy, and targeted therapy. Each treatment plan is meticulously tailored to the individual patient's needs and condition, with a focus on maximizing efficacy and minimizing side effects.
- **Surgical Oncology:** Led by skilled surgeons, our surgical oncology specialization performs a wide range of procedures, including tumour removal, lymph node dissection, and organ-preserving surgeries. Our team utilizes advanced surgical techniques and state-of-the-art equipment to ensure optimal outcomes for patients.
- **Radiation Oncology:** In our radiation oncology specialization, we offer cutting-edge radiation therapy options to target cancerous cells with precision while minimizing damage to surrounding healthy tissue. Our team of radiation oncologists, medical physicists, and radiation therapists collaborate closely to develop customized treatment plans tailored to each patient's unique circumstances.

#### General Surgery

Our hospital is committed to delivering high-quality surgical services through our General Surgery department. With a focus on patient well-being and safety, our experienced team of surgeons provides comprehensive care for a wide range of conditions. In the realm of General Surgery, our department offers expertise in various surgical procedures, including but not limited to:

- Appendectomy
- Hernia repair
- Gallbladder surgery
- Bowel surgery
- Breast surgery
- Thyroid surgery

Our skilled surgeons are trained in both traditional open surgeries and minimally invasive techniques, such as laparoscopy, to ensure optimal outcomes with minimal discomfort and quicker recovery times for our patients.

#### Surgical Gastroenterology Services

Our hospital's Surgical Gastroenterology Services department specializes in providing surgical interventions for complex gastrointestinal conditions. Led by a team of highly skilled surgeons with expertise in gastrointestinal surgery, we offer a range of specialized treatments tailored to each patient's unique needs. Our services include:

- Esophageal surgeries, such as fundoplication for GERD and esophageal cancer resections.
- Gastric surgeries, including gastrectomy for stomach cancer and bariatric surgery for weight management.



- Intestinal surgeries, such as bowel resections for Crohn's disease and intestinal obstruction.
- Hepatobiliary surgeries, including liver resections and gallbladder removal for gallstones.
- Pancreatic surgeries, such as Whipple procedure for pancreatic cancer and pancreaticoduodenectomy for tumors.

Our priority is to provide comprehensive care that emphasizes patient safety and optimal outcomes. We work closely with patients and their healthcare teams to develop personalized treatment plans, utilizing advanced surgical techniques and technology to achieve the best possible results.

### **Orthopaedics**

Our orthopaedic specialists offer specialized diagnosis and treatment for a spectrum of muscle, bone, and joint disorders. With expertise in areas such as arthritis, joint replacement, spine surgery, sports medicine, and trauma, our team is dedicated to delivering effective solutions through advanced techniques and surgical interventions. Our comprehensive range of services includes:

- Joint replacement surgeries, encompassing total hip, knee, and shoulder/elbow replacements, utilizing state-of-the-art prosthetic implants and minimally invasive techniques to restore function and mobility.
- Management of orthopaedic trauma cases, providing timely and expert care for fractures, dislocations, and other acute injuries to ensure optimal recovery and long-term outcomes.
- Arthroscopic surgery for shoulder and hip conditions, utilizing minimally invasive techniques to diagnose and treat issues such as rotator cuff tears, labral tears, and femoroacetabular impingement with precision and minimal disruption to surrounding tissues.
- Sports medicine treatments tailored to individual needs, including non-surgical interventions such as physical therapy, bracing, and regenerative medicine techniques, as well as surgical options for conditions like ACL tears, meniscus injuries, and shoulder instability.
- Day care surgeries for efficient and minimally invasive procedures, allowing patients to undergo necessary interventions with minimal disruption to their daily lives and faster recovery times.

### **Cardiology**

Our hospital's Cardiology Department is dedicated to the diagnosis, treatment, and management of cardiovascular conditions. We provide comprehensive care aimed at improving heart health and overall well-being. Services offered by our Department of Cardiology include:

- Diagnostic procedures such as electrocardiograms (ECGs), echocardiograms, and stress tests to evaluate heart function.
- Interventional cardiology procedures, including angioplasty, stent placement, and cardiac catheterization to treat coronary artery disease and other cardiac conditions.
- Pacemaker implantation, to address heart rhythm disorders.
- Heart failure management, including medication management, lifestyle modifications, and advanced therapies such as cardiac resynchronization therapy (CRT) and implantable cardioverter-defibrillator (ICD) placement.
- Prevention and risk factor management, focusing on lifestyle modifications, medication therapy, and cardiac rehabilitation programs to reduce the risk of cardiovascular events.

Our Cardiology Department is committed to providing compassionate, evidence-based care to our patients. We work collaboratively with other specialties to ensure comprehensive treatment plans tailored to each individual's needs, with a focus on promoting heart health and improving quality of life.

### **General Medicine**

Our hospital's General Medicine Department serves as the cornerstone of primary and specialized healthcare. Our team of dedicated physicians provides comprehensive medical care, focusing on the prevention, diagnosis, and treatment of a wide range of acute and chronic conditions.

- Routine health screenings and physical examinations for early detection and prevention of diseases.
- Diagnosis and management of common medical conditions such as hypertension, diabetes, and respiratory illnesses.
- Coordination of care for patients with complex medical needs, involving multidisciplinary collaboration with specialists as needed.
- Chronic disease management, emphasizing patient education, lifestyle modifications, and medication therapy to optimize health outcomes.
- Acute care services for patients presenting with medical emergencies or urgent healthcare needs, ensuring timely and appropriate interventions.

Our General Medicine Department is committed to providing patient-centered care that is both comprehensive and compassionate. We prioritize continuity of care, fostering long-term relationships with our patients to promote wellness and enhance quality of life.

### **Paediatrics & Neonatology**

#### *Paediatrics:*

The Paediatrics Department at our hospital is dedicated to providing comprehensive medical care for infants, children, and adolescents up to the age of 18. Our team of paediatricians specializes in the diagnosis, treatment, and prevention of childhood illnesses and conditions, with a focus on promoting the health and well-being of our young patients. Here's an overview of the services we provide:

- Routine check-ups, immunizations, and developmental screenings for infants, children, and adolescents;
- Comprehensive care for a wide range of acute and chronic paediatric conditions, including respiratory infections, gastrointestinal disorders, allergies, asthma, diabetes, and childhood obesity;
- Assessing and managing developmental delays, learning disabilities, behavioural disorders, and autism spectrum disorders through diagnostic evaluations, individualized interventions, and support services aimed at promoting healthy development and functioning in children;
- Comprehensive paediatric emergency care equipped to handle minor injuries and life-threatening conditions, staffed by board-certified paediatric emergency physicians and paediatric-trained nurses, ensuring rapid assessment and treatment for optimal outcomes;
- Emphasis on family involvement in paediatric care, fostering partnerships with parents and caregivers through a family-centred approach that prioritizes open communication, shared decision-making, and support throughout the child's healthcare journey.

#### *Neonatology:*

The Neonatology Department at our hospital specializes in the care of newborn infants, particularly those born prematurely or with medical complications requiring intensive medical attention. Our neonatologists and neonatal nurses are trained to provide specialized care for newborns during the critical early stages of life, ensuring the best possible outcomes for our tiniest patients. Here's an overview of the services we provide:

- State-of-the-art NICU providing specialized care for newborn infants with prematurity, low birth weight, congenital anomalies, or respiratory distress, equipped with advanced technology and staffed by experienced neonatal specialists, offering around-the-clock care including respiratory support, nutritional management, and developmental care.
- Neonatal transport services ensuring safe transfer of newborn infants from referring hospitals to our NICU, staffed by trained neonatal nurses and respiratory therapists proficient in neonatal resuscitation and stabilization techniques for timely and secure transport.
- Developmental support program promoting optimal growth and development for premature and medically fragile infants during hospitalization and beyond, offering specialized feeding techniques, developmental assessments, sensory stimulation, and family-centered care practices enhancing neurodevelopmental outcomes.
- Parent education and support services guiding parents through their infant's hospitalization and transition to home, providing assistance with infant care, breastfeeding support, Kangaroo Care (skin-to-skin contact), and coping strategies to alleviate stress and uncertainty during the NICU stay.
- Multidisciplinary care team collaborating closely with paediatric subspecialists, neonatal surgeons, geneticists, and social workers to provide comprehensive care tailored to the individual health requirements of newborns with complex medical needs, ensuring integrated and coordinated care.
- Neonatal follow-up clinic monitoring growth, development, and medical progress of infants discharged from the NICU, offering ongoing medical evaluation, developmental assessment, and support services for families as they transition to home and follow-up care with paediatricians.

#### **Neurology:**

Our hospital's Neurology Department is dedicated to the diagnosis, treatment, and management of neurological disorders affecting the brain, spinal cord, nerves, and muscles. Our team of specialized neurologists utilizes advanced diagnostic techniques and evidence-based treatments to provide comprehensive care for patients with a wide range of neurological conditions. Within our Neurology Department, we offer a variety of services, including:

- Comprehensive neurological evaluations to assess symptoms, diagnose conditions, and develop personalized treatment plans.
- Diagnostic tests such as electroencephalography (EEG), electromyography (EMG), Nerve conduction studies (NCV) and imaging studies (MRI, CT scans) to aid in the diagnosis of neurological disorders.
- Treatment of neurological conditions including epilepsy, stroke, multiple sclerosis, Parkinson's disease, Alzheimer's disease, and neuropathies.
- Management of chronic neurological conditions through medication management, rehabilitation therapies, and lifestyle modifications.
- Collaboration with other specialists including neurosurgeons, neuropsychologists, and rehabilitation therapists to provide coordinated, multidisciplinary care.

Our Neurology Department is committed to improving the quality of life for our patients by delivering compassionate, patient-centered care. We strive to stay at the forefront of medical advancements in neurology to ensure the best possible outcomes for our patients.

### Endocrinology & Diabetes Department

Our hospital's Endocrinology & Diabetes Department is dedicated to the diagnosis, treatment, and management of endocrine disorders and diabetes. Led by a team of experienced endocrinologists, we provide comprehensive care aimed at optimizing hormone balance and glycaemic control for our patients. Within our Endocrinology & Diabetes Department, we offer a range of specialized services, including:

- Diagnosis and management of hormonal disorders such as thyroid disorders, adrenal disorders, pituitary disorders, and reproductive endocrine disorders.
- Comprehensive care for patients with diabetes mellitus, including type 1 diabetes, type 2 diabetes, and gestational diabetes.
- Evaluation and treatment of metabolic disorders, including obesity and dyslipidaemia.
- Hormone replacement therapy for patients with hormone deficiencies, such as thyroid hormone replacement and adrenal hormone replacement.
- Continuous glucose monitoring, insulin pump therapy, and diabetes education programs to empower patients with diabetes to effectively manage their condition.

Our Endocrinology & Diabetes Department takes a holistic approach to patient care, addressing not only the medical aspects of endocrine disorders and diabetes but also focusing on lifestyle modifications, patient education, and support. We are committed to providing personalized care tailored to each individual's needs, with the goal of improving overall health and quality of life.

### Plastic Surgery

Our Plastic Surgery Department offers a comprehensive range of cosmetic and reconstructive procedures to enhance appearance, restore function, and improve quality of life. Led by board-certified plastic surgeons with extensive training and experience, our team is dedicated to delivering exceptional results with a focus on patient safety and satisfaction. Our services include:

- **Cosmetic Procedures:** Facelifts, rhinoplasty, blepharoplasty, breast augmentation, breast reduction, liposuction, tummy tucks, and body contouring procedures to enhance aesthetic appearance and boost self-confidence.
- **Reconstructive Surgery:** Breast reconstruction following mastectomy, skin cancer excision and reconstruction, scar revision, cleft lip and palate repair, and trauma reconstruction to restore form and function.
- **Hand Surgery:** Treatment of hand injuries, congenital hand anomalies, carpal tunnel syndrome, trigger finger, and arthritis of the hand through surgical and non-surgical interventions.
- **Microsurgery:** Complex reconstructive procedures such as free tissue transfer, nerve repair, and replantation of amputated body parts using advanced microsurgical techniques.
- **Burn Reconstruction:** Surgical treatment of burn injuries, including skin grafting, tissue expansion, and scar management to restore appearance and function.
- **Non-Surgical Aesthetic Procedures:** Botox injections, dermal fillers, laser skin resurfacing, chemical peels, and skincare treatments to rejuvenate the skin and address signs of aging.

- **Paediatric Plastic Surgery:** Correction of congenital anomalies such as cleft lip and palate, craniosynostosis, haemangiomas, and birthmarks to improve function and appearance in children.
- **Post-Bariatric Surgery:** Body contouring procedures for patients who have undergone significant weight loss, including arm lift, thigh lift, breast lift, and body lift surgeries.

### Respiratory Medicine

The Respiratory Medicine Department at our hospital is committed to providing exceptional care for patients with respiratory disorders. Our team of experienced pulmonologists and respiratory therapists offers a comprehensive range of services aimed at diagnosing, managing, and treating various respiratory conditions. From common ailments like asthma and COPD to complex respiratory diseases such as interstitial lung disease and pulmonary hypertension, we strive to deliver personalized care to each patient. Our services include:

- Diagnosis and treatment of common respiratory conditions, including asthma, chronic obstructive pulmonary disease (COPD), and bronchitis.
- Management of complex respiratory diseases such as interstitial lung disease, pulmonary fibrosis, and pulmonary hypertension.
- Comprehensive evaluation and treatment of sleep-disordered breathing, including obstructive sleep apnea.
- Diagnostic testing, including pulmonary function tests, imaging studies, and bronchoscopy.
- Smoking cessation programs and support for patients looking to quit smoking and improve their respiratory health.
- Pulmonary rehabilitation programs to optimize lung function and improve quality of life for patients with chronic respiratory conditions.
- Collaboration with other specialties, including cardiology and oncology, to provide multidisciplinary care for patients with respiratory complications related to other medical conditions.

### Other Services:

- **Cardiothoracic Surgery Services:** Our hospital provides cardiothoracic surgery services, specializing in procedures related to the heart and chest. We offer surgical interventions such as coronary artery bypass grafting and heart valve repair to address cardiac and thoracic conditions.
- **Obstetrics & Gynaecology Services:** We offer comprehensive obstetrics and gynaecology services to support women's health needs. Our services include prenatal care, childbirth assistance, gynaecological screenings, family planning, and treatment for reproductive health issues.
- **Neurosurgery Services:** Our hospital provides neurosurgery services for conditions affecting the brain, spine, and nerves. We offer surgical treatments for brain tumors, spinal cord injuries, and other neurological disorders.
- **Urology Services:** We offer urology services for the diagnosis and treatment of disorders affecting the urinary tract and male reproductive system. Our services include treatment for urinary tract infections, kidney stones, prostate disorders, and urological cancers.
- **Nephrology Services:** Our hospital provides Nephrology Services dedicated to diagnosing and treating kidney-related conditions. Staffed by experienced nephrologists, we offer comprehensive care for patients with kidney disorders, including chronic kidney disease, acute kidney injury, and electrolyte imbalances. Our services include dialysis therapy, kidney stone management, and hypertension control.
- **Anaesthesiology including Critical Care Services:** Our hospital provides anaesthesiology services, including critical care support for patients undergoing surgery or experiencing medical emergencies. We prioritize patient safety and comfort during surgical procedures and in critical care settings.
- **Dermatology and Venereology Services:** We offer dermatology and venereology services for the diagnosis and treatment of skin, hair, and nail disorders, as well as sexually transmitted infections.
- **Emergency Medicine Services:** Our hospital provides emergency medicine services for the immediate assessment and treatment of patients with acute illnesses or injuries.
- **Radiodiagnosis Services:** We offer radiodiagnosis services for the diagnosis and management of diseases through medical imaging techniques such as X-rays, CT scans, MRIs, and ultrasound.

- **Otorhinolaryngology (ENT) Services:** Our hospital provides otorhinolaryngology services for the diagnosis and treatment of disorders affecting the ears, nose, throat, and related structures.
- **Dentistry Services:** We offer comprehensive dentistry services, including preventive, restorative, and surgical treatments for patients of all ages.
- **Vascular Surgery Services:** Our hospital provides vascular surgery services for the diagnosis and treatment of conditions affecting the blood vessels, including arteries and veins.
- **Physical Medicine and Rehabilitation Services:** We offer physical medicine and rehabilitation services to restore function and improve quality of life for patients with disabilities and musculoskeletal disorders.
- **Occupational Therapy Services:** Our hospital provides occupational therapy services to help individuals regain independence and improve their ability to perform daily activities.
- **Clinical Psychology Services:** We offer clinical psychology services for the evaluation and treatment of mental health disorders through psychotherapy and counselling.
- **Psychiatry:** We offer Psychiatry Services specifically tailored for OPD patients. Staffed by qualified psychiatrists, we provide diagnostic evaluations, medication management, and psychotherapeutic interventions to individuals seeking treatment for mental health concerns.
- **Speech and Language Therapy Services:** Our hospital provides speech and language therapy services to evaluate and treat communication and swallowing disorders.

#### PROPOSED SERVICES:

- ***Renal Transplantation Services (Kidney Transplant)***

Our Company has submitted an application for licensure to Directorate of Medical and Rural Health Services, Chennai, to establish Renal Transplantation Services, encompassing kidney transplant procedures. This initiative is designed to address the critical need for kidney transplantation and provide lifesaving treatment options for individuals suffering from end-stage renal disease.

Under the proposed Renal Transplantation Services, our hospital intends to offer comprehensive care for patients requiring kidney transplants. This will include pre-transplant evaluation, donor matching, surgical procedures, and post-transplant follow-up care. Our multidisciplinary team, consisting of transplant surgeons, nephrologists, and support staff, will ensure that patients receive the highest standard of care throughout the transplantation process.

By establishing Renal Transplantation Services, our hospital aims to improve patient outcomes, enhance quality of life, and contribute to the advancement of renal care in our region. We are committed to upholding rigorous standards of safety, efficacy, and patient-centered care in all aspects of our renal transplant program.

- ***Robotic Surgery***

Our Company is proposing to install Single Console System i.e. a surgical robot. It is designed to assist surgeons in performing minimally invasive surgeries with enhanced precision and control. The system consists of a console where the surgeon sits, a patient cart with robotic arms, and an array of specialized surgical instruments.

It allows surgeons to operate through small incisions with greater dexterity and visualization compared to traditional open surgery. It offers features like 3D high-definition visualization and wristed instruments that mimic the movements of the human hand with greater range and flexibility.

This technology is widely used in various surgical specialties such as urology, gynaecology, and general surgery for procedures like prostatectomy, hysterectomy, and colorectal surgery. The da Vinci X® System aims to improve patient outcomes by reducing trauma, minimizing scarring, and speeding up recovery times compared to conventional surgical methods.

OUR HOSPITAL



Main Gate



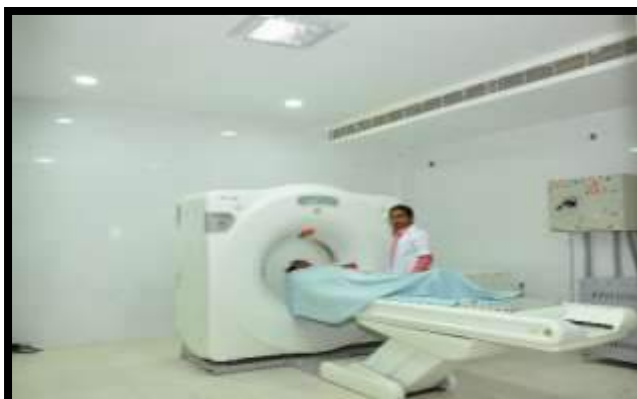
Hospital Main Block



Laboratory



Hormones Clia and Microtome in Lab



CT Scan



MRI Scan



Cathlab



Dialysis



Medical and Surgical ICU



LINAC



Neonatal ICU



Inpatient Ward Nursing Station and Room



Ward Room



Mammogram

Following Facilities and Services are available in our Hospital:

- Outpatient Department (OPD)
- 24-Hour Emergency Department
- 24-Hour radiodiagnosis Department
- 24-Hour Pharmacy
- 24-Hour Power Backup
- 24-Hour Dialysis Facility
- 24-Hour Laboratory
- Insurance Department
- Transportation Services
- Dormitory Facilities for Relatives
- Food Service for Patients & Cafeteria for Relatives
- Visitor Lift
- Stretcher Lift
- Telemedicine “Mobile Doctor”
- Laundry services
- Intensive Care Unit (ICU)
- Public Announcement System
- Fire Prevention and Firefighting Equipment
- Centralized Compressed Air and Vacuum System
- Diesel Generator (DG) Set
- Heating, Ventilation, and Air Conditioning (HVAC) System

Our Hospital has following tie-up for providing services:

- Agreement dated June 10, 2024, with M/s. Re Sustainability Healthcare Solutions Limited for Bio Medical Waste Treatment services.
- Memorandum of Understanding dated May 17, 2023, with SHHARC Charity Trust’s Salem Blood Bank for the establishment of a Blood Storage Center for the storage of whole human blood and its components.
- Agreement with M/s. Travellers Inn dated October 10, 2023, for providing Dietary Services for In-patient Department (IPD) patients.
- Agreement with Mr. R. Kumar dated October 10, 2023, for the provision of Ambulance services equipped with Advanced Cardiovascular Life Support (ACLS) and Basic Life Support (BLS) ambulances.

#### Professional Development Initiatives:

- **Diplomate of National Board (DNB) Programs:** Our hospital is accredited and affiliated with the National Board of Examinations (NBE) for training medical professionals. We function as an accredited training center for Diplomate of National Board (DNB) programs in three specialties: Emergency Medicine, General Surgery and Radiation Oncology. Trainees enrolled in these programs with us receive stipends during their training.



- **Continuous Medical Education (CME) for Doctors:** Our hospital organizes regular CME sessions led by experts in their respective fields. These sessions cover a wide range of medical topics and specialties, providing doctors with opportunities to stay updated on the latest advancements, evidence-based practices, and emerging treatments.
- **Continuous Nursing Education (CNE) for Nurses:** We prioritize the professional growth of our nursing staff by offering continuous education programs tailored to their specific needs. These programs encompass diverse areas such as patient care techniques, infection control protocols, and advanced nursing procedures, ensuring our nurses deliver optimal care to patients.
- **Training for Medical Students:** Upon completion of their medical education from institutions affiliated with the Shanmuga Medical Research Foundation Trust, medical students receive further training at our hospital, enriching their clinical experience and expertise.
- **Training for external Biomedical and Dietician College Students:** Our hospital periodically conducts training sessions for students from biomedical and dietician colleges, providing hands-on learning experiences within our facilities. These initiatives aim to foster the growth and development of future healthcare professionals.

#### PAYMENT ARRANGEMENTS:

We generate revenue from different customers, which include government bodies established by the Government of India under prevailing statutes such as ESIC, ECHS, public and private insurance companies working directly or through registered TPAs, various institutions, public and private corporates and walk-in customers. We have entered into several tie-ups with government bodies, insurance and TPAs and other various institutions.

Details of our customer classification and revenue-wise split from various payer categories for the periods indicated is set out below:

Category	Description
Self-payers	Walk in customers
Governments and other Bodies established by Statute	Government Bodies established by the Government under prevailing statute like Railway, ESIC, ECHS etc.
Insurance and TPAs	Public and Private insurance companies working directly or through the registered TPAs
Others	Institutions, Public and Private corporates

Details of our customer classification and revenue-wise split from various payer categories for the periods indicated is set out below:

Departments	<i>₹ in lakhs</i>			
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Self-payers	1,360.19	2,256.73	1,973.24	2,139.76
Governments and other Bodies established by Statute	903.08	1,532.83	1,627.38	1,310.16
Insurance and TPAs	198.91	514.18	333.85	688.28
<b>Total</b>	<b>2,462.18</b>	<b>4,303.74</b>	<b>3,934.47</b>	<b>4,138.20</b>

*As certified by our statutory auditor having peer review certificate M/s. P P N and Company, Chartered Accountant vide their examination report dated January 29, 2025.*

Over the last three fiscals, we have seen growth in across all our revenue source segments. We conduct periodic reviews of the outstanding amount, regular follow ups with parties for recovery of payments, proper and complete recording or documentation, and strengthening our collection processes to minimise our outstanding dues and receive timely payments from third parties.

#### SUPPLIES AND SOURCING

Under the leadership of Mrs. Jayalakshmi Panneerselvam, Shanmuga Hospital Limited operates a dedicated purchase department responsible for supplies and sourcing. This department plays a crucial role in ensuring the seamless procurement of essential materials and equipment required for the hospital's operations.

With a meticulous approach, our purchase department actively solicits quotations from various suppliers to secure the best possible deals. Through rigorous evaluation and comparison of quotes, we identify cost-effective solutions without compromising on quality or reliability. Once suitable options are identified, orders are promptly placed to ensure timely delivery and uninterrupted supply chain management.

Furthermore, our procurement process emphasizes transparency, efficiency, and adherence to regulatory standards. We maintain stringent quality control measures to guarantee that all supplies meet the highest standards of safety and efficacy. Additionally, we prioritize establishing long-term partnerships with trusted suppliers to foster mutually beneficial relationships and streamline the procurement process.

At Shanmuga Hospital Limited, our commitment to excellence extends beyond medical care to encompass every aspect of hospital operations, including supplies and sourcing. Through the dedicated efforts of our purchase department and under the leadership of Mrs. Jayalakshmi Panneerselvam, we ensure the availability of quality materials and equipment essential for delivering superior healthcare services to our patients.

## SALES & MARKETING

At Shanmuga Hospital Limited, our commitment extends beyond providing top-notch medical services to establishing a robust presence in the community. This ethos is reflected in our comprehensive annual marketing budget plan, designed to promote our hospital's services and engage with the local community.

Our marketing strategy encompasses various initiatives, including digital marketing, poster campaigns, healthcare camps, and specialty consultations. A significant portion of our budget is allocated to digital marketing strategies, such as online advertising, SEO, and social media marketing, reflecting our recognition of the importance of reaching potential patients through digital channels.

Poster campaigns serve as another effective tool for raising awareness about our specialized services and unique features. These posters are strategically placed in public areas, healthcare facilities, and community centers to reach a wider audience and reinforce our brand presence.

Additionally, we invest in organizing healthcare camps, talk shows, and specialty consultation services to actively engage with the local community and strengthen our connection with them. These events provide opportunities for health screenings, consultations, and educational sessions, further enhancing our reputation as a trusted healthcare provider.

Furthermore, our marketing budget includes provisions for newspaper advertisements, hoardings, and extension clinic camps to expand our visibility and reach in Salem and its surrounding areas. These initiatives aim to promote our brand and services in strategic locations, ensuring maximum exposure and engagement.

The dedicated efforts of our marketing team have yielded tangible results, as evidenced by the increasing numbers in our financials and growth trajectory. With team members boasting rich experience, we are well-equipped to navigate the dynamic healthcare landscape and continue making a positive impact in our community.

## CUSTOMERS

The following is the breakup of the top five and top ten customers/suppliers of our Company for the Fiscal 2024, 2023 and 2022:

₹ in lakhs

Particulars	September 30, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Amount	In %	Amount	In %	Amount	In %	Amount	In %
<b>Customers*</b>								
Top 5 Customers	993.46	40.35%	1831.84	42.57%	1796.35	45.64%	1507.76	36.44%
Top 10 Customers	1059.08	43.01%	1966.58	45.70%	1909.45	48.51%	1861.11	44.98%
<b>Suppliers</b>								
Top 5 Suppliers	236.63	23.10%	359.57	20.74%	299.72	18.13%	356.71	20.29%
Top 10 Suppliers	316.66	30.91%	528.16	30.46%	426.82	25.82%	499.27	28.41%

\* Based on Tie-up arrangements with Governmental organisations and corporate entities

As certified by our statutory auditor having peer review certificate M/s. P P N and Company, Chartered Accountant vide their examination report dated January 29, 2025.

## OUR COMPETITIVE STRENGTH

The uniqueness of Shanmuga Hospital Limited lies in the deeply personal and enduring relationships we cultivate with our patients, spanning multiple generations within families. For over four decades, starting from the grandparents in a family to their grandchildren, we have been privileged to provide unwavering care and support to our community. Many of our patients have been part of the Shanmuga family since childhood, entrusting us with their health and well-being year after year. This remarkable continuity of care reflects our commitment to building lasting connections based on trust, compassion, and clinical excellence.

At the heart of our approach is the belief in the "*Legacy of Caring*," encapsulated in our logo and embedded in every aspect of our operations. This philosophy underscores our dedication to preserving and nurturing the health and happiness of every individual who walks through our doors. Whether it's through personalized treatment plans, attentive follow-up care, or simply lending a listening ear, we strive to make each patient feel valued, respected, and truly cared for.

Our legacy of caring extends beyond medical treatment, encompassing the holistic well-being of our patients and their families. It's about celebrating life's milestones, offering support during times of adversity, and being a trusted partner in health through every stage of life. As we look to the future, we remain steadfast in our commitment to upholding this cherished legacy, ensuring that Shanmuga Hospital Limited continues to be synonymous with unparalleled care, compassion, and enduring relationships for generations to come.

Described below are our competitive strength:

### 1. Oncology Presence:

One of our standout competitive strengths lies in our robust oncology department. With a dedicated team of oncologists, state-of-the-art technology, and advanced treatment modalities, we are at the forefront of cancer care in the region. Our comprehensive oncology services encompass diagnosis, treatment, and supportive care, ensuring that patients receive holistic and personalized treatment plans tailored to their specific needs. Our commitment to excellence in oncology care has established us as a trusted destination for cancer treatment, attracting patients from far and wide seeking the highest standards of care and expertise.

### 2. Rich experience of promoters of over four decades:

Shanmuga Hospital Limited boasts a formidable competitive strength rooted in the unparalleled experience and legacy of its promoters, who bring over four decades of expertise in healthcare provision. With the acquisition of a longstanding partnership firm in December 2023, the company seamlessly integrated this wealth of experience, cementing its position as a trusted healthcare provider. This heritage of excellence serves as the cornerstone upon which Shanmuga Hospital Limited continues to build, ensuring unwavering commitment to patient-centric care, clinical excellence, and continuous innovation.

### 3. Cost Affordable to Regional Population:

A key competitive advantage for Shanmuga Hospital Limited is our unwavering commitment to providing high-quality healthcare services at affordable prices tailored to the needs of the regional population. Recognizing the diverse socio-economic backgrounds of our patients, we have implemented cost-effective measures and streamlined processes to minimize healthcare expenses without compromising on quality or safety. Our transparent pricing policies, coupled with financial assistance programs and payment plans, ensure that patients have access to the care they need without facing undue financial burden, further strengthening our bond with the community and enhancing patient satisfaction.

### 4. Specialized Equipment like LINAC, CATHLAB, MRI, MODULAR OT:

Our investment in cutting-edge technology and specialized equipment sets us apart as a leader in advanced medical diagnostics and treatment. From Linear Accelerators (LINAC) for precise radiation therapy to state-of-the-art Catheterization Laboratories (CATHLAB) for interventional cardiology procedures, MRI for detailed imaging, and Modular OT for complex surgical interventions, our comprehensive suite of specialized equipment enables us to deliver superior outcomes and elevate the standard of care across various medical specialties. This technological prowess not only enhances diagnostic accuracy and therapeutic efficacy but also positions us at the forefront of medical innovation, attracting patients seeking the latest advancements in healthcare technology.

## 5. Tie-up with Government and Private Insurance Companies:

Another significant competitive strength of Shanmuga Hospital Limited is our strategic alliances with government agencies and private insurance companies. These collaborations enable us to expand access to healthcare services, streamline administrative processes, and provide financial assistance to patients through cashless treatment facilities and insurance coverage. By partnering with government health schemes and leading insurance providers, we ensure that patients can avail themselves of our services seamlessly, regardless of their financial circumstances or insurance coverage. This strategic advantage not only enhances patient convenience and satisfaction but also reinforces our position as a preferred healthcare provider trusted by both public and private stakeholders.

## OUR BUSINESS STRATEGY:

### 1. Ultra-Modern Medicinal Practices

Our Company is a growing organization that aims at strengthening and establishing itself as the foremost healthcare services provider. We strive to serve with our ultra-modern medicinal practices and state of the art infrastructure for medical as well as surgical care solutions.

### 2. Prime Location of our Hospital

The location is the prime importance for the hospital to run successfully. Our Hospital is situated at 51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India, which is well developed and one of the prime locations of Salem City. Our hospital is having around 45,311 sq. ft. area. The location is well connected by road hence the inflow of patients from various part of the city is easy.

### 3. Team of Medical Practitioners

Our business is mainly depending on the skills of our Medical Practitioners and the quality of services provided by the healthcare staff members. Apart from the Full-time doctors we have team of well experienced team of consultants of various field of medicines to provide the quality healthcare services to the patients. Our dedicated team is trained to take care of the patients and handle all kinds of emergencies. Our healthcare staff members comprise of Doctors, Quality Manager, Clinical pharmacist, Microbiologist, Medical Officers, Clinical Assistants, Nursing staff, Attendants, Paramedical staff, Dietician/Nutritionist, Biomedical Engineers and etc. who all are well trained for their services towards our patients.

### 4. Clinical excellence and affordable health care

Since we commenced our operation in the year 2020, we believe that we deliver clinical excellence through quality healthcare services, supported by a combination of top medical talent, strong clinical and patient safety protocols and investments in new medical technology. Our hospital provides comprehensive healthcare services across a range of specialties and multi-specialties. These include Cardiology, Oncology, Nephrology, Neurology, Plastic Surgery and others. We offer our various health care services at affordable prices.

### 5. Improve Operational efficiencies

Our growth will depend upon the improvement of the operational efficiencies. The improvement of operational efficiency will enhance the profitability of the Company. We intend on implementing various measures to improve our operational efficiencies, including undertaking measures to reduce our consumption of disposable items and avoid wastage. We intend to maximize our operational efficiency by achieving greater integration and by implementing a stronger supply chain management.

## OUR LOCATIONS:

<b>Registered Office and Hospital</b>	51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India
<b>Pharmacy and Diagnostics</b>	608, Bazaar Street, Salem – 636001, Tamil Nadu
<b>Clinic</b>	GF, 116/1/4, Railway Station Street, Annai Kusthooriba Marriage Hall Parking, Ayothiapattinam, Salem, Tamil Nadu, 636103

## INFRASTRUCTURE AND EQUIPMENTS USED IN OUR HOSPITALS

Name of Equipment	Number of Equipment
Ventilator	05
Anaesthesia Workstation	02
Colonoscopy Unit	01
Endoscopy Unit	01
C ARM	01
Heart Lung Machine	01
IABP	01
Hypothermia Machine	01
Ultrasound Scan Machine	01
Ultrasound Echo Machine	01
BACT - ALERT Machine	01
Vitek 2 Compact Machine	01
MRI Gantry & Table Unit	01
CT Gantry & Table Unit	01
LINAC System	02
HDR Machine	01
Mammography	01
X-Ray Unit	01
Mobile X-Ray	01
Cath Lab	01
Cath Lab Table	01
Laparoscopy System	01

### Water:

Water is necessary for drinking, sanitation, and firefighting purposes. Our water needs are met by the Salem City Municipal Corporation and a borewell on the hospital premises. Additionally, we have a nearby well as a backup water source.

### Power:

Shanmuga Hospital Limited operates using power supplied by the Tamil Nadu Generation and Distribution Corporation (TANGEDCO), with a contracted load of around 300 kVA. In the event of a power outage from TANGEDCO, backup power is ensured through Diesel Generator (DG) sets with a capacity of approximately 360 kVA, ensuring uninterrupted power supply to the hospital. Additionally, the hospital has installed solar panels with a capacity of 80 kilowatts to further augment its power supply capabilities.

### COMPETITION:

We face regional competition from players which operate in the same region and localities as us. We face competition mainly from other providers who offer secondary and tertiary healthcare services across specialties. We believe that we have been able to gain a competitive edge over our competition as a result of constant innovation and technical expertise. We have consistently delivered strong operational and financial performance through strong patient volumes, cost efficiency and diversified revenue streams across medical specialties.

### HUMAN RESOURCES:

At Shanmuga Hospital Limited, we uphold a comprehensive approach to human resource management that encompasses both employees directly on our payroll and professionals engaged under consultancy agreements. While the majority of our workforce is on the company payroll, we also engage skilled professionals, particularly medical practitioners, on a consultancy basis.

### Employee Structure:

The employee structure at Shanmuga Hospital Limited consists of dedicated personnel across various departments and functions, including administration, clinical services, support services, and management. These individuals are integral to the daily operations and success of our organization, and they are compensated through standard payroll mechanisms.

### Consultancy Arrangements:

In addition to our core workforce, we engage with highly specialized professionals, such as doctors and consultants, under consultancy agreements. These professionals play a crucial role in enhancing the quality of our services and contributing to the overall excellence of patient care. It's important to note that while these individuals are not on the company's payroll, they receive compensation in the form of professional fees for their services.

### Strategic Collaboration:

Our approach to human resources emphasizes strategic collaboration with both employees and consultants to ensure alignment with organizational goals and objectives. While employees on the payroll are integrated into the broader company framework, consultants operate within defined scopes of work and deliverables outlined in their agreements.

### Compliance and Transparency:

We adhere to all relevant regulatory requirements and industry standards regarding employment practices and consultancy engagements. Our human resources policies and procedures are designed to promote fairness, transparency, and compliance with applicable laws and regulations.

### Value Proposition:

By maintaining a balanced workforce composition that includes both employees and consultants, we leverage the collective expertise and experience necessary to drive innovation, efficiency, and excellence across all facets of our operations. This strategic approach enables us to remain agile and responsive to evolving market dynamics while delivering high-quality services to our stakeholders.

The following is the details of our manpower engagement on payroll by their positions specified:

Designation/Department	No. of Employees
Accounts	4
Anaesthesia Tech	1
Assistant Manager	1
Bio Med Engineer	1
Cardiac Perfusionist	1
Cath lab Technician	2
Chief Nursing Officer	1
Company Secretary	1
CS Assistant	1
Central Sterile Supply Department (CSSD)	1
Computed Tomography (CT) Technician	1
Dialysis Tech	3
Dietitian	2
Digital Marketing	1
Driver	2
Electroencephalogram (EEG)	1
Electrician	4
ER/ Technician	1
Executive Logistics	1
Executive Sales	2
Front Office	8
Gardener	2
GM lab Marketing	1
Gurukkal (Priest)	1
House Keeping	40
HR	3
Insurance	7
IT	1
Junior Medical Physicist	1
Junior Staff	16
Lab in charge	1

Designation/Department	No. of Employees
Lab Logistics	3
Lab Technician	15
Laundry	1
Librarian	1
Lift Operator	1
Manager Corporate Relations	1
Managing Consultant	1
Marketing consultant	1
Medical Physicist	1
Messenger	2
Medical Records Department (MRD)	1
Medical Record Officer (MRO)	1
Nursing Assistant	12
OP Pharmacy cashier	1
Operation and Marketing	1
Operation & Anaesthesia Technician	2
PF Consultant	1
Pharmacist	11
Pharmacologist	1
Physician Asst	1
Physio	2
Physician Liasoning Officer (PLO)	1
Plumber	1
Public Relation Officer (PRO)	2
Quality Manager	1
Radiation Safety Officer (RSO)	1
Radiation Therapy (RT) Technician	3
Procurement	1
Security	7
Sr. System Admin	1
Staff Nurse	48
Store	3
System Manager	1
Transplant Coordinator	1
Typist	2
X- Ray Tech	1
Xerox Machine Operator	1
<b>Total</b>	<b>249</b>

Apart from above, as on January 31, 2025, we had 71 doctors, out of whom 9 doctors were Resident Doctors, 7 Junior Doctors, 28 Senior Consulting Doctors and 27 Consulting Visiting Doctors.

The training of our doctors and other medical staff is essential to maintain the quality of our services. We regularly organize conferences and workshops for our doctors and medical staff, as well as for healthcare professionals.

#### INSURANCE POLICIES

Policy No	Type of Policy	Policy Period	Nature of Coverage	Policy Issuing Office	Total Sum Assured (₹ in lakhs)
1708002723P115395530	Errors and Omissions Policy	From February 20, 2024 till February 19, 2025	1. Indemnity Cover 2. Errors and Omissions Basic Cover	United India Insurance Company Limited	₹ 800.00 lakhs

## IT AND DATA MANAGEMENT SYSTEMS

Our patient records are maintained in electronic form on our integrated IT system, which allows these records to be quickly securely transmitted within our hospital. We store client and patient medical information at data centers that employ monitored security systems.

We use a third-party hospital information management software system to assist us with various functions including managing our financial accounting, stock management, sales and human resource functions. We monitor and coordinate procurement, stocking, billing, housekeeping, staffing and patient treatments through our integrated IT system. Our integrated IT system simplifies scheduling and billing for our patients and doctors, improves our inventory management and results in efficiencies across our operations.

## ENVIRONMENTAL, HEALTH AND SAFETY

We are subject to Indian laws and regulations relating to the protection of the environment, human health and safety, and laws and regulations relating to the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials. For details on such laws and regulations, see “*Key Regulations and Policies*” on page 150 of Prospectus.

In compliance with these requirements, we have adopted certain policies to address, among others, the generation, handling, storage, transportation, treatment and disposal of toxic or hazardous bio-medical materials and waste, waste water discharges and workplace conditions. Our employees are trained and provided with personal protective equipment while handling biological specimen and emphasis is also laid on adherence to national and local safety guidelines, including that of biomedical waste disposal. We also encourage employees to be actively involved in occupational health and safety. All new employees receive quality, safety, and health and environment inductions. Potentially hazardous conditions are identified and reported continuously through the alert process.

## PROPERTY

**Owned Property:** Nil




**Leased / Rented Property:**

Details of the Deed/ Agreement	Particulars of the property, description and area	Area (in sq.ft.)	Tenure of Lease	Usage
Deed of Lease dated December 15, 2023 between Dr. Panneerselvam Palaniappan Shanmugam (“Lessor”) and Shanmuga Hospital Private Limited (“Lessee”)	Property situated at Salem District, Salem West Registration District, Suramangalam SRO, Salem West Taluk, Alagapuram Pudur Village within Salem Municipal Corporation, Ward C, Block 1, New T.S. No. 1/10A(Part) admeasuring about 37 Cents and Ward C, Block 1, New T.S. No. 1/11 admeasuring about 671 square feet totalling approx. (16,786 sq. ft.)	16,786 sq.ft.	20 years till December 15, 2043	Shanmuga Hospital
Deed of Lease dated September 16, 2024 between Jayalakshmi Selvam (“Lessor”) and Shanmuga Hospital Limited (“Lessee”)	Building situated 116-1-3, KM Nagar, Railway Station Veedhi, Harur Main Road, Ayothiappattinam, Salem – 636103 measuring 1448 sq.ft. in ground floor, 1704 sq.ft. in first floor and 1704 sq.ft. in second floor with total areas of 4856 sq.ft.	4,856 sq.ft.	11 months commencing from September 19, 2024	Shanmuga Clinic
Rental Agreement dated April 09, 2024 executed between M. Devendiran (“Lessor”) and Shanmuga Hospital Private Limited (“Lessee”)	608, Bazaar Street, Salem – 636001, Tamil Nadu admeasuring 600 sq.ft.	600 sq.ft.	12 months commencing from April 08, 2024	Shanmuga Pharmacy



## INTELLECTUAL PROPERTY

Below are the details of the trademark applied by our company or registered in the name of our company:

Sr. No.	Mark	Class	Trademark Type	Owner of Trademark	Application No.	Date of application	Valid Upto
1	 Shanmuga Hospital <i>A legacy of caring</i>	44	Device	Prabu Sankar Panneerselvam <sup>#</sup>	4250026	30/06/2019	30/06/2029
2	 Shanmuga Clinics <i>A legacy of caring</i>	44	Device	Shanmuga Hospital Private Limited	6323929	28/02/2024	2802/2034
3	 Shanmuga Pharmacy Diagnostics <i>Revitalize the care</i>	44	Device	Shanmuga Hospital Private Limited	6323930	28/02/2024	Objected

<sup>#</sup> Our Company has obtained a No-Objection letter dated June 26, 2020 from Dr. Prabu Sankar Panneerselvam for using the trademark which remains valid as on the date of this Prospectus.

## CAPACITY AND CAPACITY UTILISATION

Our Company is a service provider engaged in healthcare services, details relating to capacity utilisation does not apply to our Company.

## COLLABORATION/TIE-UPS/JOINT VENTURES DETAILS:

We are empanelled with ESIC, ECHS, AAI, Railway, FCI etc. to extend medical facilities to their respective beneficiaries and their dependants. Apart from this, we also have tie-ups with certain leading TPAs for providing cashless benefits to the people who need healthcare.

## EXPORT AND EXPORT OBLIGATIONS:

As on date of this Prospectus, our Company does not have any export obligations.

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable.*

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.*

*In addition to what has been specified in this prospectus, taxation statutes such as the Income Tax Act, 1961 and Central Goods and Services Tax Act, 2017, various labour laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled **“Government and Other Approvals”** beginning on page no 236 of this prospectus.*

Depending upon the nature of the activities undertaken by our Company the following are the various regulations applicable to our company

### **APPROVALS**

*For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled **“Government and Other Approvals”** beginning on page number 236 of this prospectus.*

### **INDUSTRY RELATED LAW:**

#### **LAWS GOVERNING THE QUALIFICATION /PRACTICE AND CONDUCT OF PROFESSIONALS**

##### **Indian Medical Council Act, 1956 (“IMC Act”)**

Indian Medical Council Act, 1956 (“IMC Act”) The IMC Act, and the rules thereunder, provide for the maintenance of a medical register in India and primarily deals with the recognition of medical degrees and the grant of licenses to practice the medical profession in India. The Medical Council of India and respective State Medical Councils are bodies that are set up under the IMC Act to monitor and regulate the registration of medical professionals in India. The Medical Council of India and respective State Medical Councils perform various functions including, the recognition of medical qualifications granted by medical institutions in India, the registration of medical practitioners with recognized medical qualifications, and the establishment and maintenance of uniform standards for medical education in India.

##### **Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 (“Ethics Regulations”)**

The Ethics Regulations impose a number of requirements on medical practitioners, including good practices, record maintenance requirements, duties to patients, advertising regulations and a framework for punishment and disciplinary action for misconduct and violation of the Ethics Regulations. Oversight and enforcement of the Ethics Regulations have been vested with the relevant Medical Councils. If, upon enquiry, the medical practitioner is found guilty of violating norms prescribed in the Ethics regulations, the appropriate Medical Council may award such punishment as deemed necessary, including a direction towards removal of such medical practitioner’s name from the State and/or Indian Medical Registers, either permanently or for a limited period. Further, the Indian Medical Council (Professional Conduct, Etiquette and Ethics) (Amendment) Regulations, 2020, has enabled the practice of telemedicine, specifying that consultation through telemedicine by registered medical practitioners shall be permissible in accordance with the Telemedicine Practice Guidelines, provided in the appendix to the Ethics Regulations. However, the Ethics Regulations are not an exhaustive code of conduct for medical practitioners. The Indian Medical Council and the State Medical Councils are not precluded by the Ethics Regulations from considering or dealing with any other form of professional misconduct not covered in the Ethics Regulations.

### **The Indian Medical Association (IMA)**

The Medical Association is a national voluntary organisation of physicians in India, which looks or cares after the interest of doctors or the wellbeing of the community at large. It was established in 1928 as the All India Medical Association, renamed "Indian Medical Association" in 1930. It is a society registered under The Societies Act of India.

### **Indian Nursing Council Act, 1947 (“Nursing Act”)**

Under the Nursing Act, nurses, midwives or health visitors are required to hold recognised qualifications (provided in the Schedule to the Nursing Act) for enrolment in the state register. Further, states are entitled to establish state councils to regulate the registration of nurses, midwives or health visitors in the relevant state. The Nursing Act also empowers the executive committee of the Indian Nursing Council, constituted under the Nursing Act, to appoint inspectors to inspect any institution which is recognised as a training institution granting any recognised qualification or recognised higher qualification under the Nursing Act.

### **The National Medical Commission Bill, 2019**

The Medical Council of India (MCI) is established under the Indian Medical Council Act, 1956 in order to maintain standards of medical education, give approval to establish medical colleges, medical courses, and recognise medical qualifications. The MCI is also responsible for the regulation of medical practice, including registering doctors in an All India Medical Register. States have their own laws that establish a state medical council to regulate matters related to ethical and professional misconduct of medical practitioners. The National Medical Commission Bill, 2019 was introduced in Lok Sabha on July 22, 2019. The Bill repeals the Indian Medical Council Act, 1956.

### **National Medical Commission Act, 2019 (“NMC Act”)**

The NMC Act, 2019 provides for, amongst others, a medical education system that improves access to quality and affordable medical education, ensures availability of adequate and high quality medical professionals across the country, encourages medical professionals to adopt latest medical research and enforces high ethical standards in medical service. The National Medical Commission, constituted under the NMC Act, is entrusted with the exercise of powers and functions under the NMC Act, including prescribing policies for quality medical education and assessing healthcare requirements. Further, through the NMC Act, it has also been proposed to hold a common final year undergraduate medical examination, known as the National Exit Test, for granting licences to practise medicine as medical practitioners and for enrolment in the state medical register or the national medical register. No person other than a person who is enrolled in the state or national medical register shall be allowed to practice medicine as a qualified medical practitioner and doing so is punishable with a fine or imprisonment or both.

### **Clinical Establishments (Registration & Regulation) Act, 2010 (“Clinical Establishments Act”)**

The Clinical Establishments Act inter alia, regulates all clinical establishments in India, and prescribes certain minimum standards for facilities and services provided by such establishments. The Clinical Establishments Act mandates the registration of therapeutic and diagnostic clinical establishments, across all recognised systems of medicine, with the exception of clinical establishments run by the armed forces. In accordance thereof, the registering authority regulates policy formulation, resource allocation and determination of standards of treatment provided by clinical establishments. This apart, the Clinical Establishments Act lays down guidelines for treatment of common diseases, procedures for registration of such establishments, and also mandates a council body to periodically review the minimum standards followed by clinical establishments.

### **The Tamil Nadu Public Buildings (Licensing) Act, 1965 (Act 13 of 1965)**

The Tamil Nadu Public Buildings (Licensing) Act, 1965 (Act 13 of 1965) is a law that governs the licensing of public buildings in the state of Tamil Nadu, India. The Act defines a "building" as any structure made of masonry, bricks, mud, wood, metal, or any other material.

- The key provisions of the Act include:
- Requiring licenses for public buildings
- Establishing an authority to grant licenses and give opinions under Section 5(1) of the Act
- Specifying the form of license under Sub-section (1) of Section 6 of the Act

The Tamil Nadu Public Buildings (Licensing) Rules, 1966 were framed under this Act to provide further details on the licensing process.

### **The Medical Termination of Pregnancy Act, 1971**

The Medical Termination of Pregnancy Act, 1971 empowers both the Central Government and State Governments to frame rules and regulations to effectively implement the provisions of the Act and ensure its proper enforcement. The Medical Termination of Pregnancy Rules, 2003, framed under this Act, aim to safeguard maternal health and reduce unsafe abortions by specifying the experience and training required for registered medical practitioners to terminate pregnancies. These rules also mandate the opinion of two registered medical practitioners for termination of pregnancy beyond 12 weeks and up to 20 weeks, and require the maintenance of records for all terminated pregnancies. The Central Government is further empowered to make rules to outline the necessary experience or training for registered medical practitioners and address any other matters requiring regulation under the Act. Similarly, State Governments can make regulations to specify the form and timeline for certifying the opinion of registered medical practitioners, and require them to provide intimation and other relevant information when terminating pregnancies. The Act also prescribes penalties for any willful contravention or non-compliance with the regulations framed by the State Governments. Through this comprehensive framework of rules and regulations, the Central and State Governments strive to ensure the availability of safe and accessible abortion services while adhering to the objectives of the Medical Termination of Pregnancy Act, 1971.

### **The Tamil Nadu Municipal Public Health Service Regulation, 1970**

The Tamil Nadu Municipal Public Health Service Regulation, 1970 outlines the structure and operations of the municipal public health service in Tamil Nadu. It categorizes the service into different classes and categories, specifying roles such as Women Medical Officer, Sanitary Inspector, Health Visitor, and Matron. The regulations detail the appointment process for each class, including qualifications, age limits, and reservation of appointments. They also address probation and confirmation procedures, covering aspects like extension, termination, and appeals. Additionally, the regulations govern seniority, leave, retirement, and other service-related matters, with provisions for relaxation by the government in specific cases. Together with the Tamil Nadu Municipal (Non Centralised Regular) Public Health Establishment Regulations, 1976, these regulations form the legal framework guiding the functioning of the municipal public health service in Tamil Nadu.

### **The Tamil Nadu Fire Service Act, 1985**

The Tamil Nadu Fire Service Act, 1985 establishes and mandates the maintenance of a fire service by the state government, with the appointment of a Director of Fire Service to oversee its operations. The Act outlines the powers and duties of the Fire Service, empowering it to extinguish fires, protect life and property, and carry out rescue and salvage operations. It also allows the Fire Service to be deployed in neighbouring areas for firefighting purposes. The state government is authorized to make rules and regulations governing various aspects of the Fire Service, such as its organization, administration, personnel training, and compensation payments. These rules and notifications are required to be published in the Tamil Nadu Government Gazette and placed before the state legislature. The Act deems the existing Fire Service in Tamil Nadu at the time of its commencement as the Tamil Nadu Fire Service established under this legislation. Through this comprehensive Act, the state government aims to provide a robust legal framework for the fire service to effectively protect the people and property of Tamil Nadu from fire hazards.

### **The Tamil Nadu Clinical Establishments (Regulation) Act, 1997**

The Tamil Nadu Clinical Establishments (Regulation) Act, 1997 is a legislation aimed at regulating and registering private clinical establishments in Tamil Nadu. It mandates the registration of all private clinical facilities in the state, defining clinical establishments broadly to include various healthcare providers. The Act sets out the objective of ensuring minimum standards for services and facilities provided by these establishments. It establishes a competent authority to oversee the registration process and enforce compliance with the Act. The legislation empowers the government to specify standards for different types of clinical establishments and outlines the duties and responsibilities of these facilities, such as providing emergency care and maintaining proper records. Through amendments, including the most recent one in 2021, the Act continues to evolve to enhance the regulatory framework and elevate healthcare services in Tamil Nadu.

## **LAWS GOVERNING TO SALE, STORAGE OF DRUGS AND MEDICATION**

### **The Drugs Control Act 1950**

The Drugs Control Act, 1950 is an Act of the Parliament of India which regulates the pricing of drugs. It allows the government to fix the maximum price of any drug. The Act allows the Government of India to control the sales, supply and distribution of any drug in India. The government can set maximum selling price, maximum quantity to be possessed by dealer and maximum quantity to be sold to one person. The government can impose various restriction of sale. The Act require any retailer to give a cash memorandum to the customer for any purchase above ₹5, and in case the purchase is below

₹5 the retailer must give a memo if the customer demands. The violation of the Act carries a maximum of 3 years with or without fine. In case of corporate violators, every director, manager, secretary, agent or other officer or person concerned with the management may be prosecuted unless he/she the offence occurred without his/her knowledge. The investigating officer must have the rank of Inspector in the police. Drugs and Cosmetics Act, 1940 (“Drugs and Cosmetics Act”).

#### **Drugs and Cosmetics Act, 1940 (“Drugs Act”), the Drugs and Cosmetics Rules, 1945 (“Drugs Rules”) and the New Drugs and Clinical Trials Rules, 2019 (“Clinical Trials Rules”)**

The Drugs Act regulates the import, manufacture, distribution and sale of drugs and prohibits the manufacture and sale of certain drugs and cosmetics which are misbranded, adulterated or spurious. The Drugs Act and the Drugs Rules specify the requirement of a license for the manufacture, sale, import or distribution of any drug or cosmetic. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities. Violations of various provisions of the Drugs Act, including those pertaining to the manufacturing and import of spurious drugs, non-disclosure of specified information and a failure to keep the required documents are punishable with a fine, or imprisonment or both.

Under the Drugs Rules, human clinical trials for drugs are regulated. The Drugs Rules provide for obtaining of registration of the ethics committee by the licensing authority and provides for a phase wise application procedure for the conduct of clinical trials. Every clinical trial will have to be registered with the Clinical Trials Registry – India before enrolling the first patients for study. A detailed scheme for compensating patients participating in such clinical trials, in case of death or injury, has also been provided for under the Drugs Rules. Annual status reports on each clinical trial, including whether it is ongoing, completed or terminated, are required to be submitted to the licensing authority.

Further, under the Clinical Trials Rules, the ethics committee is required to register itself with the central licensing authority in order to conduct any clinical trial, bioavailability study or bioequivalence study. The Clinical Trials Rules further provide for the composition and functions of the ethics committee and its period of validity. The Clinical Trials Rules further mandate the maintenance of records for a period of five years after completion of the clinical trial or bioavailability study or bioequivalence study, as the case may be.

#### **Drugs (Prices Control) Order, 2013 (“DPCO”)**

Promulgated pursuant to the Essential Commodities Act, 1955, the DPCO, amongst others, sets out procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drugs for existing manufacturers of scheduled formulations, method of implementation of prices fixed by government and penalties for contravention of its provisions. The DPCO also authorises the government to prescribe a ceiling price for formulations listed in the National List of Essential Medicines, 2015 as declared by the Ministry of Health and Family Welfare, GoI and modified from time to time. Further, where an existing manufacturer of a drug with dosages and strengths as specified in the National List of Essential Medicines, 2015 launches a /new drug, it must seek prior price approval of such drug from the government.

#### **Narcotic Drugs and Psychotropic Substances Act, 1985 (“NDPS Act”) and the Narcotic Drugs and Psychotropic Substances Rules, 1985 (“NDPS Rules”)**

The NDPS Act regulates the possession and use of drugs falling within the definition of “narcotic drug” and “psychotropic substances”. A number of drugs used in the treatment of human beings are regulated by the NDPS Act. Under the NDPS Rules, a licence will need to be obtained from the licensing authority under the NDPS Act, for a hospital to purchase and administer such drugs to patients. The licence will also provide for the quantity of drugs licenced thereunder and the conditions subject to which the hospital is permitted to possess and administer narcotic drugs. The NDPS Act also provides for penalties for contravention, which includes imprisonment and fine.

#### **Guidelines for Exchange of Human Biological Material for Biomedical Research Purposes, 1997 (“HBM Guidelines”)**

The HBM Guidelines, issued by the GoI, authorise the Indian Council of Medical Research (“ICMR”) to set up a committee for consideration of proposals relating to import of biological materials, such as blood samples, for commercial purposes. Pursuant to these guidelines, ICMR has issued the “Guidance on Transfer of Human Biological Material for Commercial Purposes” (“ICMR Guidance”). In accordance with the ICMR Guidance, applications for import of blood samples are required to be made to the ICMR for onward consideration by a committee. Applicant companies are required to comply with, amongst others, the Guidance on Regulations for the Transport of Infectious Substances (2013-2014) and Laboratory Biosafety Manual – 2004, issued by the World Health Organization, United Nations, class (6.2) specifications for packing instructions, and the Environment Protection Act, 1986, along with the rules framed thereunder.

### **Pharmacy Act, 1948 and Pharmacy Practice Regulations, 2015**

Under the Pharmacy Act, 1948, pharmacists are required to be registered with the Pharmacy Council of India. Only registered pharmacists are permitted to vend medicines and drugs from pharmacies. The Pharmacy Practice Regulations, 2015 impose certain obligations on the owners of pharmacy businesses. For instance, names of the owner of the pharmacy business, and the registered pharmacist must be mandatorily displayed in the premises where the business is being carried on and in compliance with the various conditions stipulated thereunder. A registered pharmacist also is required to be appointed to be in compliance with the aforementioned requirement. Under the Pharmacy Act, 1948, if pharmacists falsely claim to be registered, or dispense medicines without being registered, they are punishable with fine or imprisonment or both.

### **Other Acts:**

Excise permit to store the spirit - Central Excise Act, 1944.

### **Sale of Goods Act 1930**

The Sale of Goods Act, 1930 is a crucial piece of legislation in India that defines and governs contracts for the sale of goods. It provides a comprehensive legal framework for such transactions, clearly defining a contract of sale as an agreement where the seller transfers or agrees to transfer the property in goods to the buyer for a price. The Act covers various types of goods, including existing goods owned by the seller, future goods, and contingent goods, defining goods as every kind of movable property other than actionable claims and money. It outlines the duties of the seller, such as making arrangements for the buyer to receive ownership, delivering goods as per contract terms, and providing goods conforming to any implied or stated conditions or warranties. The Act also delineates the rights of the seller, including reserving the right to dispose of the goods until certain conditions are met, asserting a lien and maintaining ownership until the price is paid, and reselling the goods in certain conditions. On the buyer's side, the Act specifies duties such as accepting delivery of the goods, paying the price as per the contract, and taking delivery of the goods. Through these provisions, the Sale of Goods Act, 1930 provides a robust legal framework for contracts of sale of goods in India, defining the rights and obligations of buyers and sellers. The Act has been amended multiple times, most recently in 1963, to adapt to evolving market dynamics while maintaining its core principles. IPC Section 274 (Adulteration of Drugs) Sec 275 (Sale of Adulterated drug) Sec 276 (Sale of Drug as different drug of preparation), Sec 284 (negligent conduct with regard to poisonous substances) Laws Governing management of patients.

### **The Tamil Nadu Lifts and Escalators Act, 1997**

The Tamil Nadu Lifts and Escalators Act, 1997 is a state legislation enacted in Tamil Nadu to regulate the installation, maintenance, and safe operation of lifts and escalators in the state. This Act aims to ensure the safety and proper functioning of lifts and escalators to prevent accidents and uphold public safety standards. It covers aspects such as licensing requirements, safety standards, inspections, and penalties for non-compliance. The Act is complemented by the Tamil Nadu Lifts and Escalators Rules, 1997, which provide detailed guidelines and procedures for the implementation of the Act. Additionally, notifications and clarifications issued under this Act further clarify specific provisions and ensure adherence to safety protocols in the operation of lifts and escalators in Tamil Nadu.

## **LAWS GOVERNING MANAGEMENT OF PATIENTS**

### **Medical Termination of Pregnancy Act, 1971 (“MTP Act”) and the rules thereunder**

The MTP Act regulates the termination of pregnancies by registered medical practitioners and permits termination of pregnancy only on specific grounds. It stipulates that medical termination of pregnancies can be carried out only in certain stipulated circumstances by a registered medical practitioner who has the necessary qualification, training and experience in performing such termination and only at a place which has facilities that meet the standards specified in the rules and regulations issued under the MTP Act. Failure to comply with the requirements of Section 7 of the MTP Act is punishable with a fine up to one thousand rupees. Under the Medical Termination of Pregnancy Rules, 2003 framed pursuant to the MTP Act, private clinics can receive their authorisation only if the government is satisfied that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place.

### **Transplantation of Human Organs Act, 1994 (“Transplantation Act”)**

The Transplantation Act, and the rules thereunder, have been enacted to regulate the removal, storage, and transplantation of human organs for therapeutic purposes, and for the prevention of commercial dealings in human organs. The Transplantation Act inter alia, deals with the process for transplantation of human organs and tissues from living donors and cadavers, and sets out the roles and responsibilities of regulatory and advisory bodies constituted for monitoring tissue and organ transplantation in India. This apart, the Transplantation Act sets out particulars pertaining to the manpower and facilities required for registration of a hospital as a transplantation centre, and prescribes the minimum qualifications required to practice as transplant surgeons, cornea, or tissue retrieval technicians.

### **Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 (“PCNDT Act”) and the Pre- Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994 (“PNDT Act”)**

The PCNDT Act and PNDT Act prohibit sex selection, before or after conception, regulate the use of pre-natal diagnostic techniques by restricting their usage for the purposes of detecting genetic or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders and seek to prevent the misuse of such techniques for the purposes of pre-natal sex determination leading to female foeticide. The PCNDT Act and PNDT Act also make it mandatory for all genetic counselling centres, genetic clinics, genetic laboratories carrying out pre-natal diagnostic techniques, to register with the appropriate authority, failing which penal actions may be taken against them. Hospitals providing pre-natal diagnostic facilities fall within the purview of the PNDT Act and PNDT Act. Further, the PCNDT Act and PNDT Act prohibit advertisements relating to pre-conception and pre- natal determination of sex and the same is made punishable with a fine and imprisonment.

### **Registration of Births and Deaths Act, 1969 (“RBD Act”)**

The RBD Act was enacted to regulate the registration of births and deaths in India. Pursuant to the RBD Act, the Government of AP has notified the AP Registration of Births and Deaths Rules, 1999 (“AP RBD Rules”). Under the RBD Act and AP RBD Rules, the medical officer of a hospital is required to notify births and deaths occurring in the hospital to the Registrar appointed under the RBD Act. If the Registrar refuses to register any birth or death, he may be punishable with a fine under the RBD Act. Further, in certain cases, the medical practitioner who attended to the deceased person during his last illness may be required to issue a certificate as to the cause of death.

### **National Ethical Guidelines for Biomedical and Health Research Involving Human Participants, 2017 (“ICMR Code”)**

The Indian Council of Medical Research has issued the ICMR Code which envisages that medical and related research using human beings as research participants must only be carried out after due consideration of all alternatives and the use of human participants is considered to be essential for the proposed study. The ICMR Code lays down the requirement of ensuring privacy and confidentiality along with ensuring that such studies are conducted in a transparent and environmentally friendly manner.

As required by the ICMR Code, it is mandatory that all proposals on biomedical research involving human participants should be cleared by an appropriately constituted independent and impartial institutional ethics committee to safeguard the welfare and the rights of the participants. The committee should preferably have seven to 15 persons while maintaining a balance between medical and non-medical/ technical and non-technical members, depending upon the needs of the institution.

These ethics committees are entrusted with the initial review of research proposals prior to their initiation, and also have a continuing responsibility to regularly monitor the approved research to ensure ethical compliance during the conduct of research. Such an on-going review has to be in accordance with the international guidelines wherever applicable and the Standard Operating Procedures of the World Health Organization.

The ICMR Code also provides that the human participants may be paid for the inconvenience and time spent, and should be reimbursed for expenses incurred, in connection with their participation in the research. They may also receive free medical services. During the period of research, if any such participant requires treatment for complaints other than the one being studied necessary, free ancillary care or appropriate treatments may be provided. However, the ethics committee is entrusted to ensure that payments should not be so large or the medical services so extensive as to make a prospective participant's consent readily to enroll in research against their better judgment, which would then be treated as undue inducement.

## **LAWS GOVERNING THE SAFETY OF PATIENTS, PUBLIC AND STAFFS WITHIN HOSPITAL PREMISES:**

### **The Atomic Energy Act, 1962**

The Atomic Energy Act, 1962, officially known as Act No. 33 of 1962, was enacted on September 15, 1962, in India. This Act was established to provide a legal framework for the development, control, and utilization of atomic energy for the welfare of the people of India and for other peaceful purposes.

The Atomic Energy Act, 1962 governs the use of X-ray machines in India. Radiation safety in handling of radiation generating plants, including X-ray machines, is governed by Section 17 of the Atomic Energy Act, 1962.

The Atomic Energy Regulatory Board (AERB), constituted under the Atomic Energy Act, 1962, is entrusted with developing and implementing appropriate regulatory measures to ensure radiation safety. This includes developing specific codes and standards dealing with radiation safety in the design, installation, use, and decommissioning/disposal of X-ray equipment.

The AERB has issued the “Safety Code for Medical Diagnostic X-Ray Equipment and Installations” to provide guidelines on the design, installation, and operation of X-ray equipment to ensure radiation safety. The code defines terms, specifies radiation leakage limits, and outlines requirements for tube housing, beam limitation, filtration, and type approval of X-ray equipment.

The code requires periodic radiation protection surveys and designates a Radiological Safety Officer (RSO) to oversee radiation safety aspects in X-ray installations. It also mandates periodic chest X-rays for radiation workers at least once every five years.

### **Atomic Energy (Radiation Protection) Rules, 2004 (“Radiation Rules”)**

The Radiation Rules require that no person shall, without a license issued by the Atomic Energy Regulatory Board (“AERB”), establish a radiation installation for siting, design, construction, commissioning or operation. Such license is valid for a period of five years. The Radiation Rules also require a license for a person to handle radioactive material or operate a radiation generating equipment. A registration will be required under the Radiation Rules, for sources and practices associated with medical diagnostic x-ray equipment including therapy, simulator and analytical x-ray equipment used for research.

### **Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987 (“Radioactive Waste Rules”)**

Under the Radioactive Waste Rules, an authorisation is necessary for any person to dispose of radioactive waste, and the waste may only be disposed of in the terms of such authorisation. A Radiological Safety Officer is required to be appointed to assist in the safe handling and disposal of radioactive waste. Further, records are required to be maintained of all disposals and handling of radioactive waste and the persons carrying it out.

### **Radiation Surveillance Procedures for Medical Application of Radiation, 1989 (“Surveillance Procedures”)**

The Surveillance Procedures provide for safety requirements and procedures to be complied with in connection with operating a radiation generating equipment. The Surveillance Procedures require that a radiology safety officer, whose appointment is approved by the AERB, be appointed with respect to the operation of radiation generating equipment.

### **Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 (the “X-Ray Safety Code”)**

The AERB issued the X-Ray Safety Code intended to govern radiation safety in design, installation and operation of X-ray generating equipment for medical diagnostic purposes. The X-Ray Safety Code stipulates that all medical X-ray machines are required to be operated in accordance with the requirements stipulated therein and that it is the responsibility of the owner or user of medical X-ray installation equipment to ensure compliance with the statutory provisions. The X-Ray Safety Code mandates that only the medical X-ray machines approved by the AERB can be installed for use in compliance with the specific requirements of the X-Ray Safety Code, including in relation to location and layout. Additionally, under the X-Ray Safety Code, the owners of medical X-ray installations in India are required to be registered with AERB and conduct quality assurance performance test of the X-ray unit.

### **Safety Code for Nuclear Medicine Facilities, 2011 (“Nuclear Medicine Facilities Code”)**

The AERB issued the Nuclear Medicine Facilities Code in order to govern the operations of a Nuclear Medicine facility from the stage of setting up a facility to its decommissioning. Nuclear Medicine is a specialty which utilises radio-



pharmaceuticals to investigate disorders of anatomy, physiology and patho-physiology, for diagnosis or treatment of diseases or both. The Nuclear Medicine Facilities Code stipulates that a nuclear medicine facility can be commissioned, decommissioned or re-commissioned only with the prior approval of the AERB. The Nuclear Medicine Facilities Code further stipulates that radioactive material can only be procured after obtaining a license from the AERB. In addition to this, the Nuclear Medicines Facilities Code stipulates the responsibilities of employers, licensees, nuclear medicine physicians or technologists.

### **Draft Digital Information Security in Healthcare Act (“DISHA”)**

The DISHA has been drafted to provide for the establishment of national and state Health authorities and health information exchanges, to standardise and regulate the processes related to collection, storing, transmission and use of digital health data and to ensure reliability, data privacy, confidentiality and security of digital health data. The DISHA enumerated the rights of the owners of digital health data and the purposes for which health data can be collected, stored, transmitted and used. A violation of the provisions of the DISHA attracts punishment with a fine or imprisonment. However, the DISHA is still in draft form and is yet to be notified.

### **Central Government Health Scheme ("CGHS")**

This scheme covers identified categories of Central Government employees in cities covered by the CGHS. The CGHS is currently operative in 71 cities in India. Eligible employees and their dependants who have been duly enrolled to the CGHS can avail cashless treatment for procedures covered by the CGHS, which include procedures under allopathic, homoeopathic and Indian streams of medicine. The Central Government has fixed package rates applicable from time to time for different procedures. Hospitals empanelled with the CGHS raise bills directly with the Central Government for treatment provided to patients covered by the scheme.

## **LAWS GOVERNING TO MEDICOLEGAL ASPECTS**

### **Consumer Protection Act, 1986 (“Consumer Protection Act”)**

The Consumer Protection Act, and the rules thereunder, have been enacted to safeguard the interests of consumers, and to provide for a simple mechanism to redress consumer grievances against deficiencies in goods and services for personal use. This apart, the Consumer Protection Act provides for the dismissal of frivolous or vexatious complaints made before the consumer forums. Further, the provisions of the Consumer Protection Act inter alia, set out various specifications such as the establishment of consumer protection councils, the manner in which complaints are to be made, and the procedure to be followed upon the admission of such complaint. As per the Consumer Protection Act, failure to comply with orders of the consumer forum shall be punishable with imprisonment for a term which shall not be less than 1 month, but which may extend to 3 years. Additionally, offenders may also be punishable with a fine which shall not be less than ₹2,000, but which may extend to ₹10,000.

## **LAWS GOVERNING PROFESSIONAL TRAINING AND RESEARCH:**

### **Ethical Guidelines for Biomedical Research on Human Participants, 2006 (“ICMR Code”)**

The ICMR Code sets out various ethical considerations and standards that have to be complied with while handling cases where human beings are involved as biomedical research participants. The ICMR Code inter alia, mandates that any research using human participants follow the principles of essentiality, voluntariness, informed consent, community agreement, nonexploitation, privacy, confidentiality, professional competence, and transparency. The ICMR Code accords prime importance to the dignity and wellbeing of research participants, and requires that all stages of research involving human participants be subject to strict evaluation by a duly constituted ethics committee. This apart, the ICMR Code also deals with the necessity of informed consent of the human participant before involving such person in research. Further, only competent and qualified persons who act with integrity and impartiality are permitted to conduct research on human participants.

## **FOOD SAFETY REGULATIONS**

### **Food Safety and Standards Act, 2006 (“FSS Act”)**

The FSS Act, and the rules thereunder, have been enacted to inter alia, regulate the manufacture, storage, distribution, sale and import, and to ensure the availability of safe and wholesome food for human consumption. In accordance with the provisions of the FSS Act, no person is permitted to commence or carry on any food business except under a license. The term ‘food business’ has been defined to mean any undertaking, whether for profit or not, and whether public or private, carrying out any of the activities related to any stage of manufacture, processing, packaging, storage, transportation,

distribution of food, import, and includes food services, catering services, sale of food, or food ingredients. The FSS Act recognises the Food Safety and Standards Authority of India, a regulatory authority which has been set up to lay down science based standards for articles of food, to regulate the manufacture, storage, distribution, sale, and import of food, and to facilitate food safety.

## **LAWS GOVERNING ENVIRONMENT SAFETY:**

### **Environmental Legislation**

#### **Environment Protection Act, 1986 (the “EP Act”), Environment Protection Rules, 1986 (the “EP Rules”) and Environmental Impact Assessment Notification, 2006 (“EIA Notification”)**

The EP Act has been enacted for the protection and improvement of the environment and empowers the government to take measures in this regard. It is in the form of an umbrella legislation designed to provide a framework for GoI to coordinate the activities of various central and state authorities established under previous laws. Further, the EP Rules specifies, amongst other things, the standards for emission or discharge of environmental pollutants, and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

#### **Bio-Medical Waste Management Rules, 2016 (“BMW Rules”)**

The BMW Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose or handle bio-medical waste in any form including hospitals, nursing homes and clinics. Our Company is required to obtain an authorisation under the BMW Rules for the generation of bio-medical waste to ensure that such waste is handled without any adverse effect to human health and the environment and to set up bio-medical waste treatment facilities as prescribed under the BMW Rules, including pre-treating laboratory and microbiological waste, and providing training to health care workers and others involved in handling bio-medical waste. We are also required to submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, storage, transportation, treatment, disposal, and/ or any form of handling of biomedical waste in accordance with the BMW Rules and the guidelines issued thereunder. The prescribed authority may cancel, suspend or refuse to renew an authorisation, if for reasons to be recorded in writing, the occupier/operator has failed to comply with any of the provisions of EP Act or BMW Rules.

#### **Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”) and Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)**

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialised piece of legislation which was enacted to take appropriate steps for the preservation of natural resources of the earth, which amongst other things include the preservation of the quality of air and control of air pollution. The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country. The objective of this legislation is to ensure that domestic and industrial pollutants are not discharged into rivers and lakes without adequate treatment. Our Company is required to obtain consents to operate under the Air Act and the Water Act authorising us to, amongst others, operate our chimneys keeping within the prescribed emission standards and discharge effluents from outlets up to a maximum limit and in accordance with the conditions specified. A violation of the provisions of the Air Act and Water Act is punishable with a fine and/or imprisonment.

#### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)**

The Hazardous Waste Rules, read with the EP Act, ensure resource recovery and disposal of hazardous waste in an environmentally sound manner. A categorical list of hazardous wastes have been provided in the schedules in the Hazardous Waste Rules. Our Company is required to obtain authorisations for the generation, processing, treatment, package, storage, transportation, use, collection, destruction, transfer or the like of the hazardous waste from the concerned state pollution control board.

#### **Public Liability Insurance Act, 1991 (“Public Liability Act”)**

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been

enumerated by the Government by way of a notification dated March 24, 1992. The owner or handler is also required to take out one or more insurance policies insuring against liability under the legislation and renew the same periodically. The Public Liability Act also provides for the establishment of the Environmental Relief Fund, which shall be utilised towards payment of relief granted under the Public Liability Act and a violation of the provisions of the Public Liability Act is punishable with fine or imprisonment or both.

The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

### **Fire prevention and life safety measures**

We are subject to the fire control and safety rules and regulations framed by the various state governments where we own, operate and maintain establishments.

### **Other laws:**

Noise Pollution Control Rule 2000.

Public Health bye Law 1959.

## **LAWS RELATING TO EMPLOYMENT**

### **EMPLOYMENT AND LABOUR LAWS**

#### **The Code on Wages, 2019 (the “Code”)**

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees’ and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**

Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them.

The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

- **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965 (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for

performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

### **Code on Social Security, 2020**

The Government of India enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The laws that the code shall subsume, are currently as follows –

- **Employee's Compensation Act, 1923**

The Employees' Compensation Act, 1923 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 Employees' Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employees' 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.

- **Employee's State Insurance Act, 1948**

It is 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. 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.

- **Employee's Provident Fund 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 (as mentioned above) frames Employees Provident Scheme, 1952.

- **Maternity Benefit Act, 1961**

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

- **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the

Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

### **The Employees' Pension Scheme, 1995**

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

### **Employees' Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013 (the "Act")**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act")**

The "CLPR Act" seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

### **Fire Prevention Laws and The National Building Code of India, 2016**

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance. the National Building Code (NBC) promulgates legal provisions governing the safety of individuals within specific categories of structures, encompassing public, residential, industrial buildings and others as stated within categories provided therein. These provisions encompass a wide array of critical aspects, including but not limited to fire safety, disaster management and precautions, as well as accessibility.

### **The other important Regulations:**

1. Electricity Act, 1998
2. Guardians and Wards Act, 1890
3. Protection of Human Rights Act, 1993
4. Registration of Births and Deaths Act, 1969
5. Urban Land Act, 1976
6. Right to Information Act 2005
7. Gas Cylinders Rules 2004
8. The Indian fatal accidents Act 1955

9. Leaper's Act 1998
10. Indian Lunacy Act 1912
11. Drugs and Magic Remedies (Objectionable) Advertisement Act, 1954
12. Law of Contract Section 13 (For consent)
13. The Epidemic Disease Act 1897
14. The Mental Health Act 1987.

## **LAWS RELATING TO TAXATION**

### **Goods and Service Tax Act, 2017 ("GST Act")**

On August 8, 2016, the Lok Sabha unanimously passed the 122nd Constitutional Amendment Bill, thereby introducing the goods and services regime. GST provides for imposition of tax on the supply of goods or services and is levied at two levels, central GST, and state GST, along with an integrated GST, for interstate supply of goods or services. GST replaces a majority of indirect taxes and duties that are in place currently at the central and state levels, and is applicable on all goods with the exclusion of alcohol for human consumption, and electricity.

## **LAWS RELATING TO INTELLECTUAL PROPERTY RIGHTS**

### **Intellectual Property Legislation**

#### **The Trade Marks Act, 1999 (the "Trade Marks Act")**

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademarks Act. An application for trademark registration may be made by individual or joint applicants by any person claiming to be the proprietor of a trade mark, and can be made on the basis of either use or intention to use a trademark in the future. Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten (10) years unless cancelled. If not renewed after ten (10) years, the mark lapses and the registration has to be restored. While both registered and unregistered trademarks are protected under Indian Law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement.

The Trade Mark (Amendment) Act, 2010 has been enacted by the GoI to amend the Trade Marks Act in order to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

### **Building and Planning Legislation**

The Tamil Nadu Fire Services Act, 1985, and rules framed thereunder, along with local municipal laws governing building and planning, regulate the construction and occupancy of buildings, including high rise buildings, in the states of Tamil nadu. Prior to the construction of high-rise buildings meeting certain stipulated criteria, the owners are required to obtain a provisional no-objection certificate of occupancy ("Provisional NOC") from the respective state's fire service departments. Upon receipt of the Provisional NOC, the owner must apply for approval of the building plan to be obtained from respective municipal corporations, post which construction of a building can commence. Upon completion of construction of the building, the owner/ occupier must then apply for a final no-objection certificate of occupancy ("Final NOC") from the appropriate authorities. The Final NOC so obtained, along with a 'completion certificate' from a licensed engineer/ architect, is then submitted to the respective municipal corporations, following which an 'occupancy certificate' is granted.

Occupancy certificates are granted under the respective building and planning related laws in force in the jurisdictions where our hospitals operate. For instance, Municipal Act and building rules notified thereunder prescribe that no person shall occupy or allow any other person to occupy any building or a part thereof unless such building has been granted an 'occupancy certificate'. Failure to obtain the occupancy certificate could lead to the occupier being asked to vacate the building, or portion thereof, for which the occupancy certificate has not been obtained.

Further, in the event that the owner/ occupier has not obtained necessary building plan sanction, the building may be 'removed, altered or pulled down'; with the expenses thereof payable by the persons who erected such a building without an approved building plan. The failure to obtain a Provisional NOC or Final NOC could lead to fine or imprisonment.

## OTHER APPLICABLE LAWS

### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”)**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **The Companies Act 1956 and the Companies Act, 2013:**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

### **Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH Act”)**

The POSH Act was enacted to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto. The POSH Act mandates every employer to provide a safe working environment at the workplace which shall include safety from the persons coming into contact at the workplace. The POSH Act provides that employers must formulate a policy against sexual harassment at workplace and that policy needs to be disseminated. The POSH Act defines ‘sexual harassment’ to include any unwelcome acts or a sexually determined behaviour (whether directly or by implication). ‘Workplace’ under the POSH Act has been defined very broadly to include government bodies, private and public sector organisations, non-governmental organisations, organisations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and any place visited by the employee arising out of or during the course of employment.

The POSH Act mandates for constitution of an Internal Complaints Committee by every employer of a workplace along with constitution of Local Complaints Committee” to receive complaints of sexual harassment from establishments where the Internal Committee has not been constituted due to having less than ten workers or if the complaint is against the employer himself. Where the employer contravenes the provisions of the POSH Act, he would be punishable with fine which may extend up to ₹ 50,000 (Rupees Fifty Thousand only).

### **Shops and commercial 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 establishments must 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, as well as the procedures for appeal in relation to such contravention of the provisions.

### **Municipality Laws**

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **Police Laws**

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same including registering eating houses and obtaining a 'no objection certificate' for operating such eating houses with the police station located in that particular area, along with prescribing penalties for non-compliance.

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **Transfer of Property Act, 1882**

The transfer of property is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

### **Registration Act, 1908**

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.



## OUR HISTORY AND CERTAIN CORPORATE MATTERS

### HISTORY AND BACKGROUND

Our company was originally incorporated as a Private Limited Company under the name "*Shanmuga Hospital Private Limited*" on **June 26, 2020**, in accordance with the Companies Act, 2013. We received a fresh certificate of incorporation, bearing the corporate identification number U85110TZ2020PTC033974, from the Registrar of Companies, Central Registration Centre. Subsequently, our company converted into a public limited company, resulting in a name change to "*Shanmuga Hospital Limited*." This alteration was formally recorded in a new Certificate of Incorporation dated June 06, 2024, with the Corporate Identification Number U85110TZ2020PLC033974, issued by the Registrar of Companies, Central Processing Centre.

### ADDRESS OF OUR BUSINESS PREMISES

<b>Registered Office and Hospital</b>	51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India
<b>Pharmacy and Diagnostics</b>	608, Bazaar Street, Salem – 636001, Tamil Nadu
<b>Clinic</b>	GF, 116/1/4, Railway Station Street, Annai Kusthooriba Marriage Hall Parking, Ayothiapattinam, Salem, Tamil Nadu, 636103

### CHANGES IN REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

There has not been any change in our Registered Office since inception of the Company till the date of the Prospectus.

### MAIN OBJECTS OF OUR COMPANY:

The Main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. *To establish, maintain, assist and encourage or promote in India as and when deemed proper or expedient for the purpose of medical relief, in the form of hospitals, institutions or in connection therewith or attached thereto all or any of the following institutions: Nursing Homes, Hospitals, Multispeciality Hospitals or Wards, rehabilitation centers, I.C.U.s, I.C.C.U.s and related units, Diagnostic Centers, Scan Center, Health centers and other related centers, Physiotherapy, Laboratories, Dispensaries, Blood bank and Creches.*
2. *Nursing institutions and convalescence homes. Ambulance corps and emergency medical services.*
3. *To establish, maintain, manage Canteen and dormitories and rooms for the relatives of patients.*
4. *To conduct medical camps either diagnostic or procedural as an out-reach programme for the community and also organize and implement community health projects, family welfare activities and various activities of National Health Programmes.*

The main objects clause as contained in the 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 AND ARTICLE OF ASSOCIATION OF OUR COMPANY

Since the incorporation of our Company, the following changes have been made to the Memorandum of Association and Article of Association:

Date of Amendment / Shareholders' resolution	Nature of Amendment
March 21, 2022	<i>Alteration in the Clause V of Memorandum of Association pursuant to increase in Authorised Share Capital from ₹ 15,00,000/- divided into 15,000 Equity Shares of ₹ 100/- each to ₹ 5,15,00,000/- divided into 5,15,000 Equity Shares of ₹ 100/- each.</i>
March 31, 2022	<i>Alteration in the Clause V of Memorandum of Association pursuant to sub-division of Authorised Share Capital from ₹ 5,15,00,000/- divided into 5,15,000 Equity Shares of ₹ 100/- each to ₹ 5,15,00,000/- divided into 51,50,000 Equity Shares of ₹ 10/- each.</i>

Date of Amendment / Shareholders' resolution	Nature of Amendment
March 28, 2023	Alteration in the Clause V of Memorandum of Association pursuant to increase in Authorised Share Capital from ₹ 5,15,00,000/- divided into 51,50,000 Equity Shares of ₹ 10/- each to ₹ 7,15,00,000/- divided into 71,50,000 Equity Shares of ₹ 10/- each.
December 26, 2023	Alteration in the Clause V of Memorandum of Association pursuant to increase in Authorised Share Capital from ₹ 7,15,00,000/- divided into 71,50,000 Equity Shares of ₹ 10/- each to ₹ 7,15,00,000/- divided into 71,50,000 Equity Shares of ₹ 100/- each.
February 27, 2024	Amendment to Clause I of the Memorandum of Association to reflect the alteration in the company's name from "Shanmuga Hospital Private Limited" to " Shanmuga Hospital Limited" consequent to its conversion from a private limited company to a public limited company.  Adoption of new set of Articles of Association

There are no material clause of Articles of Association which have been left out from disclosure having bearing on the IPO/disclosure.

## CORPORATE PROFILE OF OUR COMPANY

Details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, distributors and customers, segment, capacity/facility creation, launch of key products, entry in new geographies, capacity built-up, location of manufacturing facilities, marketing and competition, please refer to the chapters titled "**Our Business**", "**Our Management**" and "**Management's Discussion and Analysis of Financial Position and Results of Operations**" on pages 108, 163 and 223 respectively, of this Prospectus.

## MAJOR EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Key Events & Milestones
2020	Company incorporated as a Private Limited Company in the name of "Shanmuga Hospital Private Limited"
2022	Obtained NABH accreditation for our Company
2023	Obtained NABL accreditation for Shanmuga Diagnostics
2023	Acquisition of Business Undertaking of M/s. Shanmuga Hospital, a partnership firm vide a Business Transfer Agreement dated December 15, 2023
2024	Company converted from Private Limited Company to Public Limited Company i.e., "Shanmuga Hospital Limited"

## SIGNIFICANT FINANCIAL AND STRATEGIC PARTNERSHIPS

As on the date of this Prospectus, our Company does not have any significant strategic or financial partners.

## TIME/COST OVERRUN IN SETTING UP PROJECTS

As on the date of this Prospectus, there has been no time and cost overruns in the Company.

## LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS, CAPACITY/FACILITY CREATION OR LOCATION OF STORES

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/ facility creation and location of stores, see "**Our Business**" and "**History and Certain Corporate Matters**" on pages 108 and 159 of this prospectus.

## **DEFAULTS, RESCHEDULING OR RESTRUCTURING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

As on the date of this Prospectus, there has been no default, rescheduling or restructuring of borrowings with financial institutions or banks.

## **DETAILS REGARDING MATERIAL ACQUISITIONS OR DIVESTMENTS OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS, ETC. IN THE LAST 10 YEARS**

<i>Name of Transferor</i>	:	<i>M/s. Shanmuga Hospital (Partnership Firm)</i>
<i>Name of Transferee</i>	:	<i>M/s. Shanmuga Hospital Private Limited</i>
<i>Relationship of the promoter or directors of the issuer company</i>	:	<i>Our Promoter i.e. Dr. Panneerselvam Palaniappan Shanmugam, Dr. Prabu Sankar Panneerselvam, and Mrs. Jayalakshmi Panneerselvam are the partners of M/s. Shanmuga Hospital (Partnership Firm)</i>
<i>Summarized Information about Valuation</i>	:	<i>Our Company has acquired business undertakings of M/s. Shanmuga Hospital, a partnership firm on a slump sale basis vide a Business Transfer Agreement dated December 15, 2023 for a cash consideration of ₹10,00,000 (Rupees Ten Lakhs only).</i>
<i>Effective Date of Transaction</i>	:	<i>December 07, 2023</i>

Except as mentioned above in chapter **“Our History and Certain Corporate Matters”** beginning on page no. 159, our Company has not made any material acquisitions or divestments of any business or undertakings, mergers, amalgamation or revaluation of assets in the last 10 years preceding the date of this Prospectus.

## **HOLDING COMPANY**

As on the date of this Prospectus, our Company does not have any holding company.

## **JOINT VENTURES OF OUR COMPANY**

As on the date of this Prospectus, our Company does not have any joint ventures.

## **SUBSIDIARIES OF OUR COMPANY**

As on the date of this Prospectus, our Company does not have any subsidiaries.

## **ASSOCIATES OF OUR COMPANY**

As on the date of this Prospectus, our Company does not have any associates.

## **DETAILS OF SHAREHOLDERS’ AGREEMENT**

As on date of this Prospectus, there are no subsisting shareholders’ agreements among our shareholders vis-à-vis our Company.

## **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT, DIRECTORS, PROMOTERS OR ANY OTHER EMPLOYEE**

Neither our Promoters, nor any of the Key Managerial Personnel or Senior Management, Directors or employees of our Company have entered into an agreement, 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 the dealings of the securities of our Company.

## **MATERIAL AGREEMENTS**

Our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

For details on business agreements of our Company, see **“Our Business”** beginning on page 108 of this Prospectus.

## **GUARANTEES GIVEN BY OUR PROMOTERS**

Except as mentioned in Prospectus, our Promoters have not given any guarantee to any third parties as on the date of this Prospectus

## **CAPITAL RAISING (DEBT / EQUITY)**

Except as set out in the Sections titled **“Capital Structure”** and **“Financial Indebtedness”** beginning on page no 64 and 221 respectively of this prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

## **INJUNCTION OR RESTRAINING ORDER**

Our company is not operating under any injunction or restraining order.

## **DETAILS REGARDING PAST PERFORMANCE OF THE COMPANY.**

For details in relation to our past financial performance in the previous 3 (three) financial years, please refer to Section titled **“Financial Statements as restated”** beginning on page no. 189 of this prospectus.

## **CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST TEN (10) YEARS**

Except as mentioned in chapter **“Our History and Certain Corporate Matters”** beginning on page no. 159 there have been no changes in the activity of our Company during the last ten (10) years preceding as on the date of this prospectus, which may have had a material effect on the profits or loss, including discontinuance of the lines of business, loss of agencies or markets and similar factors of our Company.

## **SHAREHOLDERS OF OUR COMPANY**

As on the date of this Prospectus, our Company has 9 (Nine) shareholders. For further details in relation to the current shareholding pattern, please refer to Section titled **“Capital Structure”** beginning on page no. 64 of this Prospectus.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

As per the Articles of Association, our Company is required to have not less than 3 (Three) directors and not more than 15 (Fifteen) Directors subject to the applicable provisions of the Companies Act, 2013.

As on the date of Prospectus, our Company has 8 (Eight) Directors on our Board, 1 (One) Managing Director, 2 (Two) Executive Director, 5 (Five) Non-Executive Directors including 3 (Three) Independent Directors. There are 3 (Three) Women Directors in our Board including 1(one) Woman Independent Director. The details of the Directors are as follows:

Sl. No.	Name of the Director	DIN	Current Designation	Date of Joining#
1	Panneerselvam Palaniappan Shanmugam	08772887	Managing Director	26/06/2020
2	Prabu Sankar Panneerselvam	08772888	Executive Director & CEO	26/06/2020
3	Jayalakshmi Panneerselvam	10692764	Executive Director	04/07/2024
4	Priyadarshni Dhandapani	10469316	Non-Executive Director	16/02/2024
5	Karuppiyah Saravanan	10692765	Non-Executive Director	04/07/2024
6	Gowri Senkkotaiyyan Attur	07830578	Independent Director	10/05/2024
7	Rajkumar Ashwin	09217524	Independent Director	10/05/2024
8	Bhoopathy Akilan	10670386	Independent Director	21/06/2024

# Original date of appointment as per MCA database.

The following table sets forth details regarding the Board of Directors as on the date of this prospectus:

Sl. No.	Particulars	Details
1	Name of the Director	<b>Dr. Panneerselvam Palaniappan Shanmugam</b>
	Father's Name	Palaniappamudaliar Shanmugamudaliar
	Residential Address	49 Saradha College Road, Opposite LRN Hotel, Salem, Tamil Nadu, India, 636007
	Date of Birth	April 17, 1953
	Age	71 Years
	Designation	Managing Director
	DIN	08772887
	Occupation	Doctor and Entrepreneur
	Nationality	Indian
	Qualification	M.B.B.S, M.S. (General Surgery)
	No. of Years of Experience	40 Years
	Date of Appointment	Since Incorporation; Re-designated as MD w.e.f. 16/02/2024
	Terms of Appointment	From 16/02/2024 till 15/02/2027; Liable to retire by rotation
	Directorship in other companies	Velavan Hospital Needs Private Limited
Other Ventures	<ul style="list-style-type: none"> <li>○ Shanmuga Medical Research Foundation Trust – Trustee</li> <li>○ Shanmuga Hospital – Partner</li> <li>○ Travellers Inn – Partner</li> <li>○ S. Panneer Selvam – Karta</li> </ul>	

Sl. No.	Particulars	Details
2	Name of the Director	<b>Dr. Prabu Sankar Panneerselvam</b>
	Father's Name	Panneerselvam
	Residential Address	49 Saradha College Road, Opposite LRN Hotel, Salem, Tamil Nadu, India, 636007
	Date of Birth	November 10, 1983
	Age	40 Years
	Designation	Executive Director & Chief Executive Officer
	DIN	08772888
	Occupation	Doctor and Entrepreneur
	Nationality	Indian
	Qualification	M.B.B.S., M.S. (General Surgery), M.B.A. (Hospital Management)
	No. of Years of Experience	17 Years
	Date of Appointment	Since incorporation; Appointment as CEO w.e.f. February 06, 2024
	Terms of Appointment	Liable to retire by rotation
	Directorship in other companies	Velavan Hospital Needs Private Limited
Other Ventures	Shanmuga Hospital - Partner	

Sl. No.	Particulars	Details
3	Name of the Director	<b>Mrs. Jayalakshmi Panneerselvam</b>
	Father's Name	Kandasamymudaliar Kailasamudaliar
	Residential Address	49 Saradha College Road, Opposite LRN Hotel, Salem, Tamil Nadu, India, 636007
	Date of Birth	March 15, 1964
	Age	60 Years
	Designation	Executive Director
	DIN	10692764
	Occupation	Business
	Nationality	Indian
	Qualification	M.A. (History)
	No. of Years of Experience	30 Years
	Date of Appointment	July 04, 2024
	Terms of Appointment	Liable to retire by rotation
	Directorship in other companies	Nil
Other Ventures	<ul style="list-style-type: none"> <li>○ Shanmuga Hospital – Partner</li> <li>○ Travellers Inn – Partner</li> </ul>	

Sl. No.	Particulars	Details
4	Name of the Director	<b>Dr. Dhandapani Priyadharshni</b>
	Father's Name	Dhandapani
	Residential Address	49 L R N Colony, Saradha College Road, Salem, Tamil Nadu, India, 636007
	Date of Birth	November 14, 1984
	Age	39 Years
	Designation	Non-Executive Director
	DIN	10469316
	Occupation	Doctor
	Nationality	Indian
	Qualification	M.B.B.S., Post Graduate Diploma in Child Health (D.C.H.)
	No. of Years of Experience	9 Years
	Date of Appointment	February 16, 2024
	Terms of Appointment	Liable to retire by rotation
	Directorship in other companies	Nil
Other Ventures	Nil	

Sl. No.	Particulars	Details
5	Name of the Director	<b>Mr. Karuppiah Saravanan</b>
	Father's Name	Karuppiah
	Residential Address	54, Sri Nagar, Pallakadu, Chinnathirupathi, Kannankurichi, Salem - 636008, Tamil Nadu, India
	Date of Birth	December 10, 1976
	Age	47 Years
	Designation	Non-Executive Director
	DIN	10692765
	Occupation	Tax Consultant
	Nationality	Indian
	Qualification	B.Com.; M.Com. (Banking and Insurance Management)
	No. of Years of Experience	More than 17 Years
	Date of Appointment	July 04, 2024
	Terms of Appointment	Liable to retire by rotation
	Directorship in other companies	Nil
Other Ventures	Nil	

Sl. No.	Particulars	Details
6	Name of the Director	<b>Gowri Senkkotaiyyan Attur</b>
	Father's Name	Senkkotaiyyan
	Residential Address	No 55/17, Dr Ramanathan Street, Salem, Tamil Nadu, India, 636001
	Date of Birth	March 08, 1990
	Age	34 Years
	Designation	Independent Director
	DIN	07830578
	Occupation	Chartered Accountant in Practice
	Nationality	Indian
	Qualification	Chartered Accountant
	No. of Years of Experience	7 Years
	Date of Appointment	10-05-2024
	Terms of Appointment	For 5 Years till 09-05-2029; Not liable to retire by rotation
	Directorship in other companies	Nil
Other Ventures	Sengottaiyan & Co. Chartered Accountants	

Sl. No.	Particulars	Details
7	Name of the Director	<b>Dr. Rajkumar Ashwin</b>
	Father's Name	Rajkumar
	Residential Address	20/1, Sri Graha,7th Cross, Maravaneri, Salem, Tamil Nadu, India, 636007
	Date of Birth	May 25, 1990
	Age	34 Years
	Designation	Independent Director
	DIN	09217524
	Occupation	Business
	Nationality	Indian
	Qualification	B.Tech. (Mechanical Engineering)
	No. of Years of Experience	13 Years
	Date of Appointment	10-05-2024
	Terms of Appointment	For 5 Years till 09-05-2029; Not liable to retire by rotation
	Directorship in other companies	Nil
Other Ventures	<ul style="list-style-type: none"> <li>o Raaj Associates</li> <li>o Aadhirai Farm Foods</li> </ul>	



Sl. No.	Particulars	Details
8	Name of the Director	<b>CS Bhoopathy Akilan</b>
	Father's Name	Arumugam Bhoopathy
	Residential Address	No. 30/1, Vijayaragava Chariar Road, Kumarasampatti, Salem - 636007, Tamil Nadu, India
	Date of Birth	July 13, 1985
	Age	38 Years
	Designation	Independent Director
	DIN	10670386
	Occupation	Company Secretary in Practice
	Nationality	Indian
	Qualification	Company Secretary
	No. of Years of Experience	10 Years
	Date of Appointment	June 21, 2024
	Terms of Appointment	For 5 Years till 20-06-2029; Not liable to retire by rotation
	Directorship in other companies	Nil
Other Ventures	Nil	

#### BRIEF BIOGRAPHIES OF THE DIRECTORS:

**Dr. Panneerselvam Palaniappan Shanmugam**, aged about 71 years, is one of the Promoters and Managing Director of our Company. He has been associated with our Company since incorporation as one of the First Directors. He holds a Bachelor of Medicine and Surgery (M.B.B.S.) from the University of Madras (1977) and a Master of Surgery in General Surgery from Madurai Kamaraj University (1980). Recognized for his expertise, he became a fellow of the International College of Surgeons in General Surgery in 1988 and a life member of the Indian Medical Association in 1991. With over 40 years of experience, Mr. Panneerselvam has been involved in various healthcare ventures and serves as Chairman-cum-Managing Trustee of the Shanmuga Medical Research Foundation Trust. He has received multiple awards throughout his career, reflecting his significant contributions to the industry. He was paid ₹33.00 lakhs in the FY 2023-24.

**Dr. Prabu Sankar Panneerselvam**, aged about 40 years, is one of the Promoters and Executive Director cum Chief Executive Officer of the Company. He has been associated with our Company since incorporation as one of the First Directors. He holds a Bachelor of Medicine and Surgery (M.B.B.S.) from the Annamalai University (2007) and a Master of Surgery in General Surgery from Rajiv Gandhi University of Health Sciences (2011). He is also registered in the Independent Director's Databank maintained by Indian Institute of Corporate Affairs. He holds more than 9 years of experience in healthcare sector. His contributions were instrumental in obtaining accreditations such as NABH, and NABL for the hospital. Currently, he is responsible for the overall management of our Company. He was paid ₹ 28.60 lakhs in the FY 2023-24.

**Mrs. Jayalakshmi Panneerselvam**, aged about 60 years, is an Executive Director of our Company. She holds a Master of Arts degree from the Annamalai University (2004). She has been associated with our Company since incorporation as Procurement Head. Thereafter, she was appointed on the Board on July 04, 2024. Currently, she heads the procurement department of our Company and looks after other Human Resources and other Administration departments. She has more than 30 years of experience in Healthcare Sector. She is also one of the partners of M/s. Shanmuga Hospital, partnership firm since 1992. She was paid ₹ 19.70 lakhs in the FY 2023-24.

**Dr. Dhandapani Priyadharshni**, aged about 39 years, is a Non-Executive Non-Independent Director of our Company. She was appointed on the Board with effect from February 16, 2024. She holds a Post Graduate diploma in Child Health (D.C.H.) from the Tamil Nadu Dr. M.G. Medical University (2012). She holds a Post Graduate Diploma in Child Health from Tamil Nadu Dr. M.G. Medical University (2012) and has around 9 years of experience in Paediatrics and Administration. Since April 2020, she has been a part-time paediatrician at Mile Stone Development Centre, run by Shanmuga Medical Research Foundation Trust. She also worked with our Company as an Administrative Head and Consultant Paediatrician from July

2020 to May 2024. Previously, she served as a Consultant Paediatrician at Shanmuga Hospital, partnership firm, from 2012 to 2014, and then as an Administrative Head and Consultant Paediatrician from 2014 to 2020 at the same firm. Currently, along with working as a Non-Executive Director in our Company, she also works as a consultant paediatrician.

**Mr. Karuppiah Saravanan**, aged about 47 years, is a Non-Executive Non-Independent Director of our Company. He was appointed on the Board with effect from July 04, 2024. He holds a degree of Bachelor of Commerce (1999) and a Master of Commerce in Banking and Insurance Management (2005) from the Annamalai University. He holds more than 17 years of experience in taxation matters. Currently, he guides our Company in accounting, finance and taxation related matters.

**Gowri Senkkotaiyyan Attur**, aged about 34 years, is a Non-Executive Independent Director of our Company. She was appointed on the Board with effect from May 10, 2024 as an Independent Director. She is member of the Institute of Chartered Accountants of India (“ICAI”). She also holds Certificate of Practice from ICAI. She has a vast experience of more than 13 years into her CA practice into various spheres of audits. She also has experience in representation before statutory authorities in Income Tax and Goods and Services Tax matters.

**Dr. Rajkumar Ashwin**, aged about 34 years, is a Non-Executive Independent Director of our Company. He was appointed to the Board on May 10, 2024. He holds a Bachelor of Technology in Mechanical Engineering from the National Institute of Technology (2011). His professional journey includes working as an Assistant Design Engineer at MECON Limited (2011-2013), followed by roles as a Teaching Assistant at New York University (2015-2018), a Research Assistant at New York University (2019-2020), and an Energy Software Consultant with SC Associates, PC (2017-2020). He earned a Doctor of Philosophy in Mechanical Engineering from the Tandon School of Engineering, New York University and completed an Advanced Certificate in AI for Digital Health and Imaging from the Indian Institute of Science. He has more than 13 years of experience in research and development.

**CS Bhoopathy Akilan**, aged about 38 years, is the Non-Executive Independent Director of our Company. He was appointed on the Board with effect from June 21, 2024 as an Independent Director. He is a fellow member of the Institute of Company Secretaries of India (“ICSI”). He also holds Certificate of Practice from ICSI. He has a vast experience of more than 10 years into secretarial audits, and other legal and secretarial matters.

#### **FAMILY RELATIONSHIPS BETWEEN THE DIRECTORS**

Except as mentioned below, none of our Directors are related to each other.

- Dr. Panneerselvam Palaniappan Shanmugam is the spouse of Mrs. Jayalakshmi Panneerselvam.
- Dr. Prabu Sankar Panneerselvam is the son of Dr. Panneerselvam Palaniappan Shanmugam and Mrs. Jayalakshmi Panneerselvam.
- Dr. Dhandapani Priyadarshni is the spouse of Dr. Prabu Sankar Panneerselvam.

#### **ARRANGEMENTS WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS**

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a director or member of a Senior Management as on the date of this prospectus.

#### **SERVICE CONTRACTS**

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

#### **COMMON DIRECTORSHIPS OF THE DIRECTORS IN LISTED COMPANIES WHOSE SHARES HAVE BEEN/WERE SUSPENDED FROM BEING TRADED ON ANY OF THE STOCK EXCHANGE DURING HIS/HER TENORS FOR A PERIOD BEGINNING FROM FIVE (5) YEARS PRIOR TO THE DATE OF THIS PROSPECTUS**

None of the Directors are/were directors of any company whose shares were suspended from being trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years or to the extent applicable.

#### **DIRECTOR’S ASSOCIATION WITH THE SECURITIES MARKET**

None of the Directors of our Company are associated with securities market.

## COMMON DIRECTORSHIPS OF THE DIRECTORS IN LISTED COMPANIES THAT HAVE BEEN/WERE DELISTED FROM STOCK EXCHANGES IN INDIA

None of the Directors are/were directors of any entity whose shares were delisted from any Stock Exchange(s). Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

## BORROWING POWERS OF THE BOARD

The Articles, subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The Board of Director vide the special resolution passed at their Extra Ordinary General Meeting dated June 21, 2024, allowed to borrow and that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 100 Crores.

## POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING:

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

## POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS:

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME Platform of BSE.

## COMPENSATION OF OUR MANAGING DIRECTOR AND EXECUTIVE DIRECTORS

The compensation payable to Managing Director and Executive Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

### The following compensation has been approved for Managing Director

<b>Name of the Managing Director</b>	<b>Dr. Panneerselvam Palaniappan Shanmugam</b>
<b>Appointment/Change in Designation</b>	Originally appointed on 26-06-2020 and Designation changed to Managing Director w.e.f. 16-02-2024
<b>Current Designation</b>	Managing Director
<b>Terms of Appointment</b>	3 years till 15-02-2027 Liable to retire by rotation
<b>Remuneration &amp; Perquisites</b>	Upto ₹ 100 Lakhs per annum*
<b>Compensation paid in the year 2023-24</b>	₹ 33 lakhs

\*This is a shared limit for Managing Director and Wholetime Director, if any, which has been approved by the members of the Company at an Extraordinary General Meeting dated June 21, 2024.

## BONUS OR PROFIT-SHARING PLAN FOR OUR DIRECTORS

We have no bonus or profit-sharing plan for our Directors.

## PAYMENT OR BENEFIT TO NON-EXECUTIVE DIRECTORS OF OUR COMPANY

Our company has not paid any sitting fees in FY 2023-24 to our non-executive directors. However, our non-executive directors are at present allowed a sitting fee upto the limits as may be specified from time to time under the Companies Act and any other law for the time being in force, for attending the Board and its committee meeting as approved by the Board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations.

Further, our Company has not paid any commission in FY 2023-24 to our non-executive directors. Dr. Priyadharshni Dhandapani was paid professional fees of ₹17.60 Lakhs for acting as the consultant pediatrician in the Company.

The members of our Company vide a Special Resolution dated June 21, 2024, resolved to fix the limit of collective remuneration of ₹100 Lakhs payable to all the directors of our Company other than Managing Director and Wholetime Director.

## THE DETAILS OF THE SHAREHOLDING OF OUR DIRECTORS AS ON THE DATE OF THIS PROSPECTUS ARE AS FOLLOWS:

Sl. No.	Name of the Director Shareholder	Category/ Status	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1	Panneerselvam Palaniappan Shanmugam	Managing Director	24,30,000	24.81%	17.85%
2	Prabu Sankar Panneerselvam	Executive Director & CEO	24,30,000	24.81%	17.85%
3	Jayalakshmi Panneerselvam	Executive Director	24,30,000	24.81%	17.85%
4	Priyadharshni Dhandapani	Non-Executive Director	24,30,000	24.81%	17.85%

## INTEREST OF OUR DIRECTORS

Our Directors may be deemed to be interested to the extent of their remunerations paid to them for services rendered and with the reimbursement of expenses payable to them as mentioned above. For further details, please refer to section titled **“Our Promoters and Promoter Group”** beginning on page no. 178 of this prospectus.

Further, none of our Directors have any interest in any property acquired by our Company within two (2) years of the date of this prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building. Further, except as disclosed under sub-section **“Shareholding of Directors in our Company”** above, none of our Directors hold any Equity Shares, Preference Shares or any other form of securities in our Company. Our directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Other than as stated above and except as stated in the sections titled **“Financial Information as Restated”** and **“Our Promoters and Promoter Group”** beginning on pages 189 and 178 respectively of this prospectus, our Directors do not have any other interest in the business of our Company.

None of the relatives of our directors have been appointed to a place or office of profit in our Company other than mentioned elsewhere in the prospectus. For further details, please refer to section titled **“Our Management”** on page no. 163 of this prospectus.

Our directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue. Some of the directors also hold directorships in Promoter Group and Group Entities of our Company.

Our directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Except as stated in this section “**Our Management**” or the section titled “**Financial Information – Related Party Transactions**” beginning on page no 163 and 220 respectively of this prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

**CHANGES IN THE BOARD OF DIRECTORS OF OUR COMPANY IN THE LAST THREE (3) YEARS OR TO THE EXTENT APPLICABLE ARE AS FOLLOWS:**

Name	Date	Designation	Reason
Panneerselvam Palaniappan Shanmugam	16-02-2024	Managing Director	Re-designation
Priyadharshni Dhandapani	16-02-2024	Non-Executive Director	Appointment
Rahul Mukherjee	10-05-2024	Independent Director	Appointment
Gowri Senkkotaiyyan Attur	10-05-2024	Independent Director	Appointment
Rajkumar Ashwin	10-05-2024	Independent Director	Appointment
Rahul Mukherjee	01-06-2024	Independent Director	Resignation
Bhoopathy Akilan	21-06-2024	Independent Director	Appointment
Jayalakshmi Panneerselvam	04-07-2024	Additional Director (Executive)	Appointment
Karuppiyah Saravanan	04-07-2024	Additional Director (Non-Executive)	Appointment
Jayalakshmi Panneerselvam	30-09-2024	Executive Director	Regularization
Karuppiyah Saravanan	30-09-2024	Non-Executive Director	Regularization

**OTHER CONFIRMATIONS:**

- None of our Directors are on the RBI List of wilful defaulters or fraudulent borrowers as on the date of this prospectus.
- None of our Directors of our Company are a fugitive economic offender.
- Further, none of our directors are or were directors of any listed company whose shares.
  - (a) have been or were suspended from trading on any of the stock exchanges during the five years prior to the date of filing this prospectus or.
  - (b) delisted from the stock exchanges.
- None of the directors of our Company are debarred from accessing the capital market by SEBI.
- None of the Directors has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence etc. except as mentioned in this Prospectus.

**CORPORATE GOVERNANCE**

*In terms of Regulation 15(2)(b) of the SEBI Listing Regulations, compliance with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI Listing Regulations shall not apply, in respect of listed entity which has listed its specified securities on the SME Exchange.*

*Furthermore, in terms of Regulation 15(3) of the SEBI Listing Regulations, notwithstanding Regulation 15(2) of the SEBI Listing Regulations, the provisions of the Companies Act, 2013 shall continue to apply, wherever applicable.*

*As per the abovementioned provisions of the Listing Regulations, we are not required to comply with the requirements of corporate governance relating to the composition of its board of directors, constitution of committees such as audit committee, nomination and remuneration committee, stakeholders’ relationship committee, etc., as provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

Our Board has been duly constituted in compliance with the Companies Act. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act, our Board of Directors consists of 8 (Eight) Directors (including three Women Directors).

Sl. No	Name of the Director	DIN	Current Designation
1	Panneerselvam Palaniappan Shanmugam	08772887	Managing Director
2	Prabu Sankar Panneerselvam	08772888	Executive Director & CEO
3	Jayalakshmi Panneerselvam	10692764	Executive Director
4	Priyadharshni Dhandapani	10469316	Non-Executive Director
5	Karuppiah Saravanan	10692765	Non-Executive Director
6	Gowri Senkkotaiyyan Attur	07830578	Independent Director
7	Rajkumar Ashwin	09217524	Independent Director
8	Bhoopathy Akilan	10670386	Independent Director

## COMMITTEES OF OUR BOARD

Our Board has constituted the following committees in terms of relevant provisions of the Companies Act, 2013 read with applicable rules framed thereunder:

### ❖ *Audit Committee*

*As per section 177 of the Companies Act, 2013, The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed, shall constitute an Audit Committee. The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority: Provided that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement.*

Our Audit Committee was constituted pursuant to a resolution of our Board Meeting dated June 28, 2024. The Audit Committee comprises of:

Name of Director	Status in Committee	Nature of Directorship
Gowri Senkkotaiyyan Attur	Chairperson	Independent Director
Bhoopathy Akilan	Member	Independent Director
Prabu Sankar Panneerselvam	Member	Executive Director & CEO

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and the rules made thereunder.

**Powers of Audit Committee:** The Audit Committee shall have such powers as specified in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as and when and to the extent applicable) and other powers as may be delegated by the Board of Directors from time to time subject to the provisions of any law for the time being in force.

**Role of Audit Committee:** The scope, functions and the terms of reference of the Audit Committee are such as enumerated in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as and when and to the extent applicable) and such other functions as may be delegated by the Board of Directors from time to time subject to the provisions of any law for the time being in force.

Frequency of meeting and quorum thereof shall be in accordance with the provisions of the Companies Act, SEBI LODR Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

❖ **Stakeholders' Relationship Committee**

*As per section 178 (5) of the Companies Act, 2013, The Board of Directors of a Company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board*

Our Stakeholders' Relationship Committee was constituted pursuant to a resolution of our Board Meeting dated June 28, 2024. The Stakeholders' Relationship Committee comprises of:

Name of Director	Status in Committee	Nature of Directorship
Rajkumar Ashwin	Chairperson	Independent Director
Priyadharshni Dhandapani	Member	Non-Executive Director
Prabu Sankar Panneerselvam	Member	Executive Director & CEO

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

**Role of the Stakeholders Relationship Committee:** The scope, functions and the terms of reference of the Stakeholders Relationship Committee are such as enumerated in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as and when and to the extent applicable) and such other functions as may be delegated by the Board of Directors from time to time subject to the provisions of any law for the time being in force.

Frequency of meeting and quorum thereof shall be in accordance with the provisions of the Companies Act, SEBI LODR Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

❖ **Nomination and Remuneration Committee**

*As per section 178 (1) of the Companies Act, 2013, The Board of Directors of every listed company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors: Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.*

Our Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board Meeting dated June 28, 2024. The Nomination and Remuneration Committee comprises of:

Name of Director	Status in Committee	Nature of Directorship
Bhoopathy Akilan	Chairperson	Independent Director
Rajkumar Ashwin	Member	Independent Director
Priyadharshni Dhandapani	Member	Non-Executive Director

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

**Role of the Nomination and Remuneration Committee:** The scope, functions and the terms of reference of the Nomination and Remuneration Committee are such as enumerated in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as and when and to the extent applicable) and such other functions as may be delegated by the Board of Directors from time to time subject to the provisions of any law for the time being in force.

Frequency of meeting and quorum thereof shall be in accordance with the provisions of the Companies Act, SEBI LODR Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

❖ **Corporate Social Responsibility Committee:**

*As per section 135 (1) of the Companies Act, 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.*

Our Corporate Social Responsibility Committee was constituted pursuant to a resolution of our Board Meeting dated June 28, 2024. The Corporate Social Committee comprises of:

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Gowri Senkkotaiyyan Attur	Chairperson	Independent Director
Panneerselvam Palaniappan Shanmugam	Member	Managing Director
Prabu Sankar Panneerselvam	Member	Executive Director & CEO

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Corporate Social Responsibility Committee.

***Role of the Corporate Social Responsibility Committee***

The scope, functions and the terms of reference of the Corporate Social Responsibility Committee is in accordance with the Section 135 of the Companies Act, 2013 read with rules framed thereunder.

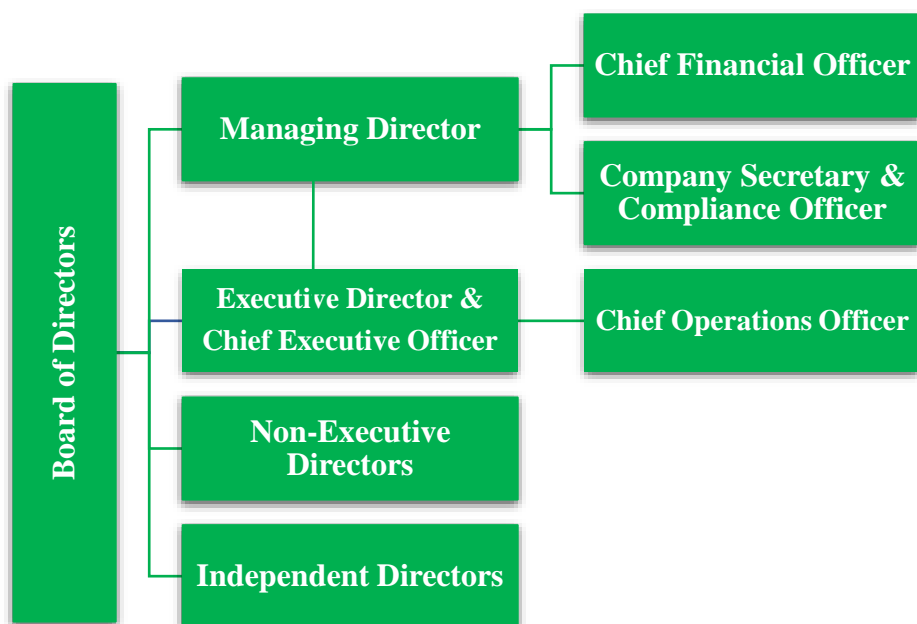
Set forth below are the role of our Corporate Social Responsibility Committee:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013 and the rules made there under, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
- To identify Corporate Social Responsibility Policy partners and Corporate Social Responsibility policy programmes;
- To review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various Corporate Social Responsibility programs undertaken by the Company;
- To delegate responsibilities to the Corporate Social Responsibility team and supervise proper execution of all delegated responsibilities;
- 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 programme;
- Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time, and
- Exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

Frequency of meeting and quorum thereof shall be in accordance with the provisions of the Companies Act, SEBI LODR Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.



## MANAGEMENT ORGANIZATIONAL STRUCTURE:



## OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The details of the Key Managerial Personnel and Senior Management as on the date of this prospectus are set out below. Except for the Managing Director, all the Key Managerial Personnel and Senior Management are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel and Senior Management.

### Key Managerial Personnel of our Company

- Dr. Panneerselvam Palaniappan Shanmugam**, aged about 71 years, is the Managing Director of our Company. For details, please refer section titled **“Our Management”** beginning on page no. 163 of this Prospectus.
- Dr. Prabu Sankar Panneerselvam**, aged about 40 years, is the Executive Director and Chief Executive Officer of our Company. For details, please refer section titled **“Our Management”** beginning on page no. 163 of this Prospectus.
- Mr. Karthick**, aged about 30 years, is the Chief Financial Officer of our company. He holds a degree of Master of Business Administration in Financial Management from Periyar University in the year 2021. He was appointed in our Company in 2015 as an Accounts Officer. Thereafter, he was recently promoted to CFO of the Company with effect from January 01, 2024. He holds a rich experience of more than 9 years in finance and accounting field. In our Company, he is responsible for preparing and reviewing budgets and financial statements, financial planning and providing strategic directions. He was paid ₹ 2,63,382 as remuneration in FY 2023-24.
- Mr. Veera Pratap Reddy Gandluru**, aged about 31 years, is the Company Secretary and Compliance Officer of our Company. He joined our Company as a Company Secretary with effect from June 28, 2024. Mr. Gandluru is an Associate member of the Institute of Company Secretary of India (“ICSI”) having its membership no. ACS 58868 since May 27, 2019. He has worked with multiple private limited companies post earning his ICSI membership. He has approximately 4 years of experience in secretarial matters. In his current role, Mr. Gandluru ensures our Company’s adherence to legal and regulatory requirements, fosters effective communication with stakeholders, and plays a pivotal role in corporate governance and regulatory compliance. He joined our company on June 28, 2024 with a remuneration of ₹ 45,000/- per month.

### SENIOR MANAGEMENT PERSONNEL OF OUR COMPANY

In addition to Mr. Karthick, the Chief Financial Officer of our Company and Mr. Veera Pratap Reddy Gandluru, the Company Secretary and Compliance Officer of our Company, whose details are provided in **“Key Managerial Personnel of our Company”**, the details of our Senior Management Personnel in terms of the SEBI ICDR Regulations, as of the date of this Prospectus are as follows:

- 1. Mr. Vaishak M L**, aged about 37 years, is the Chief Operations Officer (“COO”) of our Company. He joined our Company as a COO with effect from July 06, 2024. He has a rich experience of 10 years in Projects and Operations under the Indian Army and the Indian Navy. Prior to joining our Company, he was commissioned as an Army Dental (A.D.) Corps Officer and served the Indian Army from December 27, 2013 till January 16, 2019 and the Indian Navy from January 17, 2019 till December 26, 2023. He holds a degree of Bachelor of Dental Surgery (2011) from the Rajiv Gandhi University of Health Sciences, Karnataka. He also holds a Post Graduate Certificate in Executive General Management Programme (2023) from The Indian Institute of Management, Tiruchirappalli. In addition, he has also completed 24 weeks’ General Management Programme for Defence Officers from University of Delhi from January 15, 2024 till July 01, 2024. In our Company, he is responsible for supervision of all the departments of our hospital and is one level below our CEO. He was not paid any remuneration in FY 2023-24.

#### **STATUS OF KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT IN OUR COMPANY**

Except for the Managing Director and CEO, all our Key Managerial Personnel or Senior Management are permanent employees of our Company.

#### **SHAREHOLDING OF KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT IN OUR COMPANY**

The details of the shareholding of our Key Managerial Personnel or Senior Management as on the date of this prospectus are as follows: -

Sl. No.	Name of the Director Shareholder	Category/ Status	No. of Equity Shares	Percentage of Pre-Issue Capital (%)	Percentage of Post-Issue Capital (%)
1	Dr. Panneerselvam Palaniappan Shanmugam	Managing Director	24,30,000	24.81%	17.85%
2	Dr. Prabu Sankar Panneerselvam	Executive Director & CEO	24,30,000	24.81%	17.85%

#### **BONUS OR PROFIT-SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT**

Our Company does not have a performance linked bonus or a profit-sharing plan for the Key Managerial Personnel or Senior Management. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel or Senior Management of our Company.

#### **INTERESTS OF KEY MANAGEMENT PERSONNEL OR SENIOR MANAGEMENT**

Except as mentioned above in this prospectus, the Key Managerial Personnel or Senior Management do not have any interest in our Company, other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

#### **PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)**

Except as disclosed in this prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer’s employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled “*Financial Information as Restated*” beginning on page no 189 of this prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoter.

## RELATIONSHIP AMONGST THE KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT OF OUR COMPANY

Except as mentioned below, none of our Key Managerial Personnel and Senior Management Personnel are related to each other.

- Dr. Prabu Sankar Panneerselvam is the son of Dr. Panneerselvam Palaniappan Shanmugam and Mrs. Jayalakshmi Panneerselvam.

## RELATIONSHIP BETWEEN THE DIRECTORS AND KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT

Except as mentioned below, none of our Directors, Key Managerial Personnel or Senior Management Personnel are related to each other.

- Dr. Panneerselvam Palaniappan Shanmugam is the spouse of Mrs. Jayalakshmi Panneerselvam.
- Dr. Prabu Sankar Panneerselvam is the son of Dr. Panneerselvam Palaniappan Shanmugam and Mrs. Jayalakshmi Panneerselvam.
- Dr. Dhandapani Priyadharshni is the spouse of Dr. Prabu Sankar Panneerselvam.

## ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS/CUSTOMERS/ SUPPLIERS

None of the above Key Managerial Personnel or Senior Management have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

## DETAILS OF SERVICE CONTRACTS OF THE KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT

Except for the terms set forth in the appointment letters, the Key Managerial Personnel or Senior Management have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

## EMPLOYEE STOCK OPTION OR EMPLOYEE STOCK PURCHASE

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this prospectus.

## LOANS AVAILED BY DIRECTORS / KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT OF OUR COMPANY

None of the Directors or Key Managerial Personnels or Senior Management have availed loan from our Company which is outstanding as on the date of this prospectus.

## CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT DURING THE LAST THREE (3) YEARS

The changes in the Key Managerial Personnel or Senior Management of our Company in the last three (3) years are as follows:

Name	Date	Designation	Reason
Veera Pratap Reddy Gandluru	01-01-2024	Company Secretary	Appointment
Karthick	01-01-2024	Chief Financial Officer	Promotion
Panneerselvam Palaniappan Shanmugam	16-02-2024	Managing Director	Change of Designation
Prabu Sankar Panneerselvam	16-02-2024	Chief Executive Officer	Appointment
Veera Pratap Reddy Gandluru	30-04-2024	Company Secretary	Resignation
Anjana Maragatham	02-05-2024	Company Secretary	Appointment
Anjana Maragatham	28-06-2024	Company Secretary	Resignation
Veera Pratap Reddy Gandluru	28-06-2024	Company Secretary	Appointment
Vaishak M L	06-07-2024	Chief Operations Officer	Appointment

## OUR PROMOTERS AND PROMOTER GROUP


### 1. Our Promoters:


**Dr. Panneerselvam Palaniappan Shanmugam, Dr. Prabu Sankar Panneerselvam, Dr. Priyadharshni Dhandapani and Mrs. Jayalakshmi Panneerselvam** are the promoters of our Company.


As on the date of this prospectus, our Promoters collectively hold 97,20,000 Equity Shares which in aggregate, constitutes 99.23% of the pre-issue paid-up Equity Share capital of our Company.

For details pertaining to our Promoters shareholding, please refer to chapter titled **“Capital Structure”** beginning on page 64 of this Prospectus.

#### (i) Details of Individual Promoters of our Company:

	<p><b>Dr. Panneerselvam Palaniappan Shanmugam</b>, aged about 71 years, is the Promoter and Managing Director of our company. For further personal details including his educational qualifications, experience and achievements, please refer to section titled <b>“Our Management”</b> beginning on page 163 of this prospectus.</p>
<b>Name of Promoter</b>	<b>Panneerselvam Palaniappan Shanmugam</b>
<b>Father’s Name</b>	Palaniappamudaliar Shanmugamudaliar
<b>Date of Birth</b>	April 17, 1953
<b>Age</b>	71 Years
<b>Qualification</b>	M.B.B.S, M.S. (General Surgery)
<b>Occupation</b>	Doctor and Entrepreneur
<b>Nationality</b>	Indian
<b>Address</b>	49 Saradha College Road, Opposite LRN Hotel, Salem, Tamil Nadu, India, 636007
<b>DIN</b>	08772887
<b>PAN</b>	AEAPP2528N
<b>Directorship in other companies / Designated Partner in LLPs</b>	Velavan Hospital Needs Private Limited
<b>Other Ventures</b>	<ul style="list-style-type: none"> <li>Shanmuga Medical Research Foundation Trust – Trustee</li> <li>Shanmuga Hospital – Partner</li> <li>Travellers Inn – Partner</li> <li>S. Panneer Selvam – Karta</li> </ul>

	<p><b>Dr. Prabu Sankar Panneerselvam</b>, aged about 40 years, is the Promoter, Executive Director &amp; CEO of our company. For further personal details including his educational qualifications, experience and achievements, please refer to section titled <b>“Our Management”</b> beginning on page 163 of this prospectus.</p>
<b>Name of Promoter</b>	<b>Prabu Sankar Panneerselvam</b>
<b>Father’s Name</b>	Panneerselvam Palaniappan Shanmugam
<b>Date of Birth</b>	November 10, 1983
<b>Age</b>	40 Years
<b>Qualification</b>	M.B.B.S., M.S. (General Surgery), M.B.A. (Hospital Management)
<b>Occupation</b>	Doctor and Entrepreneur
<b>Nationality</b>	Indian
<b>Address</b>	49 Saradha College Road, Opposite LRN Hotel, Salem, Tamil Nadu, India, 636007
<b>DIN</b>	08772888
<b>PAN</b>	ANFPP1686F
<b>Directorship in other companies / Designated Partner in LLPs</b>	Velavan Hospital Needs Private Limited
<b>Other Ventures</b>	Shanmuga Hospital – Partner

	<p><b>Dr. Priyadharshni Dhandapani</b>, aged about 39 years, is the Promoter, Non-Executive Director of our company. For further personal details including his educational qualifications, experience and achievements, please refer to section titled <b>“Our Management”</b> beginning on page 163 of this prospectus.</p>
<b>Name of Promoter</b>	Priyadharshni Dhandapani
<b>Father’s Name</b>	Dhandapani
<b>Date of Birth</b>	November 14, 1984
<b>Age</b>	39 Years
<b>Qualification</b>	M.B.B.S., Post Graduate Diploma in Child Health (D.C.H.)
<b>Occupation</b>	Doctor
<b>Nationality</b>	Indian
<b>Address</b>	49 Saradha College Road, Opposite LRN Hotel, Salem, Tamil Nadu, India, 636007
<b>DIN</b>	10469316
<b>PAN</b>	ASQPP0858B
<b>Directorship in other companies / Designated Partner in LLPs</b>	Nil
<b>Other Ventures</b>	Nil

	<p><b>Mrs. Jayalakshmi Panneerselvam</b>, aged about 60 years, is the Promoter, Executive Director of our company. For further personal details including his educational qualifications, experience and achievements, please refer to section titled <b>“Our Management”</b> beginning on page 163 of this prospectus.</p>
<b>Name of Promoter</b>	Jayalakshmi Panneerselvam
<b>Father’s Name</b>	Kandasamymudaliar Kailasamudaliar
<b>Date of Birth</b>	March 15, 1964
<b>Age</b>	60 Years
<b>Qualification</b>	Master of Arts
<b>Occupation</b>	Entrepreneur
<b>Nationality</b>	Indian
<b>Address</b>	49 Saradha College Road, Opposite LRN Hotel, Salem, Tamil Nadu, India, 636007
<b>DIN</b>	--
<b>PAN</b>	ACAPJ0330L
<b>Directorship in other companies / Designated Partner in LLPs</b>	Nil
<b>Other Ventures</b>	<ul style="list-style-type: none"> <li>• Shanmuga Hospital – Partner</li> <li>• Travellers Inn – Partner</li> </ul>

*Our Company confirms that it will submit the details of the Permanent Account Numbers, Bank Account Numbers, Passport numbers, Aadhaar card numbers and driving license numbers of our Promoters to BSE separately at the time of filing the prospectus.*

#### (ii) Details of Body Corporate Promoter of our Company

There is no body corporate promoter of our Company.

### CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

There has not been any change in the control of our Company in the five years immediately preceding the date of this Prospectus.

### EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter titled **“Our Management”** beginning on page no. of 163 this Prospectus.

### INTERESTS OF OUR PROMOTERS

#### *Interest in the Promotions of our Company:*

Our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their respective equity shareholding in our Company and any dividend distribution that may be made by our Company with respect to their equity shares in the future. For details pertaining to our Promoter’s shareholding, please refer to chapter titled **“Capital Structure”** beginning on page 64 of this Prospectus.

***Interest in the property of our Company:***

Except as given in the chapter titled ***“Our Business”*** beginning on page 108 of this Prospectus, our Promoters or Group Company do not have any interest in any property acquired by our Company in the preceding three (3) years of the date of this Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building or supply of machinery.

***Interest as Member of our Company:***

As on the date of this Prospectus, our Promoter and Promoter Group collectively hold 97,95,000 of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoter in our Company and benefits as provided in the section titled ***“Our Management”*** in that Remuneration details of our Directors on page 163 of this Prospectus, our Promoter does not hold any other interest in our Company.

***Interest in transactions for acquisition of land, construction of building and supply of machinery:***

None of our Promoters or Directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

***Interest of Promoters in Sales and Purchases:***

There are no sales/purchases between our Company and our Group Company other than as stated in the section titled ***“Financial Information - Related Party Transactions”*** beginning on page no. 189 of this prospectus.

***Other Interests in our Company:***

Except as disclosed in this prospectus, our Promoters have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested, and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

***Confirmations:***

Our Company hereby confirms that:

- None of our Promoters or Directors have been declared as a wilful defaulter or fraudulent borrower or is a fugitive economic offender.
- Neither our Company nor our Promoters, Promoter Group and Directors our Company are debarred from accessing the Capital Market by SEBI
- None of the promoters or directors of our Company is a promoter or director of any other company which is debarred from accessing the capital market by SEBI.

**PAYMENT OR BENEFITS TO THE PROMOTERS IN THE LAST TWO (2) YEARS**

No payment or benefit has been made to the Promoters except as disclosed in the related party transaction. For further details, please refer to section titled ***“Financial Information - Related Party Transactions”*** beginning on page no. 189 of this prospectus.

**LITIGATION DETAILS PERTAINING TO OUR PROMOTERS**

For details on litigations and disputes pending against the Promoters and defaults made by our Promoters please refer to section titled ***“Outstanding Litigations and Material Developments”*** beginning on page no. 232 of this prospectus.

**DISASSOCIATION BY THE PROMOTERS FROM ENTITIES IN THE LAST THREE YEARS**

None of our Promoters have disassociated themselves from any of the entities in the last three years.

**MATERIAL GUARANTEES PROVIDED BY OUR PROMOTERS**

Except as stated in the chapter titled ***“Financial Indebtedness”*** beginning on page 221 of this Prospectus, there are no material guarantees given by our Promoters to third parties with respect to specified securities of the Company as on the date of this Prospectus.

#### **EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter titled ***“Our Management”*** beginning on page 163 of this Prospectus.

#### **COMMON PURSUITS OF PROMOTERS AND PROMOTER GROUP ENTITIES**

Except as mentioned in this prospectus, none of our Group Companies are involved in similar line of business as that of our Company. For further information on common pursuits and risks associated, please refer risk factor on ‘*conflicts of interest*’ in chapter titled ***“Risk Factors”*** beginning on page 23 of this Prospectus.



o **Our Promoter Groups:**

In compliance with SEBI Guideline, “**Promoter Group**” pursuant to the regulation 2(1)(pp) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we confirm that following persons are part of promoter group:

A) **Promoter**

As per Regulation 2(1)(pp)(i) of the SEBI ICDR Regulations, the following are the Promoters:

- Dr. Panneerselvam Palaniappan Shanmugam
- Dr. Prabu Sankar Panneerselvam
- Mrs. Jayalakshmi Panneerselvam
- Dr. Priyadharshni Dhandapani

B) **Immediate Relatives of Promoters**

Relationship	Name of the Promoters			
	Dr. Panneerselvam Palaniappan Shanmugam	Dr. Prabu Sankar Panneerselvam	Mrs. Jayalakshmi Panneerselvam	Dr. Priyadharshni Dhandapani
<b>Father</b>	Late Palaniappamudaliar Shanmughamudaliar	Panneerselvam Palaniappan Shanmugam	Late Kailasam	Dhandapani Adimoolam
<b>Mother</b>	Late Saraswathi	Jayalakshmi Panneerselvam	Late Parvathy	D Madhavi
<b>Brother</b>	N/A	N/A	Nandagopal Kailasam Saravanan K	N/A
<b>Sister</b>	Late Thilagavathy Vasantha Rani Shanmugam	Madhu Malar	Geetha Kailasam Deepa	Iswarya Lakshmi Dhandapani
<b>Spouse</b>	Jayalakshmi Panneerselvam	Priyadharshni Dhandapani	Panneerselvam Palaniappan Shanmugam	Prabu Sankar Panneerselvam
<b>Son</b>	Prabu Sankar Panneerselvam	Nivan Priyan Sankar (Minor)	Prabu Sankar Panneerselvam	Nivan Priyan Sankar (Minor)
<b>Daughter</b>	Madhu Malar	Laya (Minor)	Madhu Malar	Laya (Minor)
<b>Spouse's Father</b>	Late Kailasam	Dhandapani Adimoolam	Late Palaniappamudaliar Shanmughamudaliar	Panneerselvam Palaniappan Shanmugam
<b>Spouse's Mother</b>	Late Parvathy	D Madhavi	Late Saraswathi	Jayalakshmi Panneerselvam
<b>Spouse's Brother</b>	Nandagopal Kailasam Saravanan K	N/A	N/A	N/A
<b>Spouse's Sister</b>	Geetha Kailasam Deepa	Iswarya Lakshmi Dhandapani	Late Thilagavathy Vasantha Rani Shanmugam	Madhu Malar

C) **Entities forming part of Promoter Group**

As per Regulation 2(1)(pp)(iii) of the SEBI ICDR Regulations, in case Promoter is a Body Corporate

Nature of Relationship	Entity
Subsidiary or holding company of Promoter Company.	N/A
Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	N/A

As per Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations, in case Promoter is an Individual

Nature of Relationship	Entity
Any Body Corporate in which 20% or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives is a member.	<ul style="list-style-type: none"> <li>• Velavan Hospital Needs Private Limited</li> <li>• Travellers Inn</li> </ul>
Any Body corporate in which Body Corporate as provided above holds 20% or more of the equity share capital.	Nil
Any Hindu Undivided Family or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than twenty percent of total capital.	<ul style="list-style-type: none"> <li>• Travellers Inn*</li> <li>• Shanmuga Hospital*</li> <li>• Sri Ram Pharma Agencies*</li> <li>• S. Panneer Selvam#</li> </ul>

\*Partnership Firm

#Hindu Undivided Family (HUF)

**D) All persons whose shareholding is aggregated pursuant to Regulation 2(1)(pp)(v) of the SEBI ICDR Regulations for the purpose of disclosing in the Prospectus under the heading “shareholding of the promoter group”:**

- J Harishankar
- Madhu Malar
- Dhandapani Adimoolam
- D Madhavi
- Murugavel R

## GROUP COMPANIES OF OUR COMPANY

In compliance with SEBI Guideline, “*Group Companies*” pursuant to the regulation 2(1)(t) of SEBI (ICDR) Regulations, 2018, shall include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board.

Based on the above, the below mentioned are considered as Group Companies of our Company (Companies which are no longer associated with our Company have not been disclosed as Group Companies.): -

### VELAVAN HOSPITAL NEEDS PRIVATE LIMITED

<b>Name of the Entity</b>	Velavan Hospital Needs Private Limited	
<b>Category</b>	Company limited by shares	
<b>Subcategory</b>	Non-government company	
<b>Name of Directors</b>	<ul style="list-style-type: none"> <li>o Palaniappan Shanmugam Panneerselvam</li> <li>o Panneerselvam Prabu Sankar</li> </ul>	
<b>Brief Description and nature of activity or Business</b>	To deal in pharmaceutical products and hospital needs.	
<b>Date of Incorporation</b>	April 29, 2022	
<b>CIN</b>	U52311TZ2022PTC038810	
<b>Registration Number</b>	038810	
<b>PAN</b>	AAICV7109G	
<b>Registered Office Address</b>	51/24, Saradha College Road, Opposite LRN Hotel, Salem, Tamil Nadu, India, 636007	
<b>Audited Financial Information (₹ in lakhs except EPS, Diluted EPS and NAV):</b>		
<b>Particulars</b>	<b>FY 2023-24</b>	<b>FY 2022-23</b>
<b>Share Capital (face value of ₹ 10/- each)</b>	4.00	4.00
<b>Reserves and Surplus</b>	43.29	24.72
<b>Net worth</b>	47.29	28.72
<b>Total Revenue</b>	150.05	101.43
<b>Profit/(Loss) after tax</b>	18.57	24.72
<b>Earnings Per Share (EPS)</b>	0.05	0.06
<b>Diluted Earnings Per Share</b>	0.05	0.06
<b>Net Asset Value (NAV) Per Share</b>	118.23	71.80

### Shareholding Pattern of Velavan Hospital Needs Private Limited as on 31.03.2024

Name of the Shareholders	No. of Shares	% of Shareholding
Panneerselvam Palaniappan Shanmugam	10,000	25%
Panneerselvam Prabu Sankar	10,000	25%
Panneerselvam Jayalakshmi	10,000	25%
Dhandapani Priyadharshini	10,000	25%
<b>Total</b>	<b>40,000</b>	<b>100%</b>

## LITIGATION

Our Group Company is not party to any pending litigation which may have a material impact on our Company. For details, see “**Outstanding Litigation and Material Developments** – Litigations involving Group Companies” beginning on page 232 of this Prospectus.

## NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES

- Our Group Companies do not have any interest in the promotion of our Company.
- Our Group Companies are not interested in the properties acquired by our company in the three (3) years preceding the filing of this Prospectus or proposed to be acquired by our Company.
- Our Group Companies are not interested in any transactions for acquisition of plant, construction of building or supply of machinery.

## RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

Other than the transactions disclosed in the chapter titled “**Restated Financial Statements - Related Party Transactions**” beginning on page 220 of this Prospectus, there are no other business transactions between our Company and Group Companies.

## BUSINESS INTERESTS OR OTHER INTERESTS

Except as disclosed in the chapter “**Restated Financial Statements**” beginning on page 189 , our Group Company do not have or propose to have any business interest in our Company.

## OTHER CONFIRMATIONS

- Equity shares of our Group Company are not listed on any stock exchange.
- Except as disclosed, our Group Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Prospectus. For further details, please see the chapter “**Other Regulatory and Statutory Disclosures**” beginning on page 241 of this Prospectus.
- None of the securities of our Group Company has been refused listing by any stock exchange in India or abroad during last ten years, nor has our Group Company failed to meet the listing requirements of any stock exchange in India or abroad.

## RELATED PARTY TRANSACTIONS

For details on related party transactions (As per the requirement under Accounting Standard 24 “Related Party Disclosure” issued by ICAI) of our Company during the restated audit period as mentioned in this prospectus i.e., for six months period ended 30<sup>th</sup> September 2024 and for the financial year ended on 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 please refer to Section titled, **Financial Information - Related Party Transactions**, beginning on page 220 of this prospectus.

## DIVIDEND POLICY

Our Company does not have any formal dividend policy for the equity shares. Our Company can pay Final dividends upon a recommendation by Board of Directors and approval by majority of the members at the Annual General Meeting subject to the provisions of the Articles of Association and the Companies Act, 2013. The Members of our Company have the right to decrease, not to increase the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to Board of Directors to declare and pay interim dividends.

The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. The declaration and payment of dividend will depend on a number of factors, including but not limited to the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions, contractual obligations and restrictions, restrictive covenants under the loan and other financing arrangements to finance the various projects of our Company and other factors considered relevant by our Board of Directors.

Our Company has not paid / declared any dividend in last three years from date of this Prospectus.

## SECTION IX: FINANCIAL INFORMATION

### FINANCIAL STATEMENTS AS RESTATED

#### Independent Auditor's Examination Report on Restated Financial Information of Shanmuga Hospital Limited

To,  
**The Board of Directors,**  
**Shanmuga Hospital Limited,**  
*(Formerly known as Shanmuga Hospital Private Limited)*  
**51/24, Saradha College Road, Salem,**  
**Tamil Nadu, India, 636007.**

**Dear Sirs,**

1. We, M/s. **P P N And Company**, Chartered Accountants ('we' or 'us') have examined the attached Restated Financial Information of **Shanmuga Hospital Limited** *(Formerly known as Shanmuga Hospital Private Limited)* (the "Company" or the "Issuer"), comprising the Restated Statement of Assets and Liabilities as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, the Restated Statements of Profit and Loss and the Restated Cash Flow Statement for the six-month period ended on September 2024 and for the financial year ended on March 31, 2024, 2023 and 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively referred to as the "**Restated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on 29/01/2025 for the purpose of inclusion in the Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares on SME Platform of BSE Limited ("**SME IPO**").

These restated Summary Statement have been 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**").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Coimbatore and the Stock Exchange in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in **Annexure IV** to the Restated Financial Information. The responsibilities of the Board of Directors of the Company include designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
  3. We have examined such Restated 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 June 21, 2024 in connection with the proposed IPO of equity shares of the Issuer on SME platform;

- b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI);
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated 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 Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the period ended on September 30, 2024 and for the years ended on March 31, 2024, 2023 and 2022, prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors.
5. For the purpose of our examination, we have relied on:
- a. Auditor's Report issued by us dated 29/01/2025 and the special purpose Financial Statements of the Company for the period from 01/04/2024 to 30/09/2024. We have audited the special purpose financial statements of the company as at and for the six-month period ended on September 30, 2024 prepared by the company in accordance with Accounting Standard (Indian GAAP) for the limited purpose of complying with the requirement of Restated Audited Financial statements in the offer documents should not be more than six months old from the issue opening date as required by ICDR Regulations in relation to the proposed IPO, and
  - b. Auditors' Report issued by us dated 01/09/2024 for the year ended March 31, 2024 and Auditors' Report issued by us dated 01/09/2023 for the year ended March 31, 2023 respectively and Auditors' Report issued by Previous Auditor dated 31/08/2022 on the financial statements of the Company as at and for the years ended March 31, 2022 respectively as referred in Paragraph 4 above.
  - c. The Audit for the six-month period ended on September 30, 2024 and for the financial years ended March 31, 2024 and 2023 were conducted by us only and the Audit for the financial years ended March 31, 2022 were conducted by the Company's previous auditors **J.V & Co, Chartered Accountants ("the Previous Auditor)**. We have performed adequate procedures to restate the Financial Information for the said years. The Examination Report included for the said years is based solely on the report submitted by the Previous Auditor.
6. There were no qualifications in the Audit Reports issued by us and by previous auditor as at and for the six-month period ended September 30, 2024 and for the financial year ended on March 31, 2024, 2023 and 2022 which would require adjustments in this Restated Financial Information of the Company.
7. Based on our examination and according to the information and explanations given to us, we report that:
- a. The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
  - b. The Restated Summary Statements do not require any adjustments for the matter(s) giving rise to modifications mentioned in paragraph 6 above.
  - c. The Restated Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.



- d. The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate, if any and there are no qualifications which require adjustments;
- e. Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
- f. There was no change in accounting policies, which need to be adjusted in the Restated Summary Statement. The details of Prior period Adjustments are given in Annexure 5 of the Restated Financial Statements.
- g. For the Financial Years 2021-22, 2022-23, 2023-2024 and for the six-month period ended on September 30, 2024, i.e., the years covered in the restatement financial statement, the Company has not declared and paid any dividend.
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the six-month period ended on September 30 2024 and as at and for the financial year ended on March 31, 2024 2023 and 2022 proposed to be included in the Prospectus.

<b>Annexure No.</b>	<b>Particulars</b>
I	Standalone Financial Statement of Assets & Liabilities as Restated
II	Standalone Financial Statement of Profit & Loss as Restated
III	Standalone Financial Statement of Cash Flow as Restated
IV	Significant Accounting Policy and Notes to the Restated Summary Statements
V	Adjustments made in Restated Financial Statements / Regrouping Notes
I.1	Statement of Share Capital as Restated
I.2	Statement of Reserves & Surplus as Restated
I.3	Statement of Long-Term Borrowings as Restated
I.4	Statement of Deferred Tax Liability (Net)
I.5	Statement of Long -Term Provisions as Restated
I.6	Statement of Short - Term Borrowings as Restated
I.7	Statement of Trade Payables as Restated
I.8	Statement of Other Current Liabilities as Restated
I.9	Statement of Short - Term Provisions as Restated
I.10	Statement of Fixed Assets as Restated
I.11	Statement of Other Non-Current Investments as Restated
I.12	Statement of Other Non-Current Assets as Restated
I.13	Statement of Inventories as Restated
I.14	Statement of Trade Receivables as Restated
I.15	Statement of Cash & Cash Equivalent as Restated
I.16	Statement of Short-Term Loans and Advances as Restated
I.17	Statement of Other Current Assets as Restated
II.1	Statement of Revenue from Operations as Restated
II.2	Statement of Revenue from Other Income as Restated
II.3	Statement of Purchase of Medicines & Consumable as Restated
II.4	Statement of Changes in Inventories of Finished goods
II.5	Statement of Employees Benefit Expenses as Restated
II.6	Statement of Finance Cost as Restated
II.7	Statement of Depreciation and Amortization Expenses as Restated
II.8	Statement of Other Expenses as Restated
II.9	Statement of Tax Expenses as Restated
VI	Statement of Accounting and other Ratio as Restated
VII	Statement of Capitalisation Statement as Restated

VIII	Statement of Tax Shelter as Restated
IX	Statement of Related Parties & Transactions as Restated

9. We, M/s. **P P N And Company**, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “**Peer Review Board**” of the ICAI, which is valid till 30/09/2025.
10. The Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Audited Financial Statements mentioned in paragraph 5 above.
11. 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.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors for inclusion in the Prospectus to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Coimbatore 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 P P N And Company,  
Chartered Accountants,  
ICAI Firm Reg. No.: 013623S  
Peer Review Certificate No: 013578**

Sd/-

**R. Rajaram  
Partner  
Membership No: 238452  
UDIN : 25238452BMHSSJ8544**

**Place : Salem  
Date : 29/01/2025**

**ANNEXURE - I**  
**STATEMENT OF STANDALONE ASSETS & LIABILITIES, AS RESTATED**

Particulars	Note No.	As at (Rs. In Lakhs)			
		30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>I. EQUITY &amp; LIABILITIES</b>					
<b>(1) Shareholder's Fund</b>					
a) Share capital	I.1	979.50	979.50	8.00	8.00
b) Reserves and surplus	I.2	973.16	733.87	1,174.21	697.99
<b>Total Shareholder's Fund</b>		<b>1,952.66</b>	<b>1,713.37</b>	<b>1,182.21</b>	<b>705.99</b>
<b>(2) Non-Current Liabilities</b>					
a) Long-Term Borrowings	I.3	359.35	359.35	401.91	-
b) Deferred Tax Liability (Net)	I.4	31.49	27.56	15.53	5.33
c) Long Term provisions	I.5	11.07	4.62	3.11	1.94
<b>Total Non Current Liabilities</b>		<b>401.91</b>	<b>391.54</b>	<b>420.56</b>	<b>7.28</b>
<b>(3) Current Liabilities</b>					
a) Short Term Borrowings	I.6	616.79	542.53	363.08	-
b) Trade Payables					
- Total Outstanding Dues of Micro and Small Enterprises		8.98	11.98	1.04	0.58
- Total Outstanding Dues of Creditors Other than Micro and Small Enterprises	I.7	499.82	492.65	147.78	83.73
c) Other Current Liabilities	I.8	95.67	77.69	35.75	46.74
d) Short Term Provisions	I.9	77.57	161.76	154.49	220.36
<b>Total Current Liabilities</b>		<b>1,298.83</b>	<b>1,286.61</b>	<b>702.14</b>	<b>351.41</b>
<b>Total Equity &amp; Liabilities</b>		<b>3,653.40</b>	<b>3,391.51</b>	<b>2,304.91</b>	<b>1,064.68</b>
<b>II. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
a) Property, Plant & Equipment and Intangible Assets					
(i) Property, Plant and Equipments		1,591.15	1,584.62	997.39	228.36
(ii) Intangible Assets	I.10	-	-	-	-
(iii) Capital Work-In-Progress		498.02	433.68	-	-
<b>Total Fixed Assets</b>		<b>2,089.17</b>	<b>2,018.30</b>	<b>997.39</b>	<b>228.36</b>
b) Non Current Investments	I.11	2.74	2.48	1.99	-
c) Other Non- Current Assets	I.12	27.12	16.85	7.28	2.71
<b>Total Non Current Assets</b>		<b>29.85</b>	<b>19.33</b>	<b>9.28</b>	<b>2.71</b>
<b>(2) Current assets</b>					
a) Inventories	I.13	253.63	195.16	157.72	88.82
b) Trade Receivables	I.14	969.74	696.15	585.94	471.35
c) Cash and Cash Equivalents balances	I.15	134.51	209.92	321.47	121.15
d) Short Term Loans and advances	I.16	47.01	33.57	28.50	5.13
e) Other Current Assets	I.17	129.48	219.09	204.62	147.15
<b>Total Current Assets</b>		<b>1,534.37</b>	<b>1,353.89</b>	<b>1,298.24</b>	<b>833.61</b>
<b>Total Assets</b>		<b>3,653.40</b>	<b>3,391.51</b>	<b>2,304.91</b>	<b>1,064.68</b>

**Note:** The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

**ANNEXURE - II  
STATEMENT OF STANDALONE PROFIT & LOSS, AS RESTATED**

Particulars	Note No.	For the period ended on (Rs. In lakhs)			
		30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>I Income</b>					
Revenue from Operations	II.1	2,462.18	4,303.74	3,934.47	4,138.20
Other Income	II.2	20.63	35.04	15.09	8.90
<b>Total Income</b>		<b>2,482.81</b>	<b>4,338.78</b>	<b>3,949.56</b>	<b>4,147.10</b>
<b>II Expenditure</b>					
Purchase of Medicines & Consumables	II.3	1,024.32	1,733.82	1,653.16	1,757.83
Change in Inventories of Finished goods	II.4	(58.47)	(37.44)	(68.90)	(53.55)
Employee Benefit Expenses	II.5	304.54	323.64	299.03	371.09
Financial Charges	II.6	33.96	60.81	28.04	3.29
Depreciation & Amortisation Expenses	II.7	105.74	130.39	57.94	13.19
Other Expenses	II.8	749.10	1,424.07	1,322.30	1,158.77
<b>Total Expenses</b>		<b>2,159.20</b>	<b>3,635.29</b>	<b>3,291.58</b>	<b>3,250.62</b>
<b>III Profit Before Exceptional and Extraordinary Items and Tax (I-II)</b>		<b>323.61</b>	<b>703.49</b>	<b>657.98</b>	<b>896.48</b>
IV Exceptional and Extraordinary Items		-	-	-	-
<b>V Profit/(Loss) Before Tax (III-IV)</b>		<b>323.61</b>	<b>703.49</b>	<b>657.98</b>	<b>896.48</b>
<b>VI Tax Expense</b>					
- Current Tax	II.9	80.39	165.31	171.56	220.36
- Deferred Tax		3.93	12.03	10.20	4.30
<b>Total Tax Expense</b>		<b>84.32</b>	<b>177.34</b>	<b>181.75</b>	<b>224.66</b>
<b>VII Profit/(Loss) for the Year (V-VI)</b>		<b>239.29</b>	<b>526.15</b>	<b>476.22</b>	<b>671.82</b>
<b>Earnings per Equity share of Rs 10 each/- (Post Bonus)</b>					
Basic EPS		2.44	5.37	4.90	6.91
Diluted EPS		2.44	5.37	4.90	6.91

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

**ANNEXURE - III**  
**STATEMENT OF STANDALONE CASH FLOW, AS RESTATED**

Particulars	For the period ended on (Rs. In lakhs)			
	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit Before Tax as per Profit & Loss A/c	323.61	703.49	657.98	896.48
<b>Adjusted for :</b>				
a. Depreciation	105.74	130.39	57.94	13.19
b. Interest Expenses & Finance Cost	33.96	60.81	28.04	3.29
c. Interest & Other Income	(1.07)	(11.52)	(2.11)	(0.75)
d. Provision for Gratuity	7.17	1.51	1.17	1.00
<b>Operating profit before working capital changes</b>	<b>469.41</b>	<b>884.68</b>	<b>743.02</b>	<b>913.21</b>
Adjusted for :				
a. Decrease / (Increase) in Inventories	(58.47)	(37.44)	(68.90)	(53.55)
b. Decrease / ( Increase ) in Trade Receivable	(273.60)	(110.21)	(114.59)	(471.20)
c. ( Increase ) / Decrease in Short Term Loans and Advances	(13.44)	(5.07)	(23.37)	(5.05)
d. Increase / ( Decrease ) in Trade Payables	4.18	355.81	64.51	(68.69)
e. Increase / ( Decrease ) in Other Current Liabilities & Provisions	17.98	55.47	(28.06)	22.51
f. ( Increase ) / Decrease in Other Current Assets	89.61	(14.47)	(57.47)	(136.37)
<b>Cash generated from operations</b>	<b>(233.73)</b>	<b>244.08</b>	<b>(227.87)</b>	<b>(712.35)</b>
Net Income Tax (Paid)/Refund	(165.32)	(171.56)	(220.36)	(8.76)
<b>Net Cash Generated/(Used) From Operating Activities (A)</b>	<b>70.35</b>	<b>957.21</b>	<b>294.78</b>	<b>192.10</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
a. (Purchase) Sale of Fixed Assets	(176.62)	(1,151.30)	(826.97)	(167.52)
b.( Purchase ) / Sale of Non-Current Investment	(0.26)	(0.49)	(1.99)	-
c. ( Increase ) / Decrease in Other Non Current Assets	(10.27)	(9.57)	(4.57)	(0.71)
d. Interest & Other Income	1.07	11.52	2.11	0.75
<b>Net Cash Generated/(Used) From Investing Activities (B)</b>	<b>(186.06)</b>	<b>(1,149.83)</b>	<b>(831.42)</b>	<b>(167.49)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
a. Interest & Finance Cost	(33.96)	(60.81)	(28.04)	(3.29)
b. Proceeds from Share issued including Premium	-	5.00	-	-
c. ( Repayments ) / proceeds of Long Term Borrowings	-	(42.56)	401.91	-
d. ( Repayments ) / proceeds of Short Term Borrowings	74.26	179.45	363.08	-
<b>Net Cash Generated/(Used) From Financing Activities (C)</b>	<b>40.30</b>	<b>81.08</b>	<b>736.96</b>	<b>(3.29)</b>
<b>Net Increase / ( Decrease ) in Cash and cash equivalents</b>	<b>(75.41)</b>	<b>(111.55)</b>	<b>200.32</b>	<b>21.33</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>209.92</b>	<b>321.47</b>	<b>121.15</b>	<b>99.82</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>134.51</b>	<b>209.92</b>	<b>321.47</b>	<b>121.15</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year
- The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

**ANNEXURE - IV****SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS****A. BACKGROUND**

The Company was incorporated as a Private Limited Company on 26th June 2020 under the provisions of the Companies Act 2013, with CIN:U85110TZ2020PTC033974 and having its registered office at 51/24, Saradha College Road, Salem, Tamil Nadu, India, 636007. Subsequently the company was converted into Public Limited Company vide special resolution passed by our shareholders at the Extra Ordinary General Meeting held on 27.02.2024 and the name of the Company was changed to **Shanmuga Hospital Limited** ('the company' or 'the issuer') pursuant to issuance of Fresh Certificate of Incorporation dated 06.06.2024 issued by Registrar of Companies, Central Processing Team with Corporate Identification Number U85110TZ2020PLC033974.

However the operating vintage of the business extends to 43 years where the organisation was originally started in the year 1981 as a Proprietorship concern in the name of Dr Pannerselvam and later converted into Partnership firm with the name SHANMUGA HOSPITALS in the year 1994. Part of the business and operations were then transferred to the Company post its incorporation in the year 2020 and all business along with assets and liabilities of the firm were also transferred through slump sale w.e.f. 07-12-2023.

The Company is engaged in the business of establishing, maintaining, assisting, encouraging or promoting in India, as and when deemed proper or expedient for the purpose of medical relief, in the form of hospitals, institutions or in connection therewith or attached thereto all or any of the following institutions: Nursing Homes, Hospitals, Multispeciality Hospitals or Wards, rehabilitation centers, I.C.U.s, I.C.C.U.s and related units, Diagnostic Centers, Scan Center, Health centers and other related centers, Physiotherapy, Laboratories, Dispensaries, Blood bank and Creches.

**B. SIGNIFICANT ACCOUNTING POLICIES****1 Basis of Preparation:**

The Summary Statement of Restated Assets and Liabilities of the Company for the six-month period ended on 30th September 2024 and for the financial year ended on 31st March 2024, 2023 & 2022 and the related Summary Statement of Restated Profit and Loss and Cash Flows for the six-month period ended on 30th September 2024 and for the financial year ended on 31st March 2024, 2023 & 2022 (collectively referred to as the "Restated summary of Financial Information") have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The Restated Summary of Financial Information has been prepared by applying necessary adjustments to the financial statements ('financial statements') of the Company. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) regulations 2018, as amended (the "Regulations"). The financial statements have been prepared on accrual basis under the historical cost convention. The Accounting Policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year .

**2 Revenue Recognition:**

The company derives its revenues primarily from Health care services, Patient care services (including procedures such as surgeries and diagnostics imaging), and from appointments and related services. Revenue from services provided under fixed price contracts, where the outcome can be reliably estimated, is recognized based on contract activity.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured in accordance with AS-9, Revenue Recognition. Sales are recognized on accrual basis, and only after transfer of services to the customer.

**Interest Income** : Revenue is recognized on the time proportion basis after taking into account the amount outstanding and the rate applicable.

**Dividend Income** : Dividend Income is recognised when the owners right to receive payment is established.

**Other Income** : Other items of income and expenditure are recognized on accrual basis and as a going concern basis, and the accounting policies are consistent with the generally accepted accounting policies.

**3 Property Plant and Equipment Including Intangible Assets:**

Property Plant and Equipments are stated at cost, less accumulated depreciation. Cost includes cost of acquisition including material cost, freight, installation cost, duties and taxes, and other incidental expenses, incurred up to the installation stage, related to such acquisition. Property Plant and Equipments purchased in India in foreign currency are recorded in Rupees, converted at the exchange rate prevailed on the date of purchase. Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

#### 4 Depreciation & Amortisation:

The Company has applied the estimated useful lives as specified in Schedule II of the Companies Act 2013 and calculated the depreciation as per the Straight line Value (SLM) method. Depreciation on new assets acquired during the year is provided at the rates applicable from the date of acquisition to the end of the financial year. In respect of the assets sold during the year, depreciation is provided from the beginning of the year till the date of its disposal.

Intangible assets are amortised on a straight-line basis over the estimated useful life as specified in Schedule II of the Companies Act 2013. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. In respect of the assets sold during the year, amortisation is provided from the beginning of the year till the date of its disposal.

Capital work in-progress represents expenditure incurred in respect of assets which are yet to be brought to its working condition for its intended use and are carried at cost. Cost includes related acquisition expenses, construction or development cost, borrowing costs capitalised and other direct expenditure.

#### Useful Life of Property, Plant and Equipments

Category	Schedule - II Part 'C'	Useful life
Computer & Accessories	XII (ii)	3 years
Furniture & Fittings	V (i)	10 years
Office Equipments	XI	5 years
Plant & Machinery - Medical equipments	IV (ii) (i)	12 years
Plant & Machinery - Others	IV (i) (a)	15 years
Vehicles - General	VI (3)	8 years
Building	I (c)	60 years
Temporary structure	I (e)	3 years

#### 5 Impairment of Assets:

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognised wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. Reversal of impairment loss is recognised immediately as income in the profit and loss account.

#### 6 Use of Estimates:

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and the reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, income taxes, post - sales customer support and the useful lives of Property Plant and Equipments and intangible assets.

#### 7 Foreign Currency Transactions:

##### Domestic Operation:

##### I . Initial Recognition :

A foreign currency transactions are recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### II . Measurement :

Foreign currency monetary items are reported using the closing rate.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction

Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

##### III . Treatment of Foreign Exchange :

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expenses in the Statement of Profit and Loss.

#### 8 Employee Benefits:

##### Post-Employment Benefits:

##### Defined Benefit Plan:

Gratuity liability is a defined benefit obligation and is unfunded. The Company accounts for liability for future gratuity benefits based on the actuarial valuation using Projected Unit Credit Method carried out as at the end of each financial year.

##### Defined Contribution Plan:

Provident Fund: Eligible employees receive benefit from provident fund covered under the Provident Fund Act. Both the employee and the company make monthly contributions. The employer contribution is charged off to Profit & Loss Account as an expense.

**9 Taxes on Income:**

Income Tax expense is accounted for in accordance with AS-22 "Accounting for Taxes on Income" for both Current Tax and Deferred Tax stated below:

**A. Current Tax:**

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

**B. Deferred Tax:**

Deferred tax is recognised, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carried forward losses, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**10 Provisions and Contingent Liabilities:**

A provision is recognised if, as a result of past event, the Company has a present legal obligation that can be estimated reliably and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by the best estimate of outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**11 Earnings Per Share:**

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**12 Cash and Cash Equivalents:**

Cash and cash equivalents comprise cash and cash deposits with banks. The Company considers all highly liquid investments with a original maturity at a date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**13 Cash Flow Statement:**

Cash flows are reported using indirect method, whereby net profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**14 Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.



## ANNEXURE V - Other Notes to Accounts

## STATEMENT OF PROVISION FOR GRATUITY AS RESTATED

**Gratuity** - The Present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. The company does not have a funded plan for gratuity liability.

**Interest cost:** It is the increase in the Plan liability over the accounting period resulting from the operation of the actuarial assumption of the interest rate.

**Current Service Cost:** is the discounted present value of the benefits from the Plan's benefit formula attributable to the services rendered by employees during the accounting period.

**Actuarial Gain or Loss:** occurs when the experience of the Plan differs from that anticipated from the actuarial assumptions. It could also occur due to changes made in the actuarial assumptions.

## (i) Reconciliation of Opening and Closing Balance of Gratuity Obligations:

(All amounts are in ₹. lakhs)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Net Liability as at the Beginning of the Period	4.63	3.12	1.95	0.95
Net Expenses in P/L A/c	7.17	1.51	1.17	1.00
Benefits Paid	-	-	-	-
Net Liability as at the End of the Period	11.80	4.63	3.12	1.95
<b>Present Value of Gratuity Obligation (Closing)</b>	<b>11.80</b>	<b>4.63</b>	<b>3.12</b>	<b>1.95</b>

## (ii) Expenses recognised in Statement of Profit and Loss during the year:

(All amounts are in ₹. lakhs)

Particulars	For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Cost	0.17	0.26	0.15	0.07
Current Service Cost	0.56	1.74	0.90	0.84
Past Service Cost	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Curtailement Cost (Credit)	-	-	-	-
Settlement Cost (Credit)	-	-	-	-
Net Actuarial (gain) / loss	6.44	(0.48)	0.12	0.08
Net Expenses to be recognized in P&L	7.17	1.51	1.17	1.00
<b>Total</b>	<b>7.17</b>	<b>1.51</b>	<b>1.17</b>	<b>1.00</b>

## (iii) Changes in Benefit Obligations:

(All amounts are in ₹. lakhs)

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening Defined benefit Obligation	4.63	3.12	1.95	0.95
Current Service Cost	0.56	1.74	0.90	0.84
Interest Cost for the Year	0.17	0.26	0.15	0.07
Actuarial losses (gains)	6.44	(0.48)	0.12	0.08
Benefits Paid	-	-	-	-
Closing Defined Benefit Obligation	11.80	4.63	3.12	1.95
<b>Total</b>	<b>11.80</b>	<b>4.63</b>	<b>3.12</b>	<b>1.95</b>

**(iv) Actuarial assumptions:**

Particulars	For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Rate of Discounting	6.96%	7.26%	7.57%	7.49%
Salary Escalation	5.00%	5.00%	5.00%	5.00%
Attrition Rate	5.00%	5.00%	5.00%	5.00%
Mortality rate during employment Indian	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

**STATEMENT OF CONTINGENT LIABILITY AS RESTATED****A. Contingent Liabilities and Commitments (to the extent not provided for):****(All amounts are in ₹. lakhs)**

Particulars	As at September 30, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Litigation in consumer court *	30.00	30.00	-	-
Income Tax	0.11	-	-	-
ESI	0.00	-	-	-
Traces	0.00	-	-	-
<b>Total</b>	<b>30.11</b>	<b>30.00</b>	<b>-</b>	<b>-</b>

**\* Note :**

S.No	Case and reference number	Filed by	Respondent	Amount in Rs.	Latest status in brief
1	CC 10 of 2023	Elisapath Rani	Dr Murugavel, Dr Palaniappan and Chairman of Shanmuga Hospital private limited	30,00,000	Appeal preferred against the demand vide FA 16 of 2024**

\*\*The District Consumer disuputes redressal commission has ordered to pay sum of Rs 30,00,000/- to the respondent vide order dated 13-10-2023.

However the company preferred appeal over the demand after depositing a sum of Rs 16,11,000/- with the court and the appeal is still in progress.

**PAYMENT TO AUDITOR****(All amounts are in ₹. lakhs)**

Particulars	For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory Audit Fees & Tax Audit Fees	3.50	7.06	8.24	1.09
Other Matters	-	-	-	-
<b>Total</b>	<b>3.50</b>	<b>7.06</b>	<b>8.24</b>	<b>1.09</b>

**CORPORATE SOCIAL RESPONSIBILITY**

As per provisions of Section 135 of the Companies Act, 2013, the applicability towards CSR has commenced from the financial year 2022-23 onwards

Particulars	(All amounts are in ₹. lakhs)			
	For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Gross Amount to be spent by the company during the period	14.93	10.50	9.15	-
<b>Amount spent During the period :</b>				
(i) Contribution made towards PM CARES Fund	-	-	9.15	-
(ii) Contribution made to salem ex-servicemen welfare trust	-	2.00	-	-
(iii) Contribution made to medical research foundation trust	-	8.50	-	-

\*CSR for the FY 24-25 amounting Rs 14.93 lakhs remaining unspent during the end of the period 30.09.2024 and the shortfall will be spent before the end of financial year 24-25 in compliance with schedule VII of Section 135 of Companies Act, 2013.

**DETAILS OF SUPPLY OF SERVICE****A. In case of companies rendering or supplying services**

(All amounts are in ₹. lakhs)

Particulars	(All amounts are in ₹. lakhs)			
	For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Gross Income Derived from services rendered or supplied	1,741.20	3092.15	2927.22	3172.09
<b>Total</b>	<b>1,741.20</b>	<b>3092.15</b>	<b>2927.22</b>	<b>3172.09</b>

**IN THE CASE OF ALL CONCERNS HAVING WORKS IN PROGRESS**

(All amounts are in ₹. lakhs)

Particulars	(All amounts are in ₹. lakhs)			
	For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Capital Works in Progress	498.02	433.68	-	-
<b>Total</b>	<b>498.02</b>	<b>433.68</b>	<b>-</b>	<b>-</b>

**Notes:**

The Company has Capital Work in progress as at the end of balance sheet dated 30.09.2024 and 31.3.2024. The Capital work in progress construction and renovation of Hospital Building. Therefore identified as not yet ready for their intended use as the date of balance sheet. Further details as below:

**CWIP ageing as at 30.09.2024**

(All amounts are in ₹. lakhs)

Particulars	Capital Work in progress			
	Less than 1 year	1-2 years	2-3 years	Total
Capital Work in Progress	498.02	-	-	498.02
<b>Total</b>	<b>498.02</b>	<b>-</b>	<b>-</b>	<b>498.02</b>

**CWIP ageing as at 31.03.2024**

(All amounts are in ₹. lakhs)

Particulars	Capital Work in progress			
	Less than 1 year	1-2 years	2-3 years	Total
Capital Work in Progress	433.68	-	-	433.68
<b>Total</b>	<b>433.68</b>	<b>-</b>	<b>-</b>	<b>433.68</b>

**FOREIGN CURRENCY EARNED AND EXPENDED**

(All amounts are in ₹. lakhs)

Particulars	For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Export of Goods & Services	-	-	-	-
<b>Total</b>	-	-	-	-

**INCOME TAXES****I. Minimum Alternate Tax**

Company has opted for special rate of tax of the Income Tax Act, 1961. Hence, MAT asset is not recognised.

**II. Current Tax**

(All amounts are in ₹. lakhs)

Particulars	For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax	80.39	165.01	171.56	220.36
Add: Tax Adjustment for earlier years	-	-	-	-
<b>Total</b>	<b>80.39</b>	<b>165.01</b>	<b>171.56</b>	<b>220.36</b>

**EXCHANGE DIFFERENCE**

(All amounts are in ₹. lakhs)

Particulars	For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Exchange Difference Gain/(Loss)	-	-	-	-
<b>Total</b>	-	-	-	-

**CASH FLOW STATEMENT**

- (1) The amount of significant cash and cash equivalent balances held by the enterprise as at September 30, 2024 was Rs.1,34,51,340.34/- that are available for use by Company.
- (2) Company does not have undrawn borrowing facilities that may be available for future operating activities.
- (3) The Company has appropriate amount of Cash Flows that are required to maintain operating capacity.
- (4) Company is investing adequately in the maintenance of its operating capacity.
- (5) There are no non cash transactions happened in investing and financing activities to be excluded from Cash Flow Statement.

**Additional Disclosures:**

(All amounts are in ₹. lakhs)

Particulars	For the period ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash on Hand	50.51	38.17	30.60	41.63
Balance with Banks	84.01	171.75	290.87	79.52
<b>Total Components of Cash and Cash Equivalents:</b>	<b>134.51</b>	<b>209.92</b>	<b>321.47</b>	<b>121.15</b>

## SEGMENT REPORTING

The Operations of the company are in the nature of sale of medicines and services to the patients. Since the service nature includes medicines and consumables utilized and forming part of the same treatment to the patients, bifurcation of expenses, assets may not be practicable and separable for the operations, hence the combined nature of treatment through service and sale can only be regarded as a single segment. Since the company is operating in a segment, hence segment reporting is not applicable.

## ADDITIONAL DISCLOSURES WITH RESPECT TO AMENDMENTS TO SCHEDULE III AS RESTATED

(i) The Company have no immovable property whose title deeds are not held in the name of the company.

(ii) The Company has not revalued its Property, Plant and Equipment during the reporting years.

(iii) Loans and Advances granted to Promoters, Directors, KMP and Related Parties:

There are no Loans and Advances in the nature of loans that are granted to promoters, directors, KMP's and the related parties either severally or jointly with any other person, that are repayable on demand.

(iv) There are no proceedings initiated or pending against the Parent for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).

(v) The Company has made borrowing from the banks or financial institutions on the basis of security of current assets and the periodical statement of current assets are not required to be filed by the Company with any of the banks or financial institutions.

(vi) The Company is not declared as wilful defaulter by any bank or financial institution or other lender.

(vii) The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013.

(viii) The Company do not have any charge to be registered with Registrar of Companies beyond the statutory period.

(ix) The Company has no subsidiaries with one layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(x) No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

(xi) Utilisation of Borrowed funds and share premium:

A. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xii) The Company has not traded or invested in Crypto currency or Virtual Currency during the period/financial year.

(xiii) There are no transactions that were not recorded in the books of account, and which has been surrendered or disclosed as income during the period/year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). There is no previously unrecorded income and related assets have been recorded in the books of account during the period/year.

## Annexure – I.1

**Restated Statement of Share Capital**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
<b>Authorised Capital (in Nos)</b>				
Equity shares of ₹10/- each	1,40,00,000	1,40,00,000	71,50,000	51,50,000
<b>Authorised Capital (Rs. In Lakhs)*</b>				
Equity shares of ₹10/- each	1,400.00	1,400.00	715.00	515.00
<b>Issued, Subscribed &amp; Fully Paid-up (In Nos)</b>				
Equity shares of ₹10/- each	97,95,000	97,95,000	80,000	80,000
<b>Issued, Subscribed &amp; Fully Paid-up (Rs. In Lakhs)</b>				
Equity shares of ₹10/- each	979.50	979.50	8.00	8.00

Note: The Company has only one class of equity shares of par value ₹10/- each, each equity shareholder is entitled to one vote per share held

The face value of shares has been divided from ₹100/- each to ₹10/- each after shareholders approval dated 31/03/2022

**\*Notes to Authorized share capital**

- The Authorized Share capital has been increased from 51,50,000 shares to 71,50,000 shares vide resolution passed at EGM dated 28-03-2023
- The Authorized Share capital has been increased from 71,50,000 shares to 1,40,00,000 shares vide resolution passed at EGM dated 26-12-2023

**Reconciliation of No. of Shares Outstanding at the end of the year****(No. of Equity Shares)**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Shares outstanding at the beginning of the year	97,95,000	80,000	80,000	80,000
Shares issued during the period	-	50,000	-	-
Bonus Issued during the period*	-	96,65,000	-	-
<b>Share outstanding at the end of the period</b>	<b>97,95,000</b>	<b>97,95,000</b>	<b>80,000</b>	<b>80,000</b>

**\*Notes**

(1) The Company issued 64,00,000 Equity Shares as Bonus shares to the existig shareholders in the ratio of 80:1 i.e., 80 shares for every 1 shares held vide shares allotment dated 05-05-2023.

(2) Further the company issued 32,65,000 Equity Shares as Bonus shares to the existing shareholders in the ratio of 1:2 i.e., 1 share for every 2 shares held vide shares allotment dated 16-02-2024.

**Details of Shareholding more than 5% of the aggregate shares in the company**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
<b>Dr.P.S.Panneerselvam</b>				
No. of Shares	24,30,000	24,30,000	20,000	20,000
% Holding	24.81%	24.81%	25.00%	25.00%
<b>Dr.P.Prabusankar</b>				
No. of Shares	24,30,000	24,30,000	20,000	20,000
% Holding	24.81%	24.81%	25.00%	25.00%
<b>P.Jayalakshmi</b>				
No. of Shares	24,30,000	24,30,000	20,000	20,000
% Holding	24.81%	24.81%	25.00%	25.00%
<b>Dr.Priyadharshini</b>				
No. of Shares	24,30,000	24,30,000	20,000	20,000
% Holding	24.81%	24.81%	25.00%	25.00%

**Details of Shareholding of Promoters**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
<b>Dr.P.S.Panneerselvam</b>				
No. of Shares	24,30,000	24,30,000	20,000	20,000
% Holding	24.81%	24.81%	25.00%	25.00%
% change during the period	0.00%	-0.77%	0.00%	0.00%
<b>Dr.P.Prabusankar</b>				
No. of Shares	24,30,000	24,30,000	20,000	20,000
% Holding	24.81%	24.81%	25.00%	25.00%
% change during the period	0.00%	-0.77%	0.00%	0.00%
<b>P.Jayalakshmi</b>				
No. of Shares	24,30,000	24,30,000	20,000	20,000
% Holding	24.81%	24.81%	25.00%	25.00%
% change during the period	0.00%	-0.77%	0.00%	0.00%
<b>Dr.Priyadharshini</b>				
No. of Shares	24,30,000	24,30,000	20,000	20,000
% Holding	24.81%	24.81%	25.00%	25.00%
% change during the period	0.00%	-0.77%	0.00%	0.00%

**Annexure – I.2****Restated Statement of Reserve & Surplus****(Rs. In lakhs)**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
<b>General Reserves</b>				
Opening balance	-	-	-	-
Add: Additions during the period	-	966.50	-	-
Less: Utilised for Bonus Issue	-	(966.50)	-	-
<b>Balance as at the end of the period for General reserves</b>	-	-	-	-
<b>Statement of Profit &amp; Loss</b>				
Opening balance	733.87	1,174.21	697.99	28.53
Add: Profit for the period	239.29	526.15	476.22	671.82
Less: Transferred to General Reserves	-	(966.50)	-	-
<b>Balance as at the end of the period for Profit &amp; Loss</b>	<b>973.16</b>	<b>733.87</b>	<b>1,174.21</b>	<b>700.35</b>
Add: Adjustment due to difference in depreciation	-	-	-	1.22
Add: Opening provision for gratuity	-	-	-	(0.95)
Add: Opening Difference in Deferred Tax liability	-	-	-	(2.63)
<b>Total Reserve &amp; Surplus</b>	<b>973.16</b>	<b>733.87</b>	<b>1,174.21</b>	<b>697.99</b>

## Annexure – I.3

## Restated Statement of Long Term Borrowings

(Rs. In lakhs)

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
<b>Secured Loans from Bank/FIs</b>				
Term loan from Axis bank*	-	-	401.91	-
<b>Total of Secured Loans from Bank/Fis</b>	-	-	<b>401.91</b>	-
<b>Unsecured Loans from Related Parties</b>				
Loan From Directors**	359.35	359.35	-	-
<b>Total of Unsecured Loans from Related Parties</b>	<b>359.35</b>	<b>359.35</b>	-	-
<b>Total Long Term Borrowings</b>	<b>359.35</b>	<b>359.35</b>	<b>401.91</b>	-

Note: There were no rescheduling or defaults in the repayment of loan taken by the Company

\*The Term loan from Axis Bank existing as on 31.03.23 was closed on 25.09.23 from own funds

\*\*The unsecured loan received from directors are interest free and no security has been provided by the company against the loan.

## Annexure – I.4

## Restated Statement of Deferred Tax Liabilities/Assets

(Rs. In lakhs)

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
<b>Deferred Tax Assets/Liabilities Provision</b>				
WDV As Per Companies Act 2013	1,591.15	2,043.30	997.39	227.54
WDV As Per Income tax Act	1,458.88	1,921.74	934.52	205.35
Difference in WDV	132.28	121.56	62.88	22.19
<b>(DTA)/DTL</b>	<b>33.29</b>	<b>30.59</b>	<b>15.82</b>	<b>5.58</b>
<b>(DTA)/DTL on account of gratuity</b>				
Provision for gratuity	(7.17)	(1.51)	(1.17)	(1.00)
<b>(DTA)/DTL</b>	<b>(1.80)</b>	<b>(0.38)</b>	<b>(0.29)</b>	<b>(0.25)</b>
<b>(DTA)/DTL on account of Income Tax disallowance</b>				
Disallowance u/s 37	-	(10.50)	-	-
<b>(DTA)/DTL</b>	<b>-</b>	<b>(2.64)</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Assets Provision</b>				
Opening Balance of (DTA)/DTL	27.56	15.53	5.33	1.03
Add: Provision for the year	3.93	12.03	10.20	4.30
<b>Closing Balance of (DTA)/DTL</b>	<b>31.49</b>	<b>27.56</b>	<b>15.53</b>	<b>5.33</b>

## Annexure – I.5

## Restated Statement of Long Term Provisions

(Rs. In lakhs)

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Provision for Gratuity	11.07	4.62	3.11	1.94
<b>Total</b>	<b>11.07</b>	<b>4.62</b>	<b>3.11</b>	<b>1.94</b>

## Annexure – I.6

## Restated Statement of Short Term Borrowings

(Rs. In lakhs)

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
<b>Secured Loans from Bank/FIs</b>				
(a) Axis Bank - Overdraft	261.79	153.37	290.00	-
(b) Axis Bank - Dropline OD	355.00	389.16	-	-
(c) Current Maturities of Long-term borrowings from banks	-	-	73.08	-
<b>Total of Secured Loans from Bank/Fis</b>	<b>616.79</b>	<b>542.53</b>	<b>363.08</b>	-
<b>Total Short Term Borrowings</b>	<b>616.79</b>	<b>542.53</b>	<b>363.08</b>	-



**Notes (1) \* Bank OD and DLOD**

Particulars of Bank and facility type	Rate of Interest	Tenor	Limit sanctioned (Rs)	As at 30-09-2024
1. Axis bank -Overdraft	9.75%	12	4,40,00,000	261.79
2. Axis bank- Dropline OD#	9.75%	108	4,40,00,000	355.00

Security offered as collateral is Self Occupied Residential property in the name of Director Mr Paneerselvam and Personal Gurantee of Promoters Mr P.S.Panneerselvam, Mr P.Prabusankar, Mrs Priyadharshin, Mrs P.Jayalakshmi.

# Dropline OD limit changed from Rs 5,00,00,000 to Rs 4,40,00,000 vide latest sanction letter dated 24/08/2024.

**Notes (2) \* Current maturities of long term borrowings****(Rs. In lakhs)**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Current Maturities of Long-term borrowings (From Axis Bank - Hyphothecation of Plant & Machinery )	-	-	73.08	-
<b>Total of Current Maturity of Long Term Borrowing</b>	-	-	<b>73.08</b>	-

\*The Term loan from Axis Bank existing as on 31.03.23 was closed on 25.09.23 from own funds

**Annexure – I.7****Restated Statement of Trade Payables****(Rs. In lakhs)**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Outstanding Dues for MSME Creditors	8.98	11.98	1.04	0.58
Outstanding Dues for Other than MSME Creditors	499.82	492.65	147.78	83.73
<b>Total</b>	<b>508.79</b>	<b>504.63</b>	<b>148.82</b>	<b>84.31</b>

**Note: Trade Payable Ageing schdeule****(Rs. In lakhs)**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
<b>For MSME Creditors</b>				
Less Than 1 Years	8.98	11.98	1.04	0.58
1 - 2 Years	-	-	-	-
2 - 3 Years	-	-	-	-
More Than 3 Years	-	-	-	-
<b>Total</b>	<b>8.98</b>	<b>11.98</b>	<b>1.04</b>	<b>0.58</b>
<b>For Other than MSME Creditors</b>				
Less Than 1 Years	150.66	143.82	147.78	83.73
1 - 2 Years	349.15	348.83	-	-
2 - 3 Years	-	-	-	-
More Than 3 Years	-	-	-	-
<b>Total</b>	<b>499.82</b>	<b>492.65</b>	<b>147.78</b>	<b>83.73</b>

**(Rs. In lakhs)**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
(a) Dues remaining unpaid to any supplier at the end of each accounting year				
-Principal	8.98	11.98	-	-
-Interest on the above	-	-	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-	-
(d) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

## Annexure – I.8

Restated Statement of Other Current Liabilities				(Rs. In lakhs)
Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
a) TDS Payable	8.31	10.62	15.01	-
b) GST Payable	5.22	1.51	3.96	-
c) Audit Fees Payable	10.15	6.65	6.35	-
d) ESI Payable	0.11	0.08	0.36	-
e) PF Payable	1.23	0.79	0.91	-
f) Salary payable	25.30	26.64	-	46.74
g) CSR Expense Payable	-	-	9.15	-
h) Rent Payable	43.66	29.11	-	-
i) Other Current Liabilities	1.68	2.29	-	-
<b>Total</b>	<b>95.67</b>	<b>77.69</b>	<b>35.75</b>	<b>46.74</b>

## Annexure – I.9

Restated Statement of Short Term Provision				(Rs. In lakhs)
Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Provision for Gratuity	0.73	0.01	0.01	0.00
Provision for Tax	76.84	161.75	154.48	220.36
<b>Total</b>	<b>77.57</b>	<b>161.76</b>	<b>154.49</b>	<b>220.36</b>

## Annexure – I.10

## Restated Fixed assets schedule

Refer FA and Dep schedule\*

## Annexure – I.11

Restated Statement of Non - current Investments				(Rs. In lakhs)
Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Investment in equity shares*	2.74	2.48	1.99	-
<b>Total</b>	<b>2.74</b>	<b>2.48</b>	<b>1.99</b>	<b>-</b>

\*Equity shares held in BPCL, Indian Railway, TATA Steel Limited and Mirae Asset mutual fund through Choice Equity Broking Pvt Ltd

## Annexure – I.12

Restated Statement of Other Non-current Assets				(Rs. In lakhs)
Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
a) EB Deposit	1.38	1.38	0.71	0.71
b) ECHS Fixed Deposit	4.23	2.16	2.06	-
c) ESI Empanelment Deposit	2.00	2.00	2.00	2.00
d) ESI Fixed Deposit	2.20	2.14	2.01	-
e) Rent Deposit	10.40	2.40	0.50	-
f) Other Deposits	6.91	6.77	-	-
<b>Total</b>	<b>27.12</b>	<b>16.85</b>	<b>7.28</b>	<b>2.71</b>

## Annexure – I.13

Restated Statement of Inventories				(Rs. In lakhs)
Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Stock-In-Trade	253.63	195.16	157.72	88.82
<b>Total</b>	<b>253.63</b>	<b>195.16</b>	<b>157.72</b>	<b>88.82</b>

## Annexure – I.14

Restated Statement of Trade Receivables				(Rs. In lakhs)
Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Undisputed Trade receivables – considered good	969.74	696.15	585.94	471.35
<b>Total</b>	<b>969.74</b>	<b>696.15</b>	<b>585.94</b>	<b>471.35</b>

**Note: Trade Receivable Ageing schedule****(Rs. In lakhs)**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Less Than 6 Months	559.84	334.90	574.47	471.35
6 Months - 1 Year	159.94	158.83	4.73	-
1 - 2 Years	68.49	147.87	6.74	-
2 - 3 Years	98.46	54.55	-	-
More Than 3 Years	83.00	-	-	-
<b>Total</b>	<b>969.74</b>	<b>696.15</b>	<b>585.94</b>	<b>471.35</b>

**Annexure – I.15****Restated Statement of Cash and Cash Equivalents****(Rs. In lakhs)**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
Cash In Hand	50.51	38.17	30.60	41.63
Fixed deposits	-	-	-	-
Balance With Bank (in Current Accounts)	84.01	171.75	290.87	79.52
<b>Total</b>	<b>134.51</b>	<b>209.92</b>	<b>321.47</b>	<b>121.15</b>

**Annexure – I.16****Restated Statement of Short Term Loans and Advances****(Rs. In lakhs)**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
<b>Loans and Advances to others Unsecured, Considered good</b>				
Other Advances given to supplier	47.01	33.57	28.50	5.13
<b>Total</b>	<b>47.01</b>	<b>33.57</b>	<b>28.50</b>	<b>5.13</b>

**Annexure – I.17****Restated Statement of Other Current Assets****(Rs. In lakhs)**

Particulars	As at 30-09-2024	As at 31-03-2024	As at 31-03-2023	As at 31-03-2022
TDS & TCS receivable	79.99	176.54	204.55	53.37
Income tax paid	-	-	-	53.00
IPO Advances	33.40	16.95	-	-
Prepaid expenses	-	5.61	0.07	-
Other current asset	16.08	19.99	-	40.79
<b>Total</b>	<b>129.48</b>	<b>219.09</b>	<b>204.62</b>	<b>147.15</b>

## Annexure –II.1

## Restated Statement of Revenue from operations

(Rs. In lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>Sales &amp; Services</b>				
<b>Sale from Trading Activities</b>				
- Domestic Sales	720.98	1,211.59	1,007.25	966.10
- Export Sales	-	-	-	-
<b>Total Sale from Trading Activities</b>	<b>720.98</b>	<b>1,211.59</b>	<b>1,007.25</b>	<b>966.10</b>
<b>Sale from Service Activities</b>			-	-
- Domestic Sales	1,741.20	3,092.15	2,927.22	3,172.09
- Export Sales	-	-	-	-
<b>Total Sale from Service Activities</b>	<b>1,741.20</b>	<b>3,092.15</b>	<b>2,927.22</b>	<b>3,172.09</b>
<b>Total Revenue from Operations</b>	<b>2,462.18</b>	<b>4,303.74</b>	<b>3,934.47</b>	<b>4,138.20</b>

## Annexure –II.2

## Restated Statement of Revenue from Other Income

(Rs. In lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Interest Income	1.01	2.04	2.11	0.75
Misc income	17.66	23.52	12.98	8.16
Income from sale of Investments	1.89	-	-	-
Interest on IT Refund	-	9.34	-	-
Dividend	0.06	0.14	-	-
<b>Total</b>	<b>20.63</b>	<b>35.04</b>	<b>15.09</b>	<b>8.90</b>

## Annexure –II.3

## Restated Statement of Purchase of Stock-In-Trade

(Rs. In lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Purchase of Medicines, Consumables and Lab Chemicals	1,024.32	1,733.82	1,653.16	1,757.83
<b>Total</b>	<b>1,024.32</b>	<b>1,733.82</b>	<b>1,653.16</b>	<b>1,757.83</b>

## Annexure –II.4

## Restated Statement of Change in Inventory

(Rs. In lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>Opening Balance:</b>			-	-
Medicines, Consumables and Lab Chemicals	195.16	157.72	88.82	35.27
<b>Total Opening Balance</b>	<b>195.16</b>	<b>157.72</b>	<b>88.82</b>	<b>35.27</b>
<b>Closing Balance:</b>				
Medicines, Consumables and Lab Chemicals	253.63	195.16	157.72	88.82
<b>Total Closing Balance</b>	<b>253.63</b>	<b>195.16</b>	<b>157.72</b>	<b>88.82</b>
<b>Net (Increase)/Decrease in Stocks</b>	<b>(58.47)</b>	<b>(37.44)</b>	<b>(68.90)</b>	<b>(53.55)</b>

## Annexure –II.5

## Restated Statement of Employees Benefit Expenses

(Rs. In lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Salaries, Wages & Bonus	277.37	292.94	234.05	326.97
Contribution to Employee Welfare Fund	7.30	9.82	11.30	6.99
Gratuity Expense	7.17	1.51	1.17	1.00
Staff Welfare	12.71	19.37	52.51	36.13
<b>Total</b>	<b>304.54</b>	<b>323.64</b>	<b>299.03</b>	<b>371.09</b>

## Annexure –II.6

## Restated Statement of Financial Charges

(Rs. In lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Interest on Loans	31.74	52.03	26.79	-
Bank charges	2.22	8.78	1.25	3.29
<b>Total</b>	<b>33.96</b>	<b>60.81</b>	<b>28.04</b>	<b>3.29</b>

## Annexure –II.7

## Restated Statement of Depreciation and Amortisation

(Rs. In lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Depreciation on Tangible Assets	105.74	130.39	26.79	13.19
Amortisation on Intangible Assets	-	-	1.25	-
<b>Total</b>	<b>105.74</b>	<b>130.39</b>	<b>28.04</b>	<b>13.19</b>

## Annexure –II.8

## Restated Statement of Other Expenses

(Rs. In lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Administrative Expenses	5.67	7.27	14.72	18.97
Advertisement and Marketing Expenses	33.67	49.38	34.22	55.49
Audit fees	3.50	7.06	8.24	1.09
Consulting Doctors Fees	358.67	622.05	589.88	437.54
CSR Expenditure	-	10.50	9.15	-
Discount to Patient Fees	105.49	240.80	222.98	243.72
Power and Fuel	67.02	122.68	83.18	69.49
Printing and Stationery	14.08	22.86	19.26	18.98
Professional and Consulting Charges	8.90	20.42	22.12	10.07
Rates and Taxes	2.49	15.41	9.11	9.13
Rent - Building	11.32	30.48	22.20	22.20
Rent - Machinery	9.44	44.09	52.37	52.37
Repairs and Maintenance (Equipments)	27.05	96.81	123.38	67.19
Repairs and Maintenance (General)	90.54	105.12	91.75	111.99
Software Maintenance Charges	0.89	6.68	1.37	7.17
Telephone Charges	1.84	3.14	2.52	1.99
Travelling Expenses	3.05	12.20	0.81	7.79
Vehicle Maintenance	-	-	5.18	11.83
Miscellaneous Expenses	5.48	7.12	9.85	11.78
<b>Total</b>	<b>749.10</b>	<b>1,424.07</b>	<b>1,322.30</b>	<b>1,158.77</b>

## Annexure –II.9

## Restated Statement of Provision For Taxation

(Rs. In lakhs)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Current Tax	80.39	165.31	171.56	220.36
Deferred Tax	119.36	(103.40)	10.20	4.30

Annexure – I.10

## STATEMENT OF PROPERTY, PLANT &amp; EQUIPMENT AND INTANGIBLE ASSETS AS RESTATED

For the FY 21-22

(Rs. In lakhs)

Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As on 01-04-2021	Additions	Deletion	As on 31-03-2022	As on 01-04-2021	For the Yr	Deletion	As on 31-03- 2022	As on 31-03-2022	As on 31-03-2021
<b>Property, Plant and Equipments (A)</b>										
Plant and Machinery	74.57	119.12	17.69	176.00	0.54	7.33	-	7.87	168.12	74.03
Furniture & Fittings	-	14.04	-	14.04	-	1.32	-	1.32	12.71	-
Electrical Equipments	-	44.33	-	44.33	-	3.27	-	3.27	41.06	-
Computer	-	7.16	-	7.16	-	1.25	-	1.25	5.91	-
Vehicles	-	0.57	-	0.57	-	0.01	-	0.01	0.56	-
<b>Total (A)</b>	<b>74.57</b>	<b>185.21</b>	<b>17.69</b>	<b>242.09</b>	<b>0.54</b>	<b>13.19</b>	<b>-</b>	<b>13.73</b>	<b>228.36</b>	<b>74.03</b>

For the FY 22-23

(Rs. In lakhs)

Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As on 01-04-2022	Additions	Deletion	As on 31-03-2023	As on 01-04-2022	For the Yr	Deletion	As on 31-03- 2023	As on 31-03-2023	As on 31-03-2022
<b>Property, Plant and Equipments (A)</b>										
Plant and Machinery	176.00	821.21	1.25	995.95	7.87	47.39	-	55.26	940.70	168.12
Furniture & Fittings	14.04	0.38	0.00	14.41	1.32	1.69	-	3.01	11.40	12.71
Electrical Equipments	44.33	2.23	0.00	46.56	3.27	5.83	-	9.10	37.46	41.06
Computer	7.16	4.40	0.00	11.57	1.25	3.00	-	4.25	7.31	5.91
Vehicles	0.57	0.00	0.00	0.57	0.01	0.04	-	0.04	0.52	0.56
<b>Total (A)</b>	<b>242.09</b>	<b>828.22</b>	<b>1.25</b>	<b>1,069.06</b>	<b>13.73</b>	<b>57.94</b>	<b>-</b>	<b>71.67</b>	<b>997.39</b>	<b>228.36</b>

For the FY 23-24

(Rs. In lakhs)

Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As on 01-04-2023	Additions	Deletion	As on 31-03-2024	As on 01-04-2023	For the Yr	Deletion	As on 31-03-2024	As on 31-03-2024	As on 31-03-2023
<b>Property, Plant and Equipments (A)</b>										
Buildings	-	73.76	-	73.76	-	3.12	-	3.12	70.64	-
Plant and Machinery	995.95	546.99	-	1,542.94	55.26	108.49	-	163.75	1,379.19	940.69
Furniture & Fittings	14.41	61.23	-	75.64	3.01	4.89	-	7.90	67.74	11.40
Electrical Equipments	46.56	16.50	-	63.05	9.10	7.88	-	16.98	46.08	37.46
Computer	11.57	9.01	-	20.58	4.25	5.10	-	9.35	11.23	7.31
Vehicles	0.57	10.13	-	10.70	0.04	0.92	-	0.96	9.74	0.52
<b>Capital Work in Progress (B)</b>										
Buildings	-	433.68	-	433.68	-	-	-	-	433.68	-
<b>Total (A) + (B)</b>	<b>1,069.06</b>	<b>1,151.30</b>	<b>-</b>	<b>2,220.36</b>	<b>71.67</b>	<b>130.39</b>	<b>-</b>	<b>202.06</b>	<b>2,018.30</b>	<b>997.39</b>

**Notes\***

The Assets from Shanmuga Hospital Firm is transferred through Slump sale to the Company w.e.f 07-12-2023 with Gross value of Assets being transferred is Rs 17,02,63,718/- and Net WDV of the total assets being Rs 5,50,36,311/-

For the period April 01, 2024 to September 30, 2024

(Rs. In lakhs)

Assets	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As on 01-04-2024	Additions	Deletion	As on 30-09-2024	As on 01-04-2024	For the Period	Deletion	As on 30-09-2024	As on 30-09-2024	As on 31-03-2024
<b>Property, Plant and Equipments (A)</b>										
Building	73.76	-	-	73.76	3.12	2.33	-	5.45	68.31	70.64
Plant and Machinery	1,542.94	96.08	-	1,639.02	163.75	88.61	-	252.36	1,386.66	1,379.19
Furniture & Fittings	75.64	8.95	-	84.59	7.90	5.28	-	13.18	71.41	67.74
Electrical Equipments	63.05	6.72	-	69.77	16.98	4.85	-	21.82	47.95	46.08
Computer	20.58	0.54	-	21.12	9.35	3.32	-	12.67	8.45	11.23
Vehicles	10.70	-	-	10.70	0.96	1.36	-	2.32	8.38	9.74
<b>Capital Work in Progress (B)</b>										
Buildings	433.68	64.34	-	498.02	-	-	-	-	498.02	433.68
<b>Total (A) + (B)</b>	<b>2,220.36</b>	<b>176.62</b>	<b>-</b>	<b>2,396.98</b>	<b>202.06</b>	<b>105.74</b>	<b>-</b>	<b>307.80</b>	<b>2,089.17</b>	<b>2,018.30</b>



**Material Adjustments****In Profit and Loss Account****(Rs. In lakhs)**

Particulars	For the Period/FY ended			
	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>Profit After Tax as per Audited</b>	<b>239.29</b>	<b>524.85</b>	<b>493.25</b>	<b>641.56</b>
Difference in Amount of Depreciation	-	(0.82)	-	20.89
Adjustment for provision of Income Tax	-	(0.91)	(16.17)	17.08
Adjustment for provision for gratuity	-	3.12	(1.17)	(1.00)
Adjustment for provision of Deferred Tax	-	(0.09)	0.31	(6.71)
<b>Net adjustment in Profit and loss Account</b>	<b>-</b>	<b>1.30</b>	<b>(17.03)</b>	<b>30.27</b>
Adjusted Profit After Tax	239.29	526.15	476.22	671.82
<b>Profit After Tax as per Restated</b>	<b>239.29</b>	<b>526.15</b>	<b>476.22</b>	<b>671.82</b>

The impact of the above has been suitably incorporated in the restated balance sheet.

**Explanatory notes to the above restatements to profits made in the audited Financial Statements of the Company for the respective years:**

1. Provision for gratuity expenses is provided as per actuarial valuation for FY21-22 and FY22-23 and difference is restated in the respective years
2. Depreciation as per companies Act 2013 is provided in books of accounts in FY21-22 and FY22-23 and effect is given in the respective restated financials
3. Difference in deferred tax workings restated in the respective years
4. Difference in calculation of provision for income tax restated for the respective years

**Material Regrouping**

Particulars	For the Period/FY ended			
	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>Reserve &amp; Surplus as per Audited</b>	<b>973.16</b>	<b>733.87</b>	<b>1,175.51</b>	<b>670.08</b>
Opening balance of Adjusted Network	-	(1.30)	27.91	-
Changes in Profit and Loss Account due to adjustment	-	1.30	(17.03)	30.27
Difference in Amount of Depreciation	-	-	-	1.22
Provision for Gratuity Recognized	-	-	-	(0.95)
Difference in Deferred Tax liability	-	-	-	(2.63)
Reversal of Prior period adjustment -Depreciation	-	-	(21.29)	-
Reversal of Prior period adjustment -Deferred tax	-	-	9.11	-
<b>Net Adjustment in Reserves &amp; Surplus</b>	<b>-</b>	<b>-</b>	<b>(1.30)</b>	<b>27.91</b>
Adjusted Reserves & Surplus	973.16	733.87	1,174.21	697.99
<b>Equity as Restated</b>	<b>973.16</b>	<b>733.87</b>	<b>1,174.21</b>	<b>697.99</b>

**Explanatory notes to the above restatements to Reserves & surplus made in the audited Financial Statements of the Company for the respective years:**

1. Adjustment made in opening difference for the FY21-22 for provision for gratuity, depreciation, deferred tax liability
2. Reversal of prior period items given effect in the respective years

## ANNEXURE - VI

Statement of Accounting & Other Ratios, as per SEBI ICDR (₹ in Lakhs, except otherwise mentioned)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>Total Revenue from Operation (A)</b>	<b>2,462.18</b>	<b>4,303.74</b>	<b>3,934.47</b>	<b>4,138.20</b>
<b>Net Profit as Restated (B)</b>	<b>239.29</b>	<b>526.15</b>	<b>476.22</b>	<b>671.82</b>
Add: Depreciation	105.74	130.39	57.94	13.19
Add: Interest on Loan	31.74	52.03	26.79	-
Add: Income Tax	84.32	177.34	181.75	224.66
Less: Other Income	(20.63)	(35.04)	(15.09)	(8.90)
<b>EBITDA - Operating Profit (C)</b>	<b>440.46</b>	<b>850.87</b>	<b>727.63</b>	<b>900.77</b>
<b>EBITDA Margin (in %) (C/A)</b>	<b>17.89%</b>	<b>19.77%</b>	<b>18.49%</b>	<b>21.77%</b>
<b>Net Worth as Restated (D)</b>	<b>1,952.66</b>	<b>1,713.37</b>	<b>1,182.21</b>	<b>705.99</b>
<b>Return on Net worth (in %) as Restated (B/D)</b>	<b>12.25%</b>	<b>30.71%</b>	<b>40.28%</b>	<b>95.16%</b>
<b>Equity Share at the end of year/period (in Nos.) (E)</b>	<b>97,95,000</b>	<b>97,95,000</b>	<b>80,000</b>	<b>80,000</b>
- (As per end of Restated period)				
<b>Weighted No. of Equity Shares (F)</b>	<b>97,95,000</b>	<b>97,95,000</b>	<b>80,000</b>	<b>80,000</b>
<b>Equity Share at the end of year/period (in Nos.) (G)</b>	<b>97,95,000</b>	<b>97,95,000</b>	<b>97,20,000</b>	<b>97,20,000</b>
- (With Retrospective effect of Bonus Issued after restated period)				
<b>Basic &amp; Diluted Earnings per Equity Share (B/F)</b>	<b>2.44</b>	<b>5.37</b>	<b>595.28</b>	<b>839.78</b>
- (As per end of Restated period)				
<b>Basic &amp; Diluted Earnings per Equity Share (B/G)</b>	<b>2.44</b>	<b>5.37</b>	<b>4.90</b>	<b>6.91</b>
- (With Retrospective effect of Bonus Issued after restated period)				
<b>Net Asset Value per Equity share as Restated (D/E)</b>	<b>19.94</b>	<b>17.49</b>	<b>1,477.77</b>	<b>882.49</b>
- (As per end of Restated period)				
<b>Net Asset Value per Equity share (D/G)</b>	<b>19.94</b>	<b>17.49</b>	<b>12.16</b>	<b>7.26</b>
- (With Retrospective effect of Bonus Issued after restated period)				

**Notes on Ratio:- The ratio has been calculated as per below**

EBITDA Margin = EBITDA/Revenue from Operations
Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year
Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
Return on Net worth (%) = Restated Net Profit after Tax / Net worth
Net Worth = Equity Share Capital + Reserve and Surplus (including P&L surplus) - Revaluation Reserve, If any
Net asset value/Book value per share (₹) = Net worth / No. of equity shares outstanding at the end of FY
The Company does not have any revaluation reserves or extra-ordinary items.
The figures disclosed above are based on the Restated Financial Statements of the Company
<b>On 05-05-2023, the Company has allotted 64,00,000 Equity Shares as a Bonus Issue in the ratio of (80 : 1) i.e., Eighty Equity Share for every One fully paid-up equity share of Face Value Rs. 10/- each, for which ratio has been calculated separately with retrospective effect as mentioned above</b>
<b>Further, on 16-02-2024, the Company has allotted 32,65,000 Equity Shares as a Bonus Issue in the ratio of (1 : 2) i.e., One Equity Share for every two fully paid-up equity share of Face Value Rs. 10/- each, for which ratio has been calculated separately with retrospective effect as mentioned above</b>

**Statement of Other Accounting Ratios, as per Companies Act, 2013**

<b>Particulars</b>	<b>30-09-2024</b>	<b>31-03-2024</b>	<b>31-03-2023</b>	<b>31-03-2022</b>
a) Current Ratio (in Times)	1.18	1.05	1.85	2.37
b) Debt-Equity Ratio (in Times)	0.50	0.53	0.65	-
c) Debt Service Coverage Ratio (in Times)	14.53	1.68	27.72	N/A
d) Return on Equity Ratio (in %)	12.25%	30.71%	40.28%	95.16%
e) Inventory turnover ratio (in Times)	10.97	24.39	31.92	66.69
f) Trade Receivables turnover ratio (in Times)	2.96	6.71	7.44	17.55
g) Trade payables turnover ratio (in Times)	4.04	10.61	28.36	29.63
h) Net capital turnover ratio (in Times)	16.26	12.98	7.30	18.71
i) Net profit ratio (in %)	9.64%	12.13%	12.06%	16.20%
j) Return on Capital employed (in %)	15.09%	35.89%	42.72%	125.69%
k) Return on investment	N/A	N/A	N/A	N/A

**Notes on Calculation**

*Current Ratio = Total Current Assets / Total Current Liabilities*

*Debt Equity Ratio = Total Debts / Total Shareholders Fund*

*Debt Service Coverage Ratio = Earnings available for debt services / Debt Services*

*Return of Equity Ratio = Profit for the year / Total Shareholders Fund*

*Inventory Turnover Ratio = Revenue from operations / Average Inventory*

*Trade Receivables turnover ratio = Revenue from Operations / Average accounts receivables*

*Trade payables turnover ratio = Total Purchase / Average accounts payable*

*Net capital turnover ratio = Revenue from operation / Average Working capital*

*Net profit ratio = Profit for the year / Total Income*

*Return on Capital employed = Profit before tax and finance cost / Capital employed*

*Return on investment = Income generated from invested fund / Average invested fund*

## ANNEXURE –VII

## Statement of Capitalization, As Restated

Particulars	Pre-Issue	Post Issue (As adjusted with Proposed Issue)*
	30-09-2024	
<b>Debt :</b>		
Short Term Debt	616.79	616.79
Long Term Debt	359.35	359.35
<b>Total Debt</b>	<b>976.15</b>	<b>976.15</b>
<b>Shareholder's Funds</b>		
Equity Share Capital	979.50	1,361.30
Reserves and Surplus	973.16	2,653.08
Less: Misc. Expenditure	-	-
<b>Total Shareholder's Funds</b>	<b>1,952.66</b>	<b>4,014.38</b>
<i>Long Term Debt/ Shareholder's Funds</i>	<i>0.18</i>	<i>0.09</i>
<i>Total Debt / Shareholders Fund</i>	<i>0.50</i>	<i>0.24</i>

\* Assuming Full Allotment of 38,18,000 IPO shares @ INR 54/- each.

## ANNEXURE –VIII

## Statement of Tax Shelter, As Restated

Particulars	As At			
	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>Profit Before Tax as per books of accounts (A)</b>	<b>323.61</b>	<b>703.49</b>	<b>657.98</b>	<b>896.48</b>
-- Normal Tax rate	25.17%	25.17%	25.17%	25.17%
-- Minimum Alternative Tax rate	15.60%	15.60%	15.60%	15.60%
-- Tax rate for Short term Capital gain upto July 22,2024	15.60%	15.60%	15.60%	15.60%
-- Tax rate for Short term Capital gain upto September 30,2024	20.80%	NA	NA	NA
Income from sale of Investments	1.89			
<b>Permanent differences</b>				
Donation Disallowances	-	10.50	-	-
<b>Total (B)</b>	<b>-</b>	<b>10.50</b>	<b>-</b>	<b>-</b>
<b>Timing Differences</b>				
Depreciation as per Books of Accounts	105.74	130.39	57.94	13.19
Depreciation as per Income Tax	116.47	189.07	35.43	35.12
Difference between tax depreciation and book depreciation	(10.73)	(58.68)	22.51	(21.93)
Provision for gratuity	7.17	1.51	1.17	1.00
			-	-
<b>Total (C)</b>	<b>(3.56)</b>	<b>(57.17)</b>	<b>23.68</b>	<b>(20.94)</b>
<b>Net Adjustments (D = B+C)</b>	<b>(3.56)</b>	<b>(46.67)</b>	<b>23.68</b>	<b>(20.94)</b>
<b>Total Income (E = A+D)</b>	<b>318.16</b>	<b>656.82</b>	<b>681.65</b>	<b>875.54</b>
Income from sale of Investments	1.89	-	-	-
<b>Taxable Income/ (Loss) for the year/period (E+F)</b>	<b>320.05</b>	<b>656.82</b>	<b>681.65</b>	<b>875.54</b>
Tax Payable for the year	80.39	165.31	171.56	220.36
Tax payable as per MAT	50.00	102.00	106.00	137.00
Tax expense recognised	<b>80.39</b>	<b>165.31</b>	<b>171.56</b>	<b>220.36</b>
Tax payable as per normal rates or MAT (whichever is higher)	<b>Income Tax</b>	<b>Income Tax</b>	<b>Income Tax</b>	<b>Income Tax</b>

Note: The Company has opted tax rate under sec 115 BAA of Income Tax Act 1961

## ANNEXURE –IX

**Statement of Related Parties & Transactions**

The company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India.

Name of the Related Parties	Relationship
PS Paneerselvam	Director/KMP
P Prabhushankar	Director/KMP
P. Jayalakshmi	Director/KMP
P Priyadharshini	Director/KMP
PS Paneerselvam(HUF)	HUF owned or Significantly influenced by KMP
Velavan hospital needs private limited	Company owned or significantly influenced by KMP
Shanmuga Medical Research Foundation trust	Company owned or significantly influenced by KMP
Travellers Inn (Partnership firm)	Firm owned or significantly influenced by KMP
Shanmuga Hospital (Partnership firm)	Firm owned or significantly influenced by KMP

**Transactions with Related Parties:**

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
<b>Professional fees paid to KMP</b>				
PS Paneerselvam	19.19	33.00	37.92	22.50
P. Jayalakshmi	14.30	19.70	17.34	12.15
P Prabhushankar	16.79	28.60	29.70	24.03
P Priyadharshini	10.79	17.60	19.21	12.15
<b>Total</b>	<b>61.07</b>	<b>98.90</b>	<b>104.17</b>	<b>70.83</b>
<b>Purchase of medicines and other consumables</b>				
Velavan hospital needs private limited	94.50	149.71	101.43	-
Travellers Inn	19.93	32.27	29.33	-
<b>Total</b>	<b>114.43</b>	<b>181.98</b>	<b>130.76</b>	<b>-</b>
<b>Other transactions with related parties</b>				
<b>Rent paid towards Building, Plant and machinery</b>				
Shanmuga Medical Research Foundation trust	14.55	29.11	30.66	30.67
Shanmuga Hospital Firm	-	31.96	41.90	-
<b>Total</b>	<b>14.55</b>	<b>61.07</b>	<b>72.56</b>	<b>30.67</b>
<b>Trade Creditors</b>				
<b>O/s Payable</b>				
Velavan hospital needs private limited	74.66	45.63	-	-
Travellers Inn	34.86	35.16	-	-
<b>Total</b>	<b>109.52</b>	<b>80.79</b>	<b>-</b>	<b>-</b>
<b>Rent payable o/s</b>				
Shanmuga Medical Research Foundation trust	43.66	29.11	-	-
<b>Total</b>	<b>43.66</b>	<b>29.11</b>	<b>-</b>	<b>-</b>
<b>Slump Sale Transaction with Shanmuga Hospital Firm</b>				
Total Assets Taken	-	698.46	-	-
Total Liability Taken	-	688.46	-	-
<b>Consideration paid in Cash/Bank</b>	<b>-</b>	<b>10.00</b>	<b>-</b>	<b>-</b>
<b>Unsecured Loans Received/(Paid)</b>				
Shanmuga Hospital Firm	-	-	40.62	41.90
PS Paneerselvam	359.35	359.35	-	-
<b>Total</b>	<b>359.35</b>	<b>359.35</b>	<b>40.62</b>	<b>41.90</b>

## FINANCIAL INDEBTEDNESS

### STATEMENT OF FINANCIAL INDEBTEDNESS

Based on the independent examination of Books of Accounts, Audited/Restated Financial Statements and other documents of the issuer Company **Shanmuga Hospital Limited**, and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the financial indebtedness of the company as at **30th September, 2024** are as mentioned below:

(Rs. In Lakhs)

Nature of Borrowing	Outstanding as on September 30, 2024	Outstanding as on March 31, 2024
A. Secured Loan	616.79	542.53
B. Unsecured Loan	359.35	359.35
<b>Total</b>	<b>976.15</b>	<b>901.88</b>

#### A. Secured Loans

(Rs. In Lakhs)

Name of Lender	Date of Sanction	Purpose	Repayment Terms	Rate of Interest	Sanctioned Amount	Outstanding as on September 30, 2024	Outstanding as on March 31, 2024
Axis Bank - Over Draft	24/08/2024	Working Capital	12 months	9.75% p.a.	440.00	261.79	153.37
Axis Bank - Dropline Over Draft*	24/08/2024	Working Capital	108 months	9.75% p.a.	440.00	355.00	389.16
<b>Total of Secured Loan</b>					<b>880.00</b>	<b>616.79</b>	<b>542.53</b>

\* Dropline OD limit changed from Rs 500 Lakhs to Rs 440 Lakhs and repayment tenor changed to 108 months from 72 months vide latest sanction letter dated 24/08/2024.

#### Details Terms of Secured Loan:

Rate of Interest	:	ROI linked with Repo rate (Repo Rate + 3.25%)
Security	:	Security offered as collateral is Self-occupied Residential property in the name of the Dr. Panneerselvam Palaniappan Shanmugam (Director).
Personal Guarantee	:	i) Mr. Panneerselvam Palaniappan Shanmugam (Director) ii) Mr. Prabu Sankar Panneerselvam (Director) iii) Mrs. Jayalakshmi Panneerselvam (Director) iv) Dhandapani Priyadarshni (Director)
Corporate Guarantee	:	Nil

**B. Unsecured Loans:***(Rs. In Lakhs)*

No	Name of Lender	Purpose	Re-payment Terms	ROI	Outstanding as on September 30, 2024	Outstanding as on March 31, 2024
1	P S Panneerselvam	Business Purpose	Payable on Demand	Interest Free	359.35	359.35
<b>Total of Unsecured Loan</b>					<b>359.35</b>	<b>359.35</b>

For P P N And Company,  
Chartered Accountants,  
ICAI Firm Reg. No.: 013623S  
Peer Review Certificate No: 013578

Sd/-

**R. Rajaram**  
Partner  
Membership No: 238452  
UDIN: 25238452BMHSSO8920

Place: Chennai  
Date: 29/01/2025



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements for six months period ended 30<sup>th</sup> September 2024 and for the financial year ended on 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 including the notes and significant accounting policies thereto and the reports thereon, which appear elsewhere in this prospectus. You should also see the section titled **“Risk Factors”** beginning on page 23 of this prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on restated audited financial statements.

These financial statements have been prepared in accordance with Ind GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated January 29, 2025 which is included in this prospectus under the section titled **“Financial Information as Restated”** beginning on page 189 of this prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under **“Risk Factors”** and **“Forward Looking Statements”** beginning on pages 23 and 16 respectively, and elsewhere in this prospectus

Accordingly, the degree to which the financial statements in this prospectus will provide meaningful information depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our F.Y. ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year. Please also refer to section titled **“Certain Conventions, Use of Financial, Industry and Market Data and Currency Presentation”** beginning on page 14 of this prospectus.

### BUSINESS OVERVIEW

Our company was originally incorporated as a Private Limited Company under the name **“Shanmuga Hospital Private Limited”** on June 26, 2020, in accordance with the Companies Act, 2013. We received a fresh certificate of incorporation, bearing the corporate identification number U85110TZ2020PTC033974, from the Registrar of Companies, Central Registration Centre. Subsequently, our company converted into a public limited company, resulting in a name change to **“Shanmuga Hospital Limited”**. This alteration was formally recorded in a new Certificate of Incorporation dated June 06, 2024, with the Corporate Identification Number U85110TZ2020PLC033974, issued by the Registrar of Companies, Central Processing Centre. For further details of change in name and registered office of our company, please refer to section titled **“Our History and Certain Corporate Matters”** beginning on page no 159 of the Prospectus.

In 1981, Dr. Panneerselvam Palaniappan Shanmugam, started a Hospital in the name of ‘Shanmuga Hospital’ as a sole proprietorship in Salem town of Tamil Nadu state. Recognizing the demand for increased bed capacity and lack of space, the hospital was relocated in 1992 and formed a Partnership Firm along with his parents and wife in the name of “Shanmuga Hospital” to run the said hospital. In 1996, the Salem Cancer Institute, specializing in oncology, was established, becoming the first cancer hospital for the surrounding regions. In the same year, Thirumigu Vanavasi P. Shanmugam and Dr. P. S. Panneerselvam founded Shanmuga Medical Research Foundation Trust (SMRFT) to provide comprehensive medical services and paramedical education.

In the year 2020, Shanmuga Hospital Private Limited (converted to Shanmuga Hospital Limited during this year) was incorporated. A significant milestone was achieved on December 15, 2023, with the execution of a Business Transfer Agreement on a slump basis which resulted in the acquisition of the assets and liabilities of M/s. Shanmuga Hospital, a partnership firm. This expansion will mark a notable development for our company, signifying sustained growth and progress and holding promising opportunities for future advancements in our healthcare services. For further details, please refer to the chapter titled **“History and Certain Corporate Matters”** beginning on page 159 of this Prospectus.

Shanmuga Hospital Limited, a Multispecialty Hospital, was strategically established in Salem. Equipped with advanced healthcare technology and having 151 bed capacity, it addresses the community’s medical needs, serving patients from nearby regions. Accredited by the National Accreditation Board for Hospitals and Healthcare (NABH Accredited) and National Accreditation Board for Testing and Calibration Laboratories (“NABL Accredited”), our hospital is committed to high-quality healthcare services, including prevention, treatment, and rehabilitation.

Our medical facility encompasses a High Dependency Unit (HDU), Emergency Department (ED), Outpatient Consultation Services, Cardiac Care Unit (CCU), Intensive Care Unit (ICU), Neonatal Intensive Care Unit (NICU), Labour Room, Endoscopy Room, Neurosurgery Unit, and Cardiac Unit. The Diagnostic Centre features advanced laboratory and imaging technologies such as X-Ray, Ultrasound, Computed Tomography (CT) scan, Magnetic Resonance Imaging (MRI), and modular operational theatres. Providing extensive inpatient and outpatient care across various Medical and Surgical specialties, our facility is well-equipped to meet diverse healthcare needs.

Our success comes from providing quality healthcare at affordable rates, appreciations to our skilled medical professionals who connect personally with patients. We've built a reputation for delivering top-notch medical services at competitive prices. As a growing organization, our goal is to solidify our position as a leading healthcare provider. We're committed to continuous improvement in our facilities, aiming for a higher standard of care and quality.

Our team of medical practitioners is dedicated to delivering high-quality healthcare, equipped with training to handle emergencies. Collaborations with insurance companies for smooth claim processing and partnerships with renowned medical specialists enhance our healthcare services.

We are associated with Government Agencies, Companies and Organizations for providing health care facilities to their employees and their dependants, as per details given below:

- Empanelled with Employees State Insurance Corporation (ESIC) for providing certain treatment/diagnostic facilities to the ESI beneficiaries. (Valid from 25/03/2023 to 24/03/2025)
- Empanelled with Railway Hospital for providing comprehensive medical care facilities to the employees/pensioners, their eligible family members.
- Empanelled under Ex-Servicemen Contributory Health Scheme (ECHS) for treatment of the members of ECHS and their dependants.
- Empanelled with Airport Authority of India Limited for providing medical treatment diagnostic facilities to AAI Beneficiaries
- MoU with Food Corporation of India (FCI) to provide medical facilities and treatment to the employees/member(s)

Additionally, Shanmuga Hospital Limited is empanelled with the insurance and TPA providers. Patients can now get easier access to affordable healthcare and quality treatment. These initiatives have been undertaken by Shanmuga Hospital keeping the patient's needs in mind.

*Business Places of our Company:*

<b>Registered Office and Hospital</b>	51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India
<b>Pharmacy and Diagnostics</b>	608, Bazaar Street, Salem – 636001, Tamil Nadu
<b>Clinic</b>	GF, 116/1/4, Railway Station Street, Annai Kusthooriba Marriage Hall Parking, Ayothiapattinam, Salem, Tamil Nadu, 636103

## **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD**

In the opinion of the Board of Directors of our Company, since the date of the last audited period i.e., September 30, 2024 as disclosed in this prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Board of Directors have decided to get their equity shares listed on SME Platform of BSE Limited and pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on June 14, 2024 proposed the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra Ordinary General Meeting held on June 21, 2024 authorized the Initial Public Offer.

## KEY FACTORS AFFECTING OUR RESULTS OF OPERATION

1. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
2. Our ability to hire and retain specialist doctors, key managerial personnel and other employees and maintain good relations with our work force;
3. Our ability to keep pace with the rapid technological advancements;
4. Company's ability to successfully implement its growth strategy and expansion plans;
5. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
6. Impact of any reduction in patients footfall due to quality of our services ;
7. Increased competition in industries/sector in which we operate;
8. Changes in laws and regulations relating to the Sectors in which we operate;
9. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
10. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
11. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;
12. Our inability to successfully diversify our healthcare service offerings may adversely affect our growth and negatively impact our profitability; and
13. Covid-19 pandemic and such other contagious diseases.

## SIGNIFICANT ACCOUNTING POLICIES:

Our significant accounting policies are described in the section entitled **"Financial Statements as Restated"** beginning from page no. 189 of the prospectus.

## FINANCIAL KPIs OF THE COMPANY:

(₹ in lakhs except percentage and ratios)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Total Income	2,482.81	4,338.78	3,949.56	4,147.10
Growth (%)	-42.78%	9.85%	-4.76%	993.09%
Revenue from Operation	2,462.18	4,303.74	3,934.47	4,138.20
EBITDA (Operating Profit)	440.46	850.87	727.63	900.77
EBITDA Margin (%)	17.74%	19.61%	18.42%	21.72%
PAT	239.29	526.15	476.22	671.82
Growth (%)	-54.52%	10.48%	-29.12%	2255.03%
PAT Margin (%)	9.64%	12.13%	12.06%	16.20%
EPS (Basic & Diluted) - (As per end of Restated period)	2.44	5.37	595.28	839.78
EPS (Basic & Diluted) - (Post Bonus with retrospective effect)	2.44	5.37	4.90	6.91
Total Borrowings	976.15	901.88	765.00	-
Total Net Worth (TNW)	1,952.66	1,713.37	1,182.21	705.99
RONW (%)	12.25%	30.71%	40.28%	95.16%
ROCE (%)	15.09%	35.89%	42.72%	125.69%
Debt Equity Ratio (Total Borrowing/TNW)	0.50	0.53	0.65	-

As certified by our statutory auditor M/s. P P N And COMPANY, Chartered Accountant having peer review certificate vide their examination report dated January 29, 2025.

## SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth select financial data from restated profit and loss accounts for six months period ended 30<sup>th</sup> September 2024 and for the financial year ended on 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 and the components of which are also expressed as a percentage of total income for such periods.

(₹ in lakhs except as otherwise mention)

Particulars	For the period ended							
	30-09-2024	% of Total Turnover	31-03-2024	% of Total Turnover	31-03-2023	% of Total Turnover	31-03-2022	% of Total Turnover
<b>Income</b>								
Revenue from Operations	2,462.18	99.17%	4,303.74	99.19%	3,934.47	99.62%	4,138.20	99.79%
Other Income	20.63	0.83%	35.04	0.81%	15.09	0.38%	8.90	0.21%
<b>Total Income</b>	<b>2,482.81</b>	<b>100.00%</b>	<b>4,338.78</b>	<b>100.00%</b>	<b>3,949.56</b>	<b>100.00%</b>	<b>4,147.10</b>	<b>100.00%</b>
<b>Expenditure</b>								
Purchase of Stock-in-Trade	1,024.32	41.26%	1,733.82	39.96%	1,653.16	41.86%	1,757.83	42.39%
Change in Inventories of Finished goods	(58.47)	-2.36%	(37.44)	-0.86%	(68.90)	-1.74%	(53.55)	-1.29%
Employee Benefit Expenses	304.54	12.27%	323.64	7.46%	299.03	7.57%	371.09	8.95%
Other Expenses	749.10	30.17%	1,424.07	32.82%	1,322.30	33.48%	1,158.77	27.94%
<b>Total Expenses</b>	<b>2,019.49</b>	<b>81.34%</b>	<b>3,444.09</b>	<b>79.38%</b>	<b>3,205.60</b>	<b>81.16%</b>	<b>3,234.14</b>	<b>77.99%</b>
<b>Profit Before Interest, Depreciation and Tax</b>	<b>463.31</b>	<b>18.66%</b>	<b>894.69</b>	<b>20.62%</b>	<b>743.96</b>	<b>18.84%</b>	<b>912.96</b>	<b>22.01%</b>
Depreciation & Amortisation Expenses	105.74	4.26%	130.39	3.01%	57.94	1.47%	13.19	0.32%
<b>Profit Before Interest and Tax</b>	<b>357.57</b>	<b>14.40%</b>	<b>764.30</b>	<b>17.62%</b>	<b>686.02</b>	<b>17.37%</b>	<b>899.77</b>	<b>21.70%</b>
Financial Charges	33.96	1.37%	60.81	1.40%	28.04	0.71%	3.29	0.08%
<b>Profit before Taxation</b>	<b>323.61</b>	<b>13.03%</b>	<b>703.49</b>	<b>16.21%</b>	<b>657.98</b>	<b>16.66%</b>	<b>896.48</b>	<b>21.62%</b>
Provision for Taxation	80.39	3.24%	165.31	3.81%	171.56	4.34%	220.36	5.31%
Provision for Deferred Tax	3.93	0.16%	12.03	0.28%	10.20	0.26%	4.30	0.10%
<b>Total</b>	<b>84.32</b>	<b>3.40%</b>	<b>177.34</b>	<b>4.09%</b>	<b>181.75</b>	<b>4.60%</b>	<b>224.66</b>	<b>5.42%</b>
<b>Profit After Tax but Before Extra-ordinary Items</b>	<b>239.29</b>	<b>9.64%</b>	<b>526.15</b>	<b>12.13%</b>	<b>476.22</b>	<b>12.06%</b>	<b>671.82</b>	<b>16.20%</b>
Extraordinary Items - Profit/(Loss) on Sale of Assets	-	-	-	-	-	-	-	-
Profit Attributable to Minority Shareholders	-	-	-	-	-	-	-	-
<b>Net Profit after adjustments</b>	<b>239.29</b>	<b>9.64%</b>	<b>526.15</b>	<b>12.13%</b>	<b>476.22</b>	<b>12.06%</b>	<b>671.82</b>	<b>16.20%</b>
<b>Net Profit Transferred to Balance Sheet</b>	<b>239.29</b>	<b>9.64%</b>	<b>526.15</b>	<b>12.13%</b>	<b>476.22</b>	<b>12.06%</b>	<b>671.82</b>	<b>16.20%</b>

As certified by our statutory auditor M/s. P P N And COMPANY, Chartered Accountant having peer review certificate vide their examination report dated January 29, 2025.

In six months period ended September 30, 2024 and in the Fiscal 2024, Fiscal 2023 and Fiscal 2022, we generated total income of ₹ 2,482.81 Lakhs, ₹ 4,338.78 Lakhs, ₹ 3,949.56 Lakhs and ₹4,147.10 Lakhs respectively, EBITDA (operating profit) of ₹ 440.46 Lakhs, ₹ 850.87 Lakhs, ₹ 727.63 Lakhs and ₹ 900.77 Lakhs respectively and net profit after tax of ₹ 239.29 Lakhs, ₹ 526.15 Lakhs, ₹ 476.22 lakhs and ₹ 671.82 Lakhs respectively. We have reported Return on Net Worth of 12.25%, 30.71%, 40.28% and 95.16% for the six months period ended September 30, 2024 and for the Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively. Our steady operating cash flows enable us to meet the present and future needs of our customers while our strong financial performance in still confidence in us.

### MAIN COMPONENTS OF PROFIT AND LOSS ACCOUNT

#### **Total Income**

Our total income comprises of Revenue from Operations and Other Income

### ***Revenue from Operations***

Our revenue from operations comprises of Hospital Sales and Services and Medicinal Sales. Hospital Sales and Services comprises of income from rendering healthcare services and hospital services.

### ***Other Income***

Our other income comprises of Interest Income, Misc. income, Interest on IT Refund and Dividend Income.

### ***Expenditure***

Our total expenditure primarily consists of Purchase of Stock-in-trade, Change in Inventories, Employee Benefit Expenses, Financial Charges, Depreciation & Amortisation Expenses and Other Expenses.

### ***Purchase of Stock-in-trade***

Purchase of Stock-in-trade comprises of Purchase of medicines, consumables and lab chemicals.

### ***Change in Inventories***

Change in Inventories comprises of difference in opening and closing balance of medicines, consumables and lab chemicals.

### ***Employee Benefit Expenses***

Employee benefit expenses comprise of Salaries, Wages & Bonus, Contributions to Employee Welfare Fund, Gratuity Expense and Staff Welfare expenses.

### ***Other Expenses***

Other expenses comprise of Administrative Expenses, Advertisement and Marketing Expenses, Audit fees, Consulting Doctors Fees, CSR Expenditure, Discount to Patient Fees, Power and Fuel, Printing and Stationery, Professional and Consulting Charges, Rates and Taxes, Rent – Building, Rent - Machinery, Repairs and Maintenance (Equipment), Repairs and Maintenance (General), Software Maintenance Charges, Telephone Charges, Travelling Expenses, Vehicle Maintenance and Miscellaneous Expenses.

### ***Depreciation and Amortization Expenses***

Depreciation and Amortization Expenses comprises of depreciation/amortisation on the Tangible/Intangible assets of our company.

### ***Financial Charges***

Financial Charges comprises of Interest on Loans and Bank Charges.

### ***Provision for Taxation***

The provision for current tax is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## **FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2024**

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### **Total Income**

Our total income during the period (April 01, 2024 to September 30, 2024) was ₹ 2,482.81 lakhs and comprises of Revenue from Operations and Other Income

***Revenue from Operations***

Our revenue from operations during the period (April 01, 2024 to September 30, 2024) was ₹ 2,462.18 lakhs which is almost 99.17% of total revenue and comprises of Hospital Sales and Services and Medicinal Sales. Hospital Sales and Services comprises of income from rendering healthcare services and hospital services.

***Other Income***

Our other income during the period (April 01, 2024 to September 30, 2024) was ₹ 20.63 lakhs which is almost 0.83% of total revenue and comprises of Interest Income, Misc. income, Interest on IT Refund and Dividend Income.

***Expenditure***

Our total expenditure during the period (April 01, 2024 to September 30, 2024) was ₹ 2,159.20 lakhs which is almost 86.97% of total revenue and primarily consists of Purchase of Stock-in-trade, Change in Inventories, Employee Benefit Expenses, Financial Charges, Depreciation & Amortisation Expenses and Other Expenses.

***Purchase of Stock-in-trade***

Purchase of Stock-in-trade during the period (April 01, 2024 to September 30, 2024) was ₹ 1,024.32 lakhs which is almost 41.26% of total revenue and comprises of Purchase of medicines, consumables and lab chemicals.

***Change in Inventories***

Change in Inventories during the period (April 01, 2024 to September 30, 2024) was ₹ (58.47) lakhs which is almost -2.36% of total revenue and comprises of difference in opening and closing balance of medicines, consumables and lab chemicals.

***Employee Benefit Expenses***

Employee benefit expenses during the period (April 01, 2024 to September 30, 2024) was ₹ 304.54 lakhs which is almost 12.27% of total revenue and comprise of Salaries, Wages & Bonus, Contributions to Employee Welfare Fund, Gratuity Expense and Staff Welfare expenses.

***Other Expenses***

Other expenses during the period (April 01, 2024 to September 30, 2024) was ₹ 749.10 lakhs which is almost 30.17% of total revenue and comprise of Administrative Expenses, Advertisement and Marketing Expenses, Audit fees, Consulting Doctors Fees, CSR Expenditure, Discount to Patient Fees, Power and Fuel, Printing and Stationery, Professional and Consulting Charges, Rates and Taxes, Rent – Building, Rent - Machinery, Repairs and Maintenance (Equipment), Repairs and Maintenance (General), Software Maintenance Charges, Telephone Charges, Travelling Expenses, Vehicle Maintenance and Miscellaneous Expenses.

***Depreciation and Amortization Expenses***

Depreciation and Amortization Expenses during the period (April 01, 2024 to September 30, 2024) was ₹ 105.74 lakhs which is almost 4.26% of total revenue and comprises of depreciation/amortisation on the Tangible/Intangible assets of our company.

***Financial Charges***

Financial Charges during the period (April 01, 2024 to September 30, 2024) was ₹ 33.96 lakhs which is almost 1.37% of total revenue and comprises of Interest on Loans and Bank Charges.

***Provision for Taxation***

The provision for taxation (both current tax and deferred tax) during the period (April 01, 2024 to September 30, 2024) was ₹ 84.32 Lakhs which is almost 3.40% of total revenue. The provision for current tax is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2024 WITH FISCAL 2023

**Total Revenue:** The total revenue consist of revenue from operation and other income has increased to ₹ 4,338.78 lakhs in FY 2023-24 from ₹ 3,949.56 lakhs in FY 2022-23 i.e. total revenue increased by ₹ 389.22 Lakhs (9.85% for the said period) primarily due to increase in revenue from operations of the Company.

**Revenue from Operations:** The overall revenue from operations has increased to ₹4,303.74 lakhs in FY 2023-24 from ₹3,934.47 lakhs in FY 2022-23 i.e. revenue from operation increased by 369.27 lakhs (9.39% for the said period). Revenue from trading activities increased to ₹ 1,211.59 lakhs in FY 2023-24 as compared to ₹ 1,007.25 lakhs in FY 2022-23 i.e. revenue from trading activities increased by 204.34 lakhs (20.29% for the said period). Revenue from services increased to ₹ 3,092.15 lakhs in FY 2023-24 as compared to ₹ 2,927.22 lakhs in FY 2022-23 i.e. revenue from services increased by ₹ 164.93 lakhs (5.63% for the said period). The reason for overall increase in revenue from operation was mainly due to increase in volume of operations during the financial year.

**Other Income:** The other income of the company for FY 2023-24 increased to ₹ 35.04 Lakhs as against ₹ 15.09 Lakhs in the FY 2022-23. This increase was mainly due to increase in misc income and interest received on refund from IT.

### Total Expenses

The total expenses (excluding Depreciation & Amortization Expenses, Financial Charges and provision for tax) for the FY 2023-24 increased to ₹ 3,444.09 Lacs (79.38% of total revenue) as against ₹ 3,205.60 Lacs (81.16% of total revenue) in the FY 2022-23 i.e., total expenses increased by ₹ 238.49 lakhs (7.44% for the said period). The increase was mainly due to increase in volume of operation during the FY as mentioned in revenue from operation above and a consequent increase in expenses.

**Purchase of Stock-in-trade (including Change in Inventories):** The purchase of stock-in-trade (including Change in Inventories) for the FY 2023-24 increased to ₹ 1,696.38 lakhs (39.10% of total income) as against ₹ 1,584.27 lakhs (40.11% of total income) in FY 2022-23 i.e., purchase of stock-in-trade (including Change in Inventories) increased by ₹112.11 lakhs (7.08% for the said period). The increase was mainly due to increase in volume of trading activities in FY 2023-24 as compared to FY 2022-23 as mentioned above under revenue from operations.

**Employee Benefit Expenses:** The Employee Benefit Expenses for the FY 2023-24 was increased to ₹ 323.64 Lakhs (7.46% of total income) as against ₹ 299.03 Lakhs (7.57% of total income) in the FY 2022-23 i.e., employee benefit expenses increased by ₹ 24.61 lakhs (8.23% for the said period). This increase was mainly due to increase in Salaries Wages & Bonus.

**Other Expenses:** The Other Expenses for the FY 2023-24 was increased to ₹ 1,424.07 Lakhs (32.82% of total income) as against ₹ 1,322.30 Lakhs (33.48% of total income) in the FY 2022-23 i.e., other expenses decreased by ₹ 101.77 lakhs (7.70% for the said period). This increase was mainly due to increase in various expenses due to increase in volume of operation during the FY as mentioned in revenue from operation above.

**Depreciation and Amortisation Expenses:** The Depreciation and Amortisation expenses for FY 2023-24 was increased to ₹130.39 Lakhs (3.01% of total income) as against ₹ 57.94 Lakhs (1.47% of total income) in the FY 2022-23 i.e., depreciation increased by ₹72.45 lakhs (125.04% for the said period). This increase was mainly due to addition of fixed asset during the year.

**Financial Charges:** The Financial Charges for the FY 2023-24 was increased to ₹ 60.81 Lakhs (1.40% of total income) as against ₹ 28.04 Lakhs (0.71% of total income) in the FY 2022-23 i.e., financial charges increased by ₹32.77 lakhs (116.87% for the said period). This increase was mainly due to increase in interest on loans and bank charges.

**Profit/ (Loss) Before Tax:** The restated Profit before Tax for FY 2023-24 was increased to ₹ 703.49 Lakhs (16.21% of total income) as against ₹ 657.98 Lakhs (16.66% of total income) in the FY 2022-23 i.e., profit before tax increased by ₹ 45.52 lakhs (6.92% for the said period). As a combined effort of all expenses together as discussed above, the profit before tax has been increased.

**Total Tax Expenses:** The total tax expense for FY 2023-24 was decreased to ₹ 177.34 Lakhs (4.09% of total income) as against ₹ 181.75 Lakhs (4.60% of total income) in the FY 2022-23. This decrease was mainly due to timing differences of Depreciation.

**Profit/ (Loss) After Tax:** The restated Profit after Tax for FY 2023-24 has been increased to ₹ 526.15 Lakhs (12.13% of total income) as against ₹ 476.22 Lakhs (12.06% of total income) in the FY 2022-23. This increase was mainly due to increase in Profit before Tax as mentioned above.

## COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2023 WITH FISCAL 2022

**Total Revenue:** The total revenue consist of revenue from operation and other income has decreased to ₹ 3,949.56 lakhs in FY 2022-23 from ₹ 4,147.10 lakhs in FY 2021-22 i.e. total revenue decreased by ₹ 197.54 Lakhs (4.76% for the said period) primarily due to decrease in revenue from operations of the Company.

**Revenue from Operations:** The overall revenue from operations has decreased to ₹3,934.47 lakhs in FY 2022-23 from ₹4,138.20 lakhs in FY 2021-22 i.e. revenue from operation decreased by 203.73 lakhs (4.92% for the said period). Revenue from trading activities increased to ₹ 1,007.25 lakhs in FY 2022-23 as compared to ₹ 966.10 lakhs in FY 2021-22 i.e. revenue from trading activities increased by 41.15 lakhs (4.26% for the said period). Revenue from services decreased to ₹ 2,927.22 lakhs in FY 2022-23 as compared to ₹ 3,172.09 lakhs in FY 2021-22 i.e. revenue from services decreased by ₹ (244.88) lakhs (7.72% for the said period). The reason for decrease in revenue from services was due to normalization of operations in hospital post the COVID-19 period.

**Other Income:** The other income of the company increased to ₹ 15.09 Lakhs in the FY 2022-23 as against ₹ 8.90 Lakhs in FY 2021-22. This increase was mainly due to increase in Interest and other income.

### Total Expenses

The total expenses (excluding Depreciation & Amortization Expenses, Financial Charges and provision for tax) for the FY 2022-23 decreased to ₹ 3,205.60 Lacs (81.16% of total revenue) as against ₹ 3,234.60 Lacs (77.99% of total revenue) in the FY 2021-22 i.e., total expenses decreased by ₹ 28.54 lakhs (0.88% for the said period). The decrease was mainly due to decrease in volume of operation during the FY as mentioned in revenue from operation above.

**Purchase of Stock-in-trade (including Change in Inventories):** The purchase of stock-in-trade (including Change in Inventories) for the FY 2022-23 decreased to ₹ 1,584.27 lakhs (40.11% of total income) as against ₹ 1,704.28 lakhs (41.10% of total income) in FY 2021-22 i.e., purchase of stock-in-trade (including Change in Inventories) decreased by ₹120.01 lakhs (7.04% for the said period). The decrease was mainly due to decrease in volume of operations in FY 2022-23 as compared to FY 2021-22 as mentioned above under revenue from operations.

**Employee Benefit Expenses:** The Employee Benefit Expenses for the FY 2022-23 was decreased to ₹ 299.03 Lakhs (7.57% of total income) as against ₹ 371.09 Lakhs (8.95% of total income) in the FY 2022-23 i.e., employee benefit expenses decreased by ₹ 72.06 lakhs (19.42% for the said period). This decrease was mainly due to decrease in Salaries Wages & Bonus as a consequence of decrease in operations.

**Other Expenses:** The Other Expenses for the FY 2022-23 was increased to ₹ 1,322.30 Lakhs (33.48% of total income) as against ₹ 1,158.77 Lakhs (27.94% of total income) in the FY 2021-22 i.e., other expenses increased by ₹ 163.53 lakhs (14.11% for the said period). This increase was mainly due to increase in Consulting Fees of Doctors and Repairs and Maintenance expenses towards equipment.

**Depreciation and Amortisation Expenses:** The Depreciation and Amortisation expenses for FY 2022-23 was increased to ₹57.94 Lakhs (1.47% of total income) as against ₹ 13.19 Lakhs (0.32% of total income) in the FY 2021-22 i.e., depreciation increased by ₹44.75 lakhs (339.33% for the said period). This increase was mainly due to addition of fixed asset during the year.

**Financial Charges:** The Financial Charges for the FY 2022-23 was increased to ₹ 28.04 Lakhs (0.71% of total income) as against ₹ 3.29 Lakhs (0.08% of total income) in the FY 2021-22 i.e., financial charges increased by ₹24.75 lakhs (753.29% for the said period). The rise was primarily due to increase in interest on loans resulting from increased borrowings during the financial year.

**Profit/ (Loss) Before Tax:** The restated Profit before Tax for FY 2022-23 was decreased to ₹ 657.98 Lakhs (16.66% of total income) as against ₹ 896.48 Lakhs (21.62% of total income) in the FY 2021-22 i.e., profit before tax decreased by ₹ 238.51 lakhs (26.60% for the said period). As a combined effort of all expenses together as discussed above and a decrease in revenue from operations, the profit before tax has decreased.

**Total Tax Expenses:** The total tax expense for FY 2022-23 was decreased to ₹ 181.75 Lakhs (4.60% of total income) as against ₹ 224.66 Lakhs (5.42% of total income) in the FY 2021-22. This decrease was mainly due to decrease in Profit before tax, as the profit before tax is decreased the company is paying a lesser tax compared to previous financial year.



**Profit/ (Loss) After Tax:** The restated Profit after Tax for FY 2022-23 has decreased to ₹ 476.22 Lakhs (12.06% of total income) as against ₹ 671.82 Lakhs (16.20% of total income) in the FY 2021-22. This decrease was mainly due to decrease in Profit before Tax as mentioned above.

**AN ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE IS GIVEN HEREUNDER:**

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**1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

There are no significant economic changes that may materially affect or likely to affect income from continuing operations. However, Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 23 in the prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Expected Future changes in relationship between costs and revenues**

Our Company’s future costs and revenues will be determined by demand/supply situation, Government Policies and Taxation and Currency fluctuations.

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices**

Changes in revenue in the last financial years are as explained in the part “Comparison of the financial performance of above.

**6. Total turnover of each major industry segment in which our Company operates**

The Company is mainly engaged in providing healthcare services and all the activities of the business revolve around this main business. Therefore, there are no separate reportable segments.

**7. Status of any publicly announced New Products or Business Segment**

Apart from the recent business initiatives discussed in “**Our Business**” on page 108, we currently have no plans to develop new products or establish new business segments.

**8. Seasonality of business**

While we do not characterize our business as seasonal, our income and profits may vary from quarter to quarter depending on factors including change in weather, outbreak of viral and seasonal diseases.

**9. Competitive conditions**

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on page 89 and 108 respectively of the prospectus.

**10. Details of material developments after the date of last balance sheet i.e., September 30, 2024**

Except as mentioned in this prospectus, no circumstances have arisen since the date of last financial statement until the date of filing the prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

## SECTION X: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings; (ii) actions taken by statutory and/or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Promoters in the last 5 (five) FYs including outstanding action; (iv) outstanding claims related to direct or indirect taxes; (v) other pending litigation as determined to be material by our Board as per the materiality policy adopted by our Board (“**Materiality Policy**”) in each case involving our Company, Promoters, Directors (“**Relevant Parties**”); or (vi) all litigations involving our Group Companies which have a material impact on the business operations, prospects or reputation of our Company.

For the period ended March 31, 2024, our total income for the year as per the Restated Financial Statements is ₹ 4338.78 lakhs. Accordingly, the following types of litigation involving the Relevant Parties have been considered material, and accordingly disclosed, as applicable:

- a) pending civil cases involving the Relevant Parties where the claim/ dispute amount, to the extent quantifiable, exceeds 5% of turnover as per the Restated Financial Information for the period ended March 31, 2024 i.e., 216.94 lakhs, or 10% of profit or loss after tax, as per the Restated Financial Statements of our Company for the period ended March 31, 2024 i.e., ₹ 52.62 lakhs, whichever is lower, or
- b) where monetary liability is not quantifiable or does not exceed the threshold mentioned in point (i) above, the outcome of any such pending proceedings may have a material bearing on the business, operations, or
- c) where the monetary liability in the pending civil litigations is not quantifiable or doesn't meet the monetary threshold as provided in (i) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of the Company,

It is clarified that pre-litigation notices received by the Relevant Parties (excluding those notices issued by statutory/regulatory/tax authorities), unless otherwise decided by the Board, shall not be evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in the litigation proceedings before any judicial forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In accordance with the Materiality Policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹ 25.23 lakhs, which is 5% of the total trade payables as on the date of the latest Restated Financial Statements included in this Draft Prospectus, shall be considered as ‘material’. Accordingly, as on March 31, 2024, any outstanding dues exceeding ₹ 25.23 lakhs have been considered as material outstanding dues for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or medium enterprise (“**MSME**”), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

Our Company does not have any subsidiaries.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

#### **I. LITIGATION INVOLVING OUR COMPANY**

##### **(a) Criminal proceedings against the Company**

There are no outstanding criminal proceedings initiated against the Company.

##### **(b) Criminal proceedings filed by the Company**

There are no outstanding criminal proceedings filed by the Company.

##### **(c) Actions by statutory and regulatory authorities against the Company**

There are no outstanding actions by statutory or regulatory authorities initiated against the Company.

**(d) Tax Proceedings:****(i) Direct Tax:**

There are no outstanding actions by Direct Tax authorities initiated against the Company.

**(ii) Indirect Tax:**

There are no outstanding actions by Indirect Tax authorities initiated against the Company.

**(e) Other pending material litigations against the Company**

**Elisapath Rani, Wife of Late Arokiyadoss**

..... **Complainant**

**Vs.**

**1. Dr. R. Murugavel, M.s. Shanmuga Hospital Private Limited**

**2. Dr. P. Palaniappan, MCH (Neuro)**

**3. The Chairman, Shanmuga Hospital Private Limited**

..... **Opposite Parties**

Case No.	FA No.16/2024 in CC No. 10/2023
Court/Authority	State Consumer Disputes Redressal Commission- Tamil Nadu
Case Details	<p>A Complaint was filed by one Ms. Elisapath vide CC No. 10/2023 before the District Consumer Disputes Redressal Commission, Salem. Where The complainant alleges that the opposite parties, consisting of a doctor (1st opposite party) practicing at a hospital (3rd opposite party), performed a negligent surgery on her leg that resulted in permanent paralysis below her hip. The complainant claims that the doctor misdiagnosed her condition, failed to obtain proper consent, and performed the surgery in a hurried manner without following standard procedures. The surgery caused severe complications, including total paralysis below the hip, loss of sensation, and inability to control urination and bowel movements. The complainant seeks compensation of Rs.40 lakhs from the opposite parties for medical negligence, deficiency in service, pain, suffering, mental agony, mental stress, and permanent disability caused by the Opposite Parties.</p> <p>The Ld. Commission vide its Order dated 13<sup>th</sup> October, 2023 has partly allowed the Appeal and directed the Opposite Parties No.1 to 3 to pay the complainant jointly and severally a sum of Rs.30,00,000/- (Rupees thirty lakh only) towards compensation for medical negligence, deficiency of service and mental agony caused to the complainant, within two months from the date of receipt of this Order, failing which the compensation amount shall carry interest at the rate of 9% per annum from the date of filing of the Complaint, that is, from 07.02.2023 till realization.</p> <p>The Opposite Parties has preferred and appeal before the State Consumer Disputes Redressal Commission vide FA No.16/2024 after depositing a sum of Rs.16.11 Lacs.</p> <p>The Opposite Parties argues that the District Commission's order is flawed, claiming it contradicts the pleadings, misinterprets the evidence, and exceeds its jurisdiction by addressing issues not raised in the complaint. The Opposite Parties emphasizes that the Commission failed to recognize the importance of pleadings in litigation, asserting that evidence not aligned with the pleadings is irrelevant. Specific criticisms include the Commission's erroneous conclusions regarding the patient's condition before and after surgery, misinterpretations of medical assessments, and the inappropriate introduction of new issues that were not part of the original complaint. Overall, the Appellant seeks to highlight procedural errors and misjudgments made by the Commission that undermine the fairness of its decision.</p> <p>The matter is pending.</p>
Case Status	Pending
Amount Involved	₹ 30,00,000/-

**(f) Other pending material litigations filed by the Company**

There are no other outstanding litigations filed by the Company.

**II. LITIGATION INVOLVING OUR PROMOTERS AND DIRECTORS OF THE COMPANY**

**a. Criminal proceedings against the Promoters and Directors**

There are no outstanding criminal proceedings initiated against the Promoters and Directors.

**b. Criminal proceedings filed by the Promoters and Directors**

There are no outstanding criminal proceedings initiated by the Promoters and Directors.

**c. Actions by statutory and regulatory authorities against the Promoters & Directors Of the company**

There are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors.

**d. Tax Proceedings: Proceedings against the Promoters & Directors.**

Direct Tax: Nil

Indirect Tax:

There are no outstanding actions by Indirect Tax authorities initiated against the Promoters & Directors.

**e. Other pending material litigations against the Promoters & Directors of the company**

There are no outstanding litigations initiated against the Promoters and Directors.

**f. Other pending material litigations filed by the Promoters & Directors of the company**

There are no outstanding litigations initiated by the Promoters and Directors.

## **OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors outstanding amount as on September 30, 2024:

Name	No. of Creditors	Balance as on March 31, 2024 (₹ in lakhs)
Total Outstanding dues to Micro and Small & Medium Enterprises (MSME)*	13	8.98
Total Outstanding dues to Creditors other than MSME#	121	499.82

*\* The above information has been provided as available with the company to the extent such parties could be identified on the basis of the information available with the company regarding the status of supplier under the Micro, Small and Medium Enterprises Development Act, 2006 and as per restated financial statements”*

### **Outstanding Litigations involving the Company or involving any other person or company whose outcome may have a material adverse effect on the Company’s results of operations or financial position.**

Except as described above, as on date of this prospectus, there are no outstanding litigations involving the Company, or involving any other person or company whose outcome may have a material adverse effect on the Company’s results of operations or financial position.

### **There are no litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years.**

### **Pending proceedings initiated against our Company for economic offences.**

There are no pending proceedings initiated against our Company for economic offences.

### **Inquiries, investigations etc. instituted under the Companies Act, 2013 or any previous Companies enactment in the last 5 years against our Company.**

There are no inquiries, investigations etc. instituted under the Companies Act or any previous Companies enactment since incorporation against our Company.

### **Material Fraud against our Company in the last five years**

There has been no material fraud committed against our Company since incorporation.

### **Fines imposed or compounding of offences for default**

There are no fines imposed or compounding of offences for default or outstanding defaults.

### **Non-Payment of Statutory Dues**

Except as disclosed in the chapter titled “*Financial Statements as Restated*” beginning on pages 189 there are have been no defaults or outstanding defaults in the payment of statutory dues payable under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948.

### **Material Developments occurring After Last Balance Sheet Date**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 223 of this prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/regulatory authority, or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

### I. Approvals for the Issue

- a) The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on June 14, 2024 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
- b) The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the Extra Ordinary General Meeting held on June 21, 2024 authorized the Issue.
- c) Our Company has received an in-principle approval from the BSE dated January 22, 2025 for listing of Equity Shares issued pursuant to the Issue.
- d) Our Company's ISIN is "INE0TD301017".

### II. Approvals pertaining to Incorporation of our Company

Name of Registration	Registration No	Applicable Law	Issuing Authority	Date of Issue	Validity
Certificate of Incorporation	U85110TZ2020PTC033974	Companies Act, 2013	Registrar of Companies, Central Registration Centre	June 26, 2020	Till Cancelled
Certificate of Incorporation pursuant to conversion to being Public Limited Company	U85110TZ2020PLC033974	Companies Act, 2013	Registrar of Companies, Central Processing Centre	June 06, 2024	Till Cancelled

### III. Business Related Approvals

Name of Registration	Registration/License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Import Export Code	ABDCS8326A	Foreign Trade (Development and Regulation) Act, 1992	Directorate General of Foreign Trade	April 03, 2021	Till Cancelled
Udyam Registration	UDYAM-TN-20-0015819	Micro, Small and Medium Enterprises Development Act, 2006	Government of India Ministry of Micro, Small and Medium Enterprises	February 17, 2021	Till Cancelled
Registration under Employees Provident Fund	CBSLM2119377000	Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organisation, India	June 26, 2020	Till Cancelled
Registration under the Employee State Insurance	63001014300001401	Employee State Insurance Act, 1948	Employees' State Insurance Corporation	June 26, 2020	Till Cancelled

#### IV. Operations Related Approvals

Name of Registration	Registration/License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Certificate of Structural Soundness	31/2023/B1	Madras Public Buildings (Licensing) Act, 1965	Tahsildar, Salem West	May 01, 2023	April 30, 2026
Certificate of Accreditation with NABH standards for Hospitals (5 <sup>th</sup> Edition)	H-2019-0656	NABH Accreditation Standards for Hospital	National Accreditation Board for Hospitals & Health Care Providers (Constituent Board of Quality Council of India)	October 07, 2022	August 25, 2026
Certificate of Accreditation (ISO 15189:2012) for Medical Laboratories – Requirement for quality and competence in the field of Medical Testing – Shanmuga Diagnostics	MC-6210	Medical laboratories – Requirements for quality and competence	National Accreditation Board for Testing and Calibration Laboratories	December 26, 2023	December 25, 2025
Diplomate of National Board - Emergency Medicine	NBEMS/ACCR/Granted/4121252222/15-F/2022/	National Board of Examinations Accreditations	Department of Accreditation, National Board of Examination in Medical Sciences	January 16, 2023	December 31, 2027
Diplomate of National Board - General Surgery	NBEMS/ACCR/Granted/4121212211/83-R/2021/	National Board of Examinations Accreditations	Department of Accreditation, National Board of Examination in Medical Sciences	November 08, 2021	December 31, 2026
Diplomate of National Board - Radiation Oncology	NBEMS/ACCR/Granted/4121241221/4-R/2022/	National Board of Examinations Accreditations	Department of Accreditation, National Board of Examination in Medical Sciences	January 17, 2023	December 31, 2027
Food safety License*	12421018002004	Food Safety and Standards Act, 2006	Food Safety and Standards Authority of India	October 24, 2024	November 18, 2025
Authorisation for Generation, Collection, Reception, Treatment, Storage, Transport and Disposal of Bio-Medical Wastes	24BAZ61241040	Bio-Medical Waste Management Rules, 2016	Tamil Nadu Pollution Control Board	August 06, 2024	March 31, 2026
Authorisation for Generation, Collection, Reception, Treatment, Storage, Transport and Disposal of Bio-Medical Wastes – Shanmuga Clinic	24BAD54869112	Bio-Medical Waste Management Rules, 2016	Tamil Nadu Pollution Control Board	January 14, 2024	Till Cancelled
Authorisation for Generation, Collection, Reception, Treatment, Storage, Transport and Disposal of Bio-Medical Wastes – Shanmuga Clinic	22BAD40202151	Bio-Medical Waste Management Rules, 2016	Tamil Nadu Pollution Control Board	February 26, 2022	Till Cancelled
Consent to Operate	2405260489030	Air (Prevention and Control of Pollution) Act, 1981	Tamil Nadu Pollution Control Board	July 04, 2024	March 31, 2026
Consent to Operate	2405260489030	Water (Prevention and Control of Pollution) Act, 1974	Tamil Nadu Pollution Control Board	July 04, 2024	March 31, 2026

Name of Registration	Registration/License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Licence to sell, stock or exhibit for sale or distribute Drugs by Retail other than those specified in Schedule C, C (I) and X of Drugs and Cosmetics Rules, 1945 [Trade – Shanmuga Hospital Pharmacy]	SLS/7788/20	Drugs and Cosmetics Act, 1940	Assistant Director, Drugs Control, Salem	February 11, 2021	Till Cancelled
Licence to sell, stock or exhibit for sale or distribute by wholesale, Drugs other than those specified in Schedule C, C (I) and X of Drugs and Cosmetics Rules, 1945 [Trade – Shanmuga Hospital Pharmacy]	SLS/3993/20B	Drugs and Cosmetics Act, 1940	Assistant Director, Drugs Control, Salem	February 11, 2021	Till Cancelled
Licence to sell, stock or exhibit for sale or distribute by Retail Drugs specified in Schedule C, and C(I) excluding those specified in Schedule X of Drugs and Cosmetics Rules, 1945 [Trade – Shanmuga Hospital Pharmacy]	SLS/7788/21	Drugs and Cosmetics Act, 1940	Assistant Director, Drugs Control, Salem	February 11, 2021	Till Cancelled
Licence to sell, stock or exhibit or offer for sale or distribute by Wholesale Drugs specified in Schedule C, and C(I) excluding those specified in Schedule X of Drugs and Cosmetics Rules, 1945 [Trade – Shanmuga Hospital Pharmacy]	SLS/3848/21B	Drugs and Cosmetics Act, 1940	Assistant Director, Drugs Control, Salem	February 11, 2021	Till Cancelled
Licence to sell, stock or exhibit or distribute by Retail Drugs specified in Schedule X of Drugs and Cosmetics Rules, 1945 [Trade – Shanmuga Hospital Pharmacy]	SLS/149/20F	Drugs and Cosmetics Act, 1940	Assistant Director, Drugs Control, Salem	February 11, 2021	Till Cancelled
Consent to Operate	1908223403240	The Air (Prevention and Control of Pollution) Act, 1981	Tamilnadu Pollution Control Board	April 30, 2019	March 31, 2029
Certificate of Registration – Ultrasound (Shanmuga Clinics)	8942/2023	Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994	The Joint Director & District Appropriate Authority, Govt. of Tamil Nadu	November 24, 2023	November 23, 2028
Certificate of Approval for storage of whole human blood	767	The Drugs and Cosmetics Act, 1940	Licensing Authority, The Director of Drugs Control	November 01, 2023	October 31, 2025
Certificate of Registration of Clinical Establishment	SALMALL20200010748	Tamil Nadu Clinical Establishments (Regulation) Act, 1997	Directorate of Medical and Rural Health Services, Salem	February 14, 2021	February 13, 2026
Licence for operation of Medical Diagnostic X-Ray Equipment	16-LOEE-81738	Atomic Energy Act, 1962	Atomic Energy Regulatory Board	May 03, 2021	May 03, 2026
Licence for operation of Medical Accelerator Unit	21-LIC-630186	Atomic Energy Act, 1962	Atomic Energy Regulatory Board	June 20, 2021	June 20, 2026






Name of Registration	Registration/License No	Applicable Law	Issuing Authority	Date of Issue	Validity
Licence for operation of Medical Diagnostic X-Ray Equipment	16-LOEE-116015	Atomic Energy Act, 1962	Atomic Energy Regulatory Board	August 14, 2021	August 14, 2026
Licence for operation of Remote Afterloading Brachytherapy Unit	21-LIC-659791	Atomic Energy Act, 1962	Atomic Energy Regulatory Board	August 24, 2021	August 24, 2026
Licence for operation of Medical Diagnostic X-Ray Equipment	16-LOEE-141771	Atomic Energy Act, 1962	Atomic Energy Regulatory Board	October 02, 2021	October 02, 2026
Licence for operation of Medical Diagnostic X-Ray Equipment	16-LOEE-133132	Atomic Energy Act, 1962	Atomic Energy Regulatory Board	October 02, 2021	October 02, 2026
Licence for operation of Medical Diagnostic X-Ray Equipment	16-LOEE-124998	Atomic Energy Act, 1962	Atomic Energy Regulatory Board	August 14, 2021	August 14, 2026
Licence for operation of Medical Diagnostic X-Ray Equipment	22-LOP-836716	Atomic Energy Act, 1962	Atomic Energy Regulatory Board	September 30, 2022	September 30, 2027
Licence for operation of Medical Diagnostic X-Ray Equipment	20-LOP-531815	Atomic Energy Act, 1962	Atomic Energy Regulatory Board	September 07, 2020	September 07, 2025
Licence for operation of Medical Diagnostic X-Ray Equipment	24-LOP-1144692	Atomic Energy Act, 1962	Atomic Energy Regulatory Board	June 18, 2024	June 18, 2029
Fire and Rescue Services License	10899/C1/2024	Tamil Nadu Fire and Rescue Service Act, 1985	District Officer, Fire and Rescue Services, Salem District	August 09, 2024	August 08, 2025
Pharmacy License – Shanmuga Hospital Pharmacy	6925/M2/2020	The Drugs and Cosmetics Act, 1940	Assistant Director of Drug Control, Salem Zone	February 11, 2021	December 09, 2025
Licence for operation of Medical Accelerator Unit	24-LIC-1218828	Atomic Energy Act, 1962	Atomic Energy Regulatory Board	October 30, 2024	October 30, 2029
PNDT License	381/99	Pre-Conception and Pre-Natal Diagnostic Techniques (prohibition of Sex Selection) Act, 1994	The Joint Director & District Appropriate Authority, Salem	September 16, 2024	September 15, 2029

\*- Shanmuga Hospital Canteen

## V. Tax Related Approvals

Name of Registration	Registration No	Applicable Law	Issuing Authority	Date of Issue	Validity
Permanent Account Number [PAN]	ABDCS8326A	Income Tax Act, 1961	Income Tax Department	June 26, 2020	Till Cancelled
Tax Deduction Account Number [TAN]	CHES58758A	Income Tax Act, 1961	Income Tax Department	June 26, 2020	Till Cancelled
Goods and Service Tax	33ABDCS8326A1ZP	Central Goods and Service Tax Act 2017	Goods and Services Tax Department	October 21, 2020	Till Cancelled
Professional Tax Certificate of Registration (RC)	049/015/900883	Tamil Nadu Tax on Professions, Trades Callings, and Employment's Act, 1992	Salem Municipal Corporation, Tamil Nadu	-	Till Cancelled

## VI. Intellectual Property Related Approvals

Trademark	Application Number	Class of Registration	Trademark Type	Date of Issue/ Application	Status	Validity
 Shanmuga Hospital <i>A legacy of caring</i>	4250026	44#	Device	July 30, 2019	Registered*	July 30, 2029
 Shanmuga Clinics <i>A legacy of caring</i>	6323929	44#	Device	February 28, 2024	Registered	February 28, 2034
 Shanmuga Pharmacy Diagnostics <i>A legacy of caring</i>	6323930	44#	Device	February 28, 2024	Objected	--

\*Registered in the name of Mr. Prabusankar P (Mr. Prabu Sankar Panneerselvam) from whom our Company has obtained a No-objection letter dated February 06, 2024 for using such trademark.

# Description of the class: Medical services; Veterinary services; Hygienic and beauty care for human beings or animals; Agriculture, horticulture and forestry services.

## VI. Material Licenses/ Approvals/Permission for which applications have been made by our Company but not received and/or yet to be applied by our Company

- 
- Our company has applied for renewal of Sanitary Certificate with Salem City Municipal Corporation on December 27, 2024.
- Our company has applied for renewal of Certificate of Accreditation with NABH standards for Nursing Excellence on October 24, 2024
- Our Company is in process of application for change of name in remaining licenses

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

1. The Fresh Issue of Equity Shares in terms of this prospectus has been authorized by a resolution by the Board of Directors passed at their meeting held June 14, 2024 on under Section 62(1)(c) of the Companies Act 2013 and subject to the approval of the members and such other authorities as may be necessary.
2. The Fresh Issue of Equity Shares in terms of this prospectus has been authorized by the shareholders by special resolution at the Extra Ordinary General Meeting held on June 21, 2024 under Section 62(1)(c) and other applicable provisions of the Companies Act 2013.
3. Our Company has received In-principal approval from BSE vide their letter dated January 22, 2025 to use the name of BSE in this prospectus for listing of the Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.
4. Our Board has approved the Prospectus through its resolution dated February 06, 2025.

### Confirmation:

- Our Company, our Promoters, Promoter Group, our directors, person(s) in control of the promoter or our Company have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.
- Our Company, our Promoters, Promoters' Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
- None of our Directors are in any manner associated with the securities market and there has been no action taken by the SEBI against the Directors in the past 5 years except as disclosed in this prospectus.
- None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.
- There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company or any natural person behind the Promoter are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other regulatory or government authority.
- Neither our Company, nor our Promoters, our Directors, relatives (as per the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under Section titled, "***Outstanding Litigations and Material Developments***" beginning on page no. 232 of this prospectus.
- Our Company is an "***Unlisted Issuer***" in terms of the SEBI (ICDR) Regulations; and this Issue is an "***Initial Public Issue***" in terms of the SEBI (ICDR) Regulations.

### Eligibility for the Issue

- Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:
  - Neither our company, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the SEBI.
  - Neither our promoters, nor any directors of our company are a promoter or director of any other company which is debarred from accessing the capital market by the SEBI.
  - Neither our Promoter nor any of our directors is a Fugitive Economic Offender
  - Neither our Company, or our Promoter, or our directors, are Wilful Defaulters or Fraudulent Borrowers.

- Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital would be more than 10 crores, and can issue Equity Shares to the public and propose to list the same on the **SME Platform of BSE Limited**.

**We further confirm that:**

- In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size.
- In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottees in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- In terms of Regulation 246 (1) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus will be filed with the SEBI through the Lead Manager immediately upon filing of the offer document with the Registrar of Companies.

However, as per Regulation 246 (2) of the SEBI (ICDR) Regulations, 2018, The SEBI shall not issue any observation on the offer document.

Further, in terms of Regulation 246 (3) of the SEBI (ICDR) Regulations, 2018 the lead manager will also submit a due diligence certificate as per format prescribed by SEBI along with the prospectus to SEBI.

Further, in terms of Regulation 246 (4) of the SEBI (ICDR) Regulations, 2018 the prospectus will be displayed from the date of filling in terms of sub-regulation (1) on the website of the SEBI, The Lead Manager and the SME Platform of BSE.

Moreover, in terms of Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus shall also be furnished to the SEBI in a soft copy.

- In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated September 06, 2024 with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE Limited.

**In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for SME Platform of BSE Limited, which are as under:**

❖ ***Incorporation: The Company shall be incorporated under the Companies Act, 1956/2013.***

Our Company is incorporated under the Companies Act, 2013 in India.

❖ ***Post Issue Paid up Capital: The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores.***

The post issue paid up capital (Face Value) of the company will be ₹ 13.61 crores. So, the company has fulfilled the criteria of post issue paid up capital shall not be more than ₹25 crores.

❖ ***Net Tangible Assets should be ₹ 3 crores in last preceding (full) financial year***

As per restated financial statement, the net tangible assets of the company is ₹ 17.13 crores as on March 31, 2024. So, the company has fulfilled the criteria of having net tangible assets of at least ₹ 3.00 crores in last preceding full financial years. The details are as mentioned below:

(₹ in lakhs)

Details	31-03-2024	31-03-2023	31-03-2022
Net Assets	1,713.37	1,182.21	705.99
Less: Intangible Assets	-	-	-
<b>Net Tangible Assets</b>	<b>1,713.37</b>	<b>1,182.21</b>	<b>705.99</b>

“net tangible assets” mean the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 (AS 26) or Indian Accounting Standard (Ind AS) 38, as applicable, issued by the Institute of Chartered Accountants of India;

❖ **Net worth of at least Rs. 1 crore for 2 preceding full financial years:**

As per restated financial statement, the net-worth of the company is ₹ 17.13 crores as on March 31, 2024 and ₹ 11.82 crores as on March 31, 2023. So, the company has fulfilled the criteria of having net-worth of at least ₹1.00 crores for 2 preceding full financial years. The details are as mentioned below:

(₹ in lakhs)

Details	31-03-2024	31-03-2023	31-03-2022
Paid-up share capital	979.50	8.00	8.00
All reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation	733.87	1,174.21	697.99
<b>Total</b>	<b>1,713.37</b>	<b>1,182.21</b>	<b>705.99</b>

❖ **Track Record: The company or the partnership/proprietorship/LLP Firm or the firm which have been converted into the company should have combined track record of at least 3 years or In case it has not completed its operation for three years then the company/partnership/proprietorship/LLP should have been funded by Banks or financial institutions or Central or state government or the group company should be listed for at least two years either on the main board or SME board of the Exchange.**

Our company was incorporated on June 26, 2020 and having track record of more than 3 years.

❖ **Earnings before Interest, Depreciation and Tax: The company should have operating profit (earnings before interest, depreciation and tax) from operations for 2 out of 3 latest financial years preceding the application date.**

The Issuer Company is having operating profit (earnings before interest, depreciation and tax) from operations for 2 out of 3 latest financial years preceding the application date. So, the company has fulfilled this criteria. The details are as mentioned below:

(₹ in lakhs)

Particulars	31-03-2024	31-03-2023	31-03-2022
Net Profit as Restated	<b>526.15</b>	<b>476.22</b>	<b>671.82</b>
Add: Depreciation	130.39	57.94	13.19
Add: Interest on Loan	52.03	26.79	-
Add: Income Tax	177.34	181.75	224.66
Less: Other Income	35.04	15.09	8.90
<b>EBITDA (Operating Profit)</b>	<b>850.87</b>	<b>727.63</b>	<b>900.77</b>

❖ **Leverage ratio of the company is not more than 3:1.**

As per restated financials, the leverage ratio (Debt Equity ratio) of our company is not more than 3:1. The details are as mentioned below:

(Amount ₹ in lakhs, except ratio)

Particulars	30-09-2024	31-03-2024	31-03-2023	31-03-2022
Total Borrowings (Debt)	976.15	901.88	765.00	-
Total Net Worth (TNW) (Shareholders fund)	1,952.66	1,713.37	1,182.21	705.99
Debt Equity Ratio (Total Borrowing/TNW)	0.50	0.53	0.65	-

❖ **Disciplinary action:** We hereby confirm that;

- There is no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.
- The Promoter(s) or directors are not the promoter(s) or directors (other than independent directors) of compulsory delisted companies by the Exchange and there is no applicability of consequences of compulsory delisting is attracted or companies that are suspended from trading on account of non-compliance.
- Directors are not disqualified/ debarred by any of the Regulatory Authority.

❖ **Default:** There are no pending defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant company, promoters/ promoting company(ies), Subsidiary Companies.

❖ **Name Change:** In case of name change within the last one year, at least 50% of the revenue calculated on a restated and consolidated basis for the preceding 1 full financial year has been earned by it from the activity indicated by its new name. or The activity suggesting name should have contributed to at least 50% of the revenue, calculated on a restated and consolidated basis, for the preceding one full financial year.

The company has not changed its name in last one year apart from change of status of company from Private to Public.

❖ **The composition of the board should be in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval**

The Company is in compliance with the requirements of the Companies Act, 2013, w.r.t. the composition of the Board of the Company at the time of seeking in-principle approval for Draft Prospectus and shall be in continuous compliance.

❖ **Other Requirements:** We further confirm that;

- The Issuer Company has a live and operational website i.e., [www.shanmugahospital.com](http://www.shanmugahospital.com)
- 100% of the Promoter's shareholding in the company are dematerialized
- The Issuer Company has entered into an agreement with both depositories. The agreement with the Central Depository Services Limited (CDSL) is dated February 07, 2024, and National Securities Depository Limited is dated February 08, 2024, for establishing connectivity.
- There has been no change in the promoter(s) of Issuer Company in the preceding one year from date of filing application to BSE for listing on BSE SME
- The composition of the board is in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval and shall be in continuous compliance.
- The Company has not been referred to NCLT under IBC.
- There is no winding up petition against the company, which has been admitted by the court.

**We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.**

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- ❖ The Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME platform. BSE is the Designated Stock Exchange.
- ❖ Our Company has entered into an agreement dated February 08, 2024 with NSDL and agreement dated February 07, 2024 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- ❖ The entire pre-Issue share capital of our Company are fully paid-up and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- ❖ The Equity Shares held by the Promoters are dematerialized.

As per Regulation 230 (2) of the SEBI ICDR Regulations, our Company has ensured that:

- ❖ The amount for general corporate purposes, as mentioned in objects of the issue in the Prospectus does not exceed twenty-five per cent of the amount being raised by our Company.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 THE ISSUE DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FINSHORE MANAGEMENT SERVICES LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 06, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR) REGULATION 2018 WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER FILING THE PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI ICDR REGULATION, 2018.**

**THE FILING OF THIS ISSUE DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

**THE DUE DILIGENCE CERTIFICATE TO BE SUBMITTED AS PER FORM A OF SCHEDULE V INCLUDING ADDITIONAL CONFIRMATION AS PROVIDED IN FORM G OF SCHEDULE V IS PRODUCED AS UNDER:**

**WE, THE LEAD MERCHANT BANKER TO THE ABOVE-MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:**

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:

- A. THE PROSPECTUS FILED WITH THE EXCHANGE/BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;
  - B. ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - C. THE MATERIAL DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
  4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.
  5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD/EXCHANGE TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
  6. WE CERTIFY THAT ALL APPLICABLE PROVISION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
  7. WE UNDERTAKE THAT ALL APPLICABLE PROVISION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHICH RELATE TO RECEIPT OF PROMOTERS CONTRIBUTION PRIOR TO OPENING OF THE ISSUE SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD/EXCHANGE. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – **NOT APPLICABLE**
  8. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGE MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – **NOTED FOR COMPLIANCE**
  9. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
  10. WE CERTIFY THAT ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996, AND THE REGULATIONS MADE THEREUNDER.



11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL-INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.
14. WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE ISSUER, THE RISK IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY TRANSACTION ENTERED INTO FOR THE PERIOD DISCLOSED IN THE PROSPECTUS HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.

**ADDITIONAL CONFIRMATIONS/CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING SME PLATFORM OF BSE.**

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 - **NOTED FOR COMPLIANCE**.
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) THE ISSUER HAS REDRESSED AT LEAST NINETY-FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF FILING OF THE OFFER DOCUMENT WITH THE REGISTRAR OF COMPANIES. - **NOT APPLICABLE**.

(6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 261 AND 262 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE

#### **DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this prospectus or in the advertisements or any other material issued by or at our Company's instance and that anyone placing reliance on any other source of information would be doing so at his or her own risk.

#### **CAUTION**

The LM accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the LM (Finshore Management Services Limited) and our Company on September 06, 2024 and the Underwriting Agreement dated September 06, 2024 entered into between the Underwriters and our Company and the Market Making Agreement dated September 06, 2024 entered into among the Market Maker, LM and our Company.

All information shall be made available by our Company and the LM 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 collection centres or elsewhere.

The LM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates, for which they have received and may in future receive compensation.

Note: Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakh and pension funds with a minimum corpus of ₹ 2,500.00 Lakh, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, 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 provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in *Salem, Tamil Nadu* only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

## DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE).

BSE Limited ("BSE") has vide its letter dated January 22, 2025 given permission to "Shanmuga Hospital Limited" to use its name in the offer document as the Stock Exchange on whose Small and Medium Enterprises platform ("SME platform") the company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this company. BSE does not in any manner: -

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer documents; or
- ii. warrant that this company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of this company.
- iv. warrant, certify, or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the company and investors are informed to take the decision to invest in the equity shares of the company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the company is determined by the company in consultation with the Merchant Banker(s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The company has chosen the SME platform on its own initiative and its own risk, and is responsible for complying with local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and courts exclusively situated in Mumbai.

## DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur. 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 Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## LISTING

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained In-principle approval from BSE by way of its letter dated January 22, 2025 for listing of equity shares on SME Platform of BSE.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall return through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchange rejecting the application for listing or trading without any interest.

If such money is not repaid within four (4) days from the date our Company becomes liable to repay it, then our Company and every Director of the Company who is officer in default shall, on and from expiry of four (4) days, be jointly and severally liable to repay such application money, with interest at the rate of fifteen per cent per annum (15% p.a.).

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date.

## FILING

The draft prospectus is being filed with BSE Limited, at 20th Floor, P.J. Towers, Dalal Street, Fort, Mumbai-400001, Maharashtra.

After getting in-principal approval from BSE, a copy of the prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for filing to the Registrar of Companies, Coimbatore.

A copy of the prospectus shall be filed with SEBI immediately upon filing of the Offer document with Registrar of Companies in term of Regulation 246 of the SEBI (ICDR) Regulations, 2018. However, SEBI shall not issue any observation on the prospectus. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

## IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

*Shall be liable to action under Section 447 of the Companies, Act 2013.*

## CONSENTS

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Key Managerial Personnel or Senior Management, Our Peer Review Auditor, (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Sponsor Bank, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities shall be obtained as required under Section 26 of the Companies Act, 2013 and shall be filed along with a copy of the prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the prospectus for filing with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations 2018, *M/s. P P N and Company*, Chartered Accountants, our Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on “Statement of Tax Benefits” relating to the possible tax benefits and restated financial statements as included in this prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this prospectus for filing with Roc.

## EXPERTS OPINION

Except for the reports in the Section, “*Statement of Possible Tax Benefits*” and “*Financial Statement as Restated*” on page no. 89 and page no. 189 of this prospectus from the Peer Review Auditors and Statutory Auditor respectively; our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## **PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS**

Except as stated under Section titled “*Capital Structure*” beginning on page no. 64 of this prospectus our Company has not undertaken any previous public or rights issue. Further, we are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time and the Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES IN LAST 5 YEARS**

Since this is the initial public Issuing of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

## **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED GROUP-COMPANIES / SUBSIDIARIES/ ASSOCIATES WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:**

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three year except as mentioned in this prospectus. This is the initial public Issuing of our Company’s Equity Shares.

## **PERFORMANCE VIS-A-VIS OBJECTS - LAST ONE PUBLIC/RIGHTS ISSUE OF LISTED SUBSIDIARIES / LISTED PROMOTERS:**

We don’t have any listed company under the same management or any listed subsidiaries or any listed promoters as on date of this prospectus.

## **OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES OR ANY OTHER CONVERTIBLE INSTRUMENTS ISSUED BY OUR COMPANY**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this prospectus.

## **OPTION TO SUBSCRIBE**

Equity Shares being issued through the prospectus can be applied for in dematerialized form only.

## **STOCK MARKET DATA OF THE EQUITY SHARES**

This being an initial public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Company has appointed “**Integrated Registry Management Services Private Limited**” as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company.

The Agreement dated July 11, 2024 amongst the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection center of the SCSBs where the Application Form was submitted by the ASBA Applicants in ASBA account or UPI ID linked bank account number in which the amount equivalent to the Bid Amount was blocked. Further, the investor

shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

The Applicant should give full details such as name of the sole/first Applicant, Application Form number, Applicant DP ID, Client ID, Bank Account No./UPI ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Veera Pratap Reddy Gandluru, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

**Mr. Veera Pratap Reddy Gandluru**  
*Company Secretary & Compliance Officer*  
**Shanmuga Hospital Limited**  
51/24, Saradha College Road,  
Salem, Tamil Nadu, 636007, India  
**Contact No.** +91 427 2706674  
**Email ID:** [cs@smrft.org](mailto:cs@smrft.org)  
**Website:** [www.shanmugahospital.com](http://www.shanmugahospital.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

#### **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this prospectus and hence there are no pending investor complaints as on the date of this prospectus.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY**

We don't have any listed company under the same management or any listed subsidiaries or any listed promoters.

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

The Company has not sought for any exemptions from complying with any provisions of securities laws.

**PRICE INFORMATION OF LAST 10 (TEN) ISSUED HANDLED BY THE LEAD MANAGER**
**Statement on Price Information of Last 10 (Ten) Issues handled by Finshore Management Services Limited:**

Sr. No.	Issuer Name	Issue Size (₹ in Cr.)	Issue Price (In ₹)	Listing Date	Opening price on listing date (In ₹)	+/- % change in closing price, [+/- % change in closing benchmark] – 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180 <sup>th</sup> calendar days from listing
1	Alphalogic Industries Limited (BSE SME)	12.88	96/-	14/07/2023	96.00	84.32 [-1.12]	209.69 [0.62]	136.67 [8.06]
2	Holmarc Opto-Mechatronics Limited (NSE EMERGE)	11.40	40/-	25/09/2023	65.25	181.63 [-2.00]	166.38 [8.51]	125.38 [12.31]
3	Presstonic Engineering Limited (NSE EMERGE)	23.31	72/-	18/12/2023	140.00	146.11 [2.87]	69.51 [2.82]	59.44 [9.56]
4	HRH Next Services Limited (NSE EMERGE)	9.57	36/-	03/01/2024	41.00	18.47 [0.84]	-15.83 [4.39]	-11.11 [11.59]
5	Mayank Cattle Food Limited (BSE SME)	19.44	108/-	05/02/2024	116.00	4.68 [2.71]	22.22 [2.99]	83.15 [12.90]
6	Sylvan Plyboard (India) Limited (NSE EMERGE)	28.05	55/-	01/07/2024	66.00	107.09 [2.96]	70.09 [8.44]	52.73 [-1.36]
7	Solve Plastic Products Limited (NSE EMERGE)	11.85	91/-	21/08/2024	102.00	-32.20 [2.61]	-47.86 [-5.31]	N. A.
8	Travels & Rentals Limited (BSE SME)	12.24	40/-	05/09/2024	55.00	281.00 [-0.62]	160.25 [-1.65]	N. A.
9	Dhanlaxmi Crop Science Limited (NSE EMERGE)	23.80	55/-	16/12/2024	104.50	17.00 [-6.05]	N. A.	N. A.
10	Indobell Insulations Limited (BSE SME)	10.14	46/-	13/01/2025	87.40	N. A.	N. A.	N. A.

Status as on 05-02-2025

1. in case where the security is not being traded on 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day, the previous working day has been considered.
2. in case where 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> day is holiday, the previous working day has been considered for benchmark and security purpose.
3. the benchmark index is SENSEX where the securities have been listed in BSE SME/Startups and Nifty where securities have been listed in NSE Emerge.
4. N.A. – Period not completed

**Summary statement of Disclosure:**

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount – 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium – 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount -180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium – 180 <sup>th</sup> calendar day from listing day		
			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	7	73.34	N. A.	1	1	3	1	1	1	1	1	2	1	1
2022-23	12	117.85	N. A.	3	3	4	N. A.	2	2	2	2	4	N. A.	2
2023-24	5	76.59	N. A.	N. A.	N. A.	3	N. A.	2	N. A.	N. A.	1	4	N. A.	N. A.
2024-25	5	86.09	N. A.	1	N. A.	2	N. A.	1	N. A.	N. A.	N. A.	1	N. A.	N. A.

Status as on 05-02-2025

The Lead Manager associated with the Offer have handled **29 SME public issues and Nil Main Board public issue** during the current financial year and three financial years preceding the current Financial Year, out of which 7 SME public issues closed below the issue price on the listing date.

Type	FY 2024-25*	FY 2023-24	FY 2022-23	FY 2021-22	Total
SME IPO	5	5	12	7	29
Main Board IPO	-	-	-	-	-
<b>Total</b>	<b>5</b>	<b>5</b>	<b>12</b>	<b>7</b>	<b>29</b>
Issue closed Below Issue Price on Listing Day	-	-	5	2	7
Issue closed above Issue Price on Listing Day	5	5	7	5	22

\* Status as on 05-02-2025

**TRACK RECORD OF PAST ISSUES HANDLED BY FINSHORE MANAGEMENT SERVICES LIMITED**

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.finshoregroup.com](http://www.finshoregroup.com).

## SECTION XI: ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this prospectus, the prospectus, the abridged prospectus, Application Form, CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that in terms of regulation 256 of the SEBI (ICDR), 2018 read with SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e., just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.*

### AUTHORITY FOR THE PRESENT ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on June 14, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting held on June 21, 2024.

### RANKING OF EQUITY SHARES

The Equity Shares being Issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to Section titled, “*Description of Equity Shares and Terms of the Articles of Association*”, beginning on page 284 of this prospectus.

### OFFER FOR SALE

In the case of offer for sale, the dividend for the entire year shall be payable to the transferees and the company has to disclose the name of the entity bearing the cost of making offer for sale along with reasons. However, the present issue does not include offer for sale and hence the said disclosure is not applicable to us.

### MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act, 2013, as may be applicable, the Articles of Association of our Company, the provisions of the SEBI Listing Regulations and any other rules, regulations or guidelines as may be issued by the Government of India in connection there to and as per the recommendation by our Board of Directors and approved by our Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, for further details in relation to dividends, please refer to Sections titled, “*Dividend Policy*” and “*Description of Equity Shares and Terms of the Articles of Association*”, beginning on page 188 and 284 respectively, of this prospectus.

### FACE VALUE AND ISSUE PRICE

The face value of the share of our company is ₹10/- per equity share and the issue price is ₹54/- per equity share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the Section titled, “*Basis for Issue Price*” beginning on page 82 of this prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.



## COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations as amended time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of our Company, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the previous Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provision of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, etc., please refer to Section titled, "*Description of Equity Shares and Terms of the Articles of Association*", beginning on page 284 of this prospectus.

## MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issuer:

1. Tripartite agreement dated February 08, 2024 between our Company, NSDL and the Registrar to the Issue.
2. Tripartite agreement dated February 07, 2024 between our Company, CDSL and the Registrar to the Issue

The trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this prospectus will be done in multiples of 2,000 Equity Shares subject to a minimum allotment of 2,000 Equity Shares to the successful Applicants in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs.1,00,000 (Rupees One Lakh) per application.

## MINIMUM NUMBER OF ALLOTTEES

In accordance with the Regulation 268 of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 2 working days of closure of issue.

## JOINT HOLDERS

Where two (2) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

## NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board, elect either:

To register himself or herself as the holder of the Equity Shares; or to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue 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 applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## PERIOD OF SUBSCRIPTION LIST OF PUBLIC ISSUE

<b>ISSUE OPENS ON</b>	February 13, 2025
<b>ISSUE CLOSES ON</b>	February 17, 2025

- *In terms of regulation 265 of SEBI (ICDR) Regulation, 2018, the issue shall be open after at least three working days from the date of filing the prospectus with the Registrar of Companies.*
- *In terms of regulation 266(1) of SEBI (ICDR) Regulation, 2018, Except as otherwise provided in these regulations, the public issue shall be kept open for at least three working days and not more than ten working days.*
- *In terms of regulation 266(2) of SEBI (ICDR) Regulation, 2018, In case of a revision in the price band, the issuer shall extend the bidding (issue) period disclosed in the red herring prospectus, for a minimum period of three working days, subject to the provisions of sub-regulation (1) is not applicable to our company as this is fixed price issue.*
- *In terms of regulation 266(3) of SEBI (ICDR) Regulation, 2018, In case of force majeure, banking strike or similar unforeseen circumstances, our company may, for reasons to be recorded in writing, extend the issue period disclosed in the prospectus, for a minimum period of one working day, subject to the provisions of sub-regulation 266(1) of SEBI (ICDR) Regulation, 2018.*

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and SME Platform of BSE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from BSE SME may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCBSs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

#### **MINIMUM SUBSCRIPTION**

In accordance with Regulation 260(1) of SEBI (ICDR) Regulations, this Issue is 100% underwritten, so this issue is not restricted to any minimum subscription level.

As per section 39 of the new Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of issue of prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue Document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 2,000 equity shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

#### **APPLICATION BY ELIGIBLE NRI'S, FPI'S/FII'S REGISTERED WITH SEBI, VCF'S REGISTERED WITH SEBI AND QFIS**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

**AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE.**

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

**RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for the lock-in of the pre-Issue capital of our Company, Promoter's minimum contribution as provided under the chapter titled "*Capital Structure*" on page 64 of this Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. Moreover, there is no material clause of Article of Association that has been left out from disclosure having bearing on the IPO. For details, please refer chapter titled "*Description of Equity Shares and terms of the articles of association*" on page 284 of this Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

**ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM**

As per Section 29 of the Companies Act, 2013 and in accordance with SEBI (ICDR) Regulations, every company making public Issue shall issue securities only in dematerialized form only. Hence, the Equity Shares being Issued can be applied for in the dematerialized form only. Further, it has been decided by the SEBI that trading in securities of companies making an initial public Issue shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

**Furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

**MIGRATION TO MAIN BOARD**

Pursuant to Regulation 277 of SEBI (ICDR) Regulations 2018, An issuer, whose specified securities are listed on a SME Exchange and whose post-issue face value capital is more than ten crore rupees and up to twenty five crore rupees, may migrate its specified securities to the main board of the stock exchanges if its shareholders approve such a migration by passing a special resolution through postal ballot to this effect and if such issuer fulfils the eligibility criteria for listing laid down by the Main Board;

Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Further, BSE has reviewed its criteria for Migration of SME Companies to BSE Main Board dated November 24, 2023 vide notice no. 20231124-55 effective from January 01, 2024 as follows:

Eligibility Criteria	Details
Paid up capital and market capitalization	Paid-up capital of more than Rs. 10 Crores and Market Capitalisation should be minimum Rs. 25 Crores. <i>(Market Capitalisation will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post issue number of equity shares.)</i>
Promoter holding	Promoter(s) shall be holding at least 20% of equity share capital of the company at the time of making application.
Financial Parameters	<ul style="list-style-type: none"> <li>The applicant company should have positive operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years and has positive Profit after tax (PAT) in the immediately preceding Financial Year of making the migration application to Exchange.</li> <li>The applicant company should have a Net worth of at least Rs. 15 crores for 2 preceding full financial years.</li> </ul>
Track record of the company in terms of listing/ regulatory actions, etc.	The applicant company is listed on SME Exchange/ Platform having nationwide terminals for atleast 3 years.
Regulatory action	<ul style="list-style-type: none"> <li>No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals.</li> <li>No Debarment of company, promoters/promoter group, subsidiary company by SEBI.</li> <li>No Disqualification/Debarment of directors of the company by any regulatory authority.</li> <li>The applicant company has not received any winding up petition admitted by a NCLT.</li> </ul>
Public Shareholder:	The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.
Other parameters like No. of shareholders, utilization of funds	<ul style="list-style-type: none"> <li>No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies.</li> <li>No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), Subsidiary Companies.</li> <li>The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to utilization of funds as per the stated objective pursuant to IPO and/or further funds raised by the company, if any post listing on SME platform.</li> <li>The applicant company has no pending investor complaints.</li> <li>Cooling off period of 2 months from the date the security has come out of trade-to-trade category or any other surveillance action.</li> </ul>

## MARKET MAKING

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein M/s. Black Fox Financial Private Limited is the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the BSE SME for a minimum period of three (3) years from the date of listing on the SME Platform of BSE. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to Section titled, ***“General Information- Details of the Market Making Arrangements for this Issue”*** beginning on page 56 of this prospectus.

## NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as Deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this issue.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in ***Salem, Tamil Nadu***.

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 may not be Issued or sold within the United States to, or for the account or benefit of “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations 2018, whereby, an issuer whose post issue face value capital would be more than ten crore rupees, issue shares to the public and propose to list the same on the SME platform of BSE. For further details regarding the salient features and terms of such this Issue, please refer to Sections titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on pages 254 and 263, respectively, of this prospectus.

The present Issue of up to 38,18,000 Equity Shares at an issue price of ₹54/- each aggregating to ₹ 2,060.64 Lakhs by our Company. The Issue and the Net Issue will constitute 28.05% and 26.64%, respectively of the post issue paid up equity share capital of the Issuer Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares</b>	36,26,000 Equity Shares	1,92,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	94.97% of the Issue Size	5.03% of the Issue Size
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of Equity Shares and further allotment in multiples of 2,000 Equity Shares each.  For further details please refer to “ <i>Basis of Allotment</i> ” under Section titled “ <i>Issue Procedure</i> ” beginning on page 263 of this prospectus.	Firm Allotment
<b>Mode of Application</b>	Through ASBA Process or up to Rs. 5.00 lakhs through UPI for Individual Investors	Through ASBA Process Only
<b>Mode of Allotment</b>	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
<b>Minimum Application Size</b>	<b>For Other than Retail Individual Investors:</b> 4,000 Equity Shares at Issue price of ₹54/- each so that the Application Value exceeds ₹2,00,000.  <b>For Retail Individuals:</b> 2,000 Equity Shares at Issue price of ₹54/- each.	1,92,000 Equity Shares @ ₹54/- each
<b>Maximum Application Size</b>	<b>For Other than Retail Individual Investors:</b> 36,26,000 Equity Shares at Issue price of ₹54/- each. (The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.)  <b>For Retail Individuals Investors:</b> 2,000 Equity Shares at Issue price of ₹54/- each.	1,92,000 Equity Shares @ ₹54/- each
<b>Trading Lot</b>	2,000 Equity Shares	2,000 Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
<b>Terms of Payment</b>	<b>100% at the time of application</b>	<b>100% at the time of application</b>

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations. For further details please refer to section titled “*Issue Structure*” beginning on page 261 of this Prospectus.

\*Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 (2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum fifty per cent to retail individual investors; and  
 b) Remaining to: (i) individual applicants other than retail individual investors; and (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

Explanation: If the retails individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retails individual investors shall be allocated that higher percentage. For further information on the Allocation of Net Offer to Public, please refer to chapter titled **“The Issue”** on page no. 52 of this Prospectus.

## WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, our Company wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two (2) widely circulated national newspapers (one each in English and Hindi) and one (1) in regional newspaper where the registered office of the Company is situated.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public Issuing of Equity Shares, our Company will file a fresh Issue document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through this prospectus, which our Company will apply for only after Allotment.

## ISSUE PROGRAMME

<b>Issue Opening Date</b>	February 13, 2025
<b>Issue Closing Date</b>	February 17, 2025
<b>Finalisation of Basis of Allotment with BSE SME</b>	February 18, 2025
<b>Initiation of Allotment / Refunds/ unblocking of ASBA Accounts</b>	February 20, 2025
<b>Credit of Equity Shares to demat accounts of the Allottees</b>	February 20, 2025
<b>Commencement of trading of the Equity Shares on BSE SME</b>	February 21, 2025

**Note:** The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the SME Platform of BSE are taken within 3 working days of the issue closing date, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of the BSE SME in accordance with the applicable laws.

Applications and any revisions to the same will be accepted only between 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form. On the Issue Closing Date when applications will be accepted only between 10:00 a.m. to 4:00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)



## ISSUE PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by Retail Individual Investors through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by Retail Individual Investors 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**”). Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI has increased the UPI limit from ₹2,00,000 to ₹5,00,000 for all the individual investors applying in public issues. All individual Bidders in initial public offerings whose application sizes are up to ₹5,00,000 shall use the UPI Mechanism. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“**T+3 Notification**”), the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”) was made voluntary for public issues opening on or after September 1, 2023, and has been made mandatory for public issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, had introduced certain additional measures for streamlining the process of initial public issues and redressing investor grievances. Subsequently, the SEBI RTA Master Circular consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) and rescinded these circulars to the extent relevant for the RTAs. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). In terms of Regulation 244(5) and Regulation 271 of SEBI ICDR Regulations, the timelines and processes mentioned in T+3 Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and LM shall continue to coordinate with intermediaries involved in the said process.

**Further, SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 has further reduced the time period for refund of applications money from four days to two days from issue closing date viz. initiation not later than 09.30 am on T+2 day (T is issue Closing Date) and completion before 2.00 pm on T+2 day for fund transfer and completion before 4.00pm on T+2 day for unblocking.**

***SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, which came into force for public issue opening on or after May 01, 2022 has decided that all Individual Investors applying in Public Issues where the application amount is upto Rs. 5 Lakhs shall use UPI.***

***Further, as per SEBI circular no SEBI/HO/CFD/DIL2/CIR/P/2022/75 dated May 30, 2022. All ASBA applications in Public Issues shall be processed only after the application money is blocked in the investor's bank accounts. The provisions of the circular shall be for all issues opening from September 01, 2022 onwards.***

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs.100 per day for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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 Prospectus. Further, our Company and the LM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

#### ***Phased implementation of Unified Payments Interface (UPI)***

SEBI has issued the various 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 Retail Individual Investors through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

***Phase I:*** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Investor had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

***Phase II:*** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by Retail Individual Investors through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

***Phase III:*** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

This Issue is mandatorily being made under Phase III of the UPI Mechanism.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to 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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“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 Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Lead Manager, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the Lead Manager will be required to compensate the concerned investor.

## **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI ICDR Regulations, and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance is being offered to Other Investors including QIBs and Non-Institutional Applicants. However, in case of under-subscription in either category, unsubscribed portion shall be allocated to investors in other category subject to valid Applications being received from them at the Issue Price.

Subject to the valid Applications being received at the Issue Price, allotment to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Individual Investors Category where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Individual Investors Category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, 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 Lead Manager and the Stock Exchange.

**The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. Investors should note that the Equity Shares will be Allotted to all successful Applicants only in dematerialised form. It is mandatory to furnish the details of Applicant’s depository account along with Application Form. The Application Forms which do not have the details of the Applicants’ depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants’ PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form.**

## **APPLICATION FORM**

Copies of Application Forms and Abridged Prospectus will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, an electronic copy of the Application Forms and Abridged Prospectus will also be available for download on the website of the Company, Lead Manager and Stock Exchange, BSE ([www.bseindia.com](http://www.bseindia.com)), at least one day prior to the Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. The Retail Individual Investors can additionally Bid through the UPI Mechanism.

All ASBA Bidders must provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of Retail Individual Investors), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Applications made by the Retail Individual Investors using third party bank account or using third party linked bank account UPI ID are liable for rejection. Retail Individual Investors bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Application Form and the Application Form that does not contain the UPI ID are liable to be rejected.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories applying in this issue is as follows:

Category	Colour
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)**	White*
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)**	Blue*

\* Excluding electronic Application Form.

\*\* Application forms will also be available on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)). Same Application Form applies to all ASBA Applicants/ Retail Individual Applicants applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges.

Subsequently, for ASBA Forms (other than Retail Individual Investors using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For Retail Individual Investors 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 Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to Retail Individual Investors, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate Retail Individual Investors (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the LM for analysing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

#### WHO CAN APPLY?

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Application Form and GID for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- i. Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- ii. Applications belonging to an account for the benefit of a minor (under guardianship);
- iii. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Application by HUFs will be considered at par with Applications from individuals;
- iv. Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- v. QIBs;
- vi. NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- vii. Qualified Foreign Investors subject to applicable law;
- viii. Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- ix. Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under the irrespective constitutions to hold and invest in equity shares;
- x. Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- xi. Insurance companies registered with IRDAI;
- xii. Mutual Funds registered with SEBI;
- xiii. FPIs other than Category III Foreign Portfolio Investor;
- xiv. Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Other Investors Category;
- xv. Scientific and/ or industrial research organizations authorised in India to invest in the Equity Shares; and
- xvi. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications should not to be made by:**

- i. Minors (except through their Guardians)
- ii. Partnership firms
- iii. Foreign Nationals (except NRIs)
- iv. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 1933 (the "U.S. Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sales occur.

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 Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

*The information below is given for the benefit of the applicants. Our Company, and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company, and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.*

## MAXIMUM AND MINIMUM APPLICATION SIZE:

### 1. For Retail Individual Applicants:

The Application must be for a minimum of 2,000 Equity Shares and in multiples of 2,000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs 2,00,000. As the application price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, **they can make Application only upto 2,000 Equity Shares.**

### 2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs 2,00,000 and in multiples of 2,000 Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

### 3. Minimum Bid Lot: 2,000 Equity Shares

## ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

As per SEBI ICDR Regulation 268

- a) The issuer shall not make an allotment pursuant to a public issue if the number of allottees in an initial public offer is less than 50 (fifty).
- b) The issuer shall not make any allotment in excess of the specified securities offered 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.

Provided that in case of oversubscription, an allotment of not more than ten per cent. of the net offer to public may be made for the purpose of making allotment in minimum lots.

- c) The allotment of specified securities to applicants other than retail individual investors and anchor investors shall be on proportionate basis within the specified 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 in the offer document: Provided that the value of specified securities allotted to any person, except in case of employees, in pursuance of reservation made under clause (a) of sub-regulation (1) or clause (a) of sub-regulation (2) of regulation 254, shall not exceed two lakhs rupees.
- d) The Authorised employees of the Designated Stock Exchange, along with the Lead Manager and Registrar to the Issue, shall ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

### Notes on Allotment Process

#### Receipt & Validation of Bid data:

- Bid data is downloaded from the stock exchange(s) via SFTP and same is validated with depositories to check for Invalid demat accounts, Invalid client status and PAN Mismatch records.
- Upon completion of the validation, the error records are marked with respective rejection criteria.

#### Collection of FCs and Schedule Data:

- RTA will follow up with all SCSBs and collect the Final certificate confirming the total amount blocked and no. of applications along with schedule data comprising of detailed application wise details with number of shares applied and amount blocked.
- Reconciliation of bid data vs Bank schedule data will be completed, upon which applications without funds blocked, will be removed from application master.
- Once reconciliation of Final certificate with applications/ bids are completed, the final valid data with funds blocked will be taken for allotment process

- Technical rejection process as per the terms of letter of offer will be carried out thereafter and total valid applications will be identified for preparation of basis of allotment

#### Basis of allotment

- Basis of allotment will be prepared category wise, i.e., Retail Individual investors who are applying with value less than Rs. 2 lakhs and High Net worth Individual Investor who are applying with value more than Rs.2 lakhs and Market Maker.
- The applications will be tagged as per above category and considered for basis of allotment in respective category.
- The allocable shares for each category will be as per the offer document, in the proportion of subscription amongst each category, with a minimum allotment of 50% of the net issue to Retail category.
- Within each basis of allotment, the number of applications are pooled based on lot category and proportionate eligibility of allotment of shares for each category calculated as per illustration of HNI basis as shown below:

#### HNI basis: (Example)

**Lot size: 1000 shares**

**Allocable shares as per Prospectus: 75000**

No. of Shares applied for (Category wise)	Number of applications received	Total No. of Shares applied in each category	% to total	Proportionate shares available	Allocation per Applicant (Before rounding off)	Allocation per Applicant (After rounding off)	Ratio of allottees to applicants	No. of successful applicants (after rounding off)	Total No. of Shares allocated/ allotted	Surplus / Deficit [14]- [7]
(1)	(2)	(3) = (1*2)	(4)	(5) = 75000 * (4)/100	(6) = (5)/(2)	(7)	(8)	(9)	(10) = (9) * (7)	(11)
1000	30	30000	26.09	19568	652.26	1000	2:3	20	20000	-432
2000	20	40000	34.78	26085	1304.25	1000	FIRM	20	20000	85
						1000	3:10		6000	
3000	15	45000	39.13	29347	1956.46	1000	FIRM	15	15000	347
						1000	14:15		14000	
		115000		75000						0

#### Allotment Procedure

1. In the event of over subscription in any of the IPO, the lottery system allotment is strictly random and there is absolutely no scope of discretion.
2. Registrar to share the valid data and the reverse application number data with the external auditor, company and the lead Manager, before incorporating drawl of lots/lucky numbers in the RTA database
3. Based on the oversubscription in the respective category (i.e., lot size's), the drawl of lots/lucky no(s) to be shared by the Designated Stock Exchange against each ratio.
4. The Registrar incorporates the drawl of lots/lucky numbers in the RTA Data base, as per the following order.
  - a. Prepare the Net Valid Data (excluding technical rejections, if any)
  - b. Generate each Category wise (lot size wise) Running Serial No. on the following Order
    - i. Share Category (i.e., lot size)
    - ii. Reverse the Application No. (example appl no 12345678 and reversed to 87654321)
    - iii. PAN
  - c. If ration is 2: 5, the 2 lucky numbers in the range will be shared by the designated stock exchange
  - d. The total no. of applications received in this category/lot size will be segregated into buckets of 5 each.
  - e. Every 3rd & 4th application in this bucket will get the allotment from every bucket, assuming that the lucky numbers given by the Designated Exchange are 3 & 4 for this category.
  - f. The process needs to be repeated for all the categories wherever oversubscription, the allotment needs to be done on lottery basis/drawl of lots.
5. The registrar needs to tally the allocation for each category wise with the Basis of Allotment approved by designated stock exchange.
6. The Registrar shares the allotment register with the company's appointed auditor to check the drawl of lots/lucky numbers assigned to correct investors and confirm.

Allotment will be made in consultation with the Designated Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as mentioned above

**The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:**

- As per Regulation 253(2) of the SEBI (ICDR) Regulations 2018, as the Retail Individual Investor category is entitled to minimum fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
- Remaining to Individual applicants other than retail individual investors and other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- The unsubscribed portion in either of the categories specified in (i) or (ii) above may be available for allocation to the applicants in the other category, if so required.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the designated stock exchange.

#### **PARTICIPATION BY ASSOCIATES /AFFILIATES OF LM AND THE SYNDICATE MEMBERS**

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

#### **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company’s paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **APPLICATIONS BY ELIGIBLE NRI’S**

Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Applying on a repatriation basis could make payments through the ASBA process only by blocking the funds for the amount payable on application in their NRE Account or FCNR Accounts, maintained with banks authorised by the RBI to deal in foreign exchange.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by blocking the relevant funds in their NRE or FCNR account, as the case may be. Payment for Application by non-resident Applicants applying on a repatriation basis will not be accepted out of NRO accounts for the full Application amount, at the time of submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).



## **APPLICATIONS BY HUF**

Application by Hindu Undivided Families or HUFs should be in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Application by HUFs will be considered at par with Applications by individuals.

## **APPLICATIONS BY FPI'S**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased upto the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share 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 issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

## **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “Banking Regulation Act”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank’s own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for 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 timebound 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 (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) 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.

## **APPLICATIONS BY SCSB'S**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

## **APPLICATIONS BY SEBI REGISTERED VENTURE CAPITAL FUNDS, ALTERNATIVE INVESTMENT FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI VCF Regulations and the SEBI FVCI Regulations, as amended, inter alia prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only upto 33.33% of the investible funds in various prescribed instruments, including in public offerings.

The 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 venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Applicants including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I or II AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the prospectus with SEBI. However, such equity shares shall be locked in for a period of at least one year from the date of purchase by the VCF, category I or II AIF or FVCI, as the case may.

## **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Applications 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 Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

## **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by Insurance Companies, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the "IRDAI Investment Regulations") are broadly set forth below:

- a) Equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) The industry sector in which the investee company belong to not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) and (iii) above, as the case may be.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000.00 million or more but less than ₹2,500,000.00 million.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

#### **APPLICATIONS BY PROVIDENT FUNDS/ PENSION FUNDS**

In case of Applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof.

#### **APPLICATIONS UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, Eligible FPIs, insurance companies Systemically Important Non-Banking Financial Companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefor.

#### **APPLICATIONS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Application by Systemically Important Non-Banking Financial Companies, certified copy of a) the certificate of registration issued by RBI, b) certified copy of its latest audited financial statement on a standalone basis and a net worth certificate from its statutory auditor and c) such other approval as may be required by Systemically Important Non-Banking Financial Companies are required to be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefor. Systemically Important Non-Banking Financial Companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

*The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this prospectus. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this prospectus.*

#### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)**

Applicants In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

## METHOD AND PROCESS OF APPLICATIONS

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

## TERMS OF PAYMENT

The entire Issue price of ₹54/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

## PAYMENT MECHANISM

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount.

***However, Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage.*** In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of

such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## ELECTRONIC REGISTRATION OF APPLICATIONS

- The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
- The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
- The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries
- The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
- With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sl. No.	Details*
1	Symbol
2	Intermediary Code
3	Location Code
4	Application No.
5	Category
6	PAN
7	DP ID
8	Client ID
9	Quantity
10	Amount

\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields

- With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;

- Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
  9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
  10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
  11. In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
  12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
  13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
  14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
  15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **ALLOCATION OF EQUITY SHARES**

- 1) The Issue is being made through the Fixed Price Process wherein 1,92,000 Equity Shares shall be reserved for Market Maker and 36,26,000 Equity shares (Net Issue) will be allocated on a proportionate basis to Retail Individual Applicants, and Non-Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage and retail individual investors can withdraw or revise their bids till issue closure date.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation where the registered office of the Company is situated.

### **ISSUANCE OF ALLOTMENT ADVICE (CAN)**

- 1) Upon approval of the basis of allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment

Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 2 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

## DESIGNATED DATES

<b>Issue Opening Date</b>	February 13, 2025
<b>Issue Closing Date</b>	February 17, 2025
<b>Finalisation of Basis of Allotment with BSE SME</b>	February 18, 2025
<b>Initiation of Allotment / Refunds/ unblocking of ASBA Accounts</b>	February 20, 2025
<b>Credit of Equity Shares to demat accounts of the Allottees</b>	February 20, 2025
<b>Commencement of trading of the Equity Shares on BSE SME</b>	February 21, 2025

**Note:** The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the SME Platform of BSE are taken within 3 working days of the issue closing date, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of the BSE SME in accordance with the applicable laws

## GENERAL INSTRUCTIONS

### Do's:

- Check if you are eligible as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals. All applicants (other than Anchor Investors) should submit their Bids through the ASBA process only;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to not release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Applications are submitted at the Collection centres only on forms bearing the stamp of the Syndicate or Registered Broker or RTAs or DPs or SCSB (except in case of electronic forms). Ensure that your Application is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the Applicant has a bank account or a UPI ID linked Bank Account, or to a Registered Broker at the Broker Centres or to RTAs or DPs at collection centres and not to our Company.
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account or UPI ID, as applicable) in the Application Form if you are not a Retail Individual Investor bidding using the UPI Mechanism in the Application Form and if you are a Retail Individual Investor using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Application Form.
- Submit revised Applications to the same member of the Syndicate, SCSB or Non-Syndicate Registered Broker, or RTAs or DPs as applicable, through whom the original Application was placed and obtain a revised TRS;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only except as mentioned in *SEBI Circular No.*

SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;

- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than one application from one bank account.
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;

#### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centers for collecting the application shall be disclosed is available on the websites of BSE i.e., [www.bseindia.com](http://www.bseindia.com) and NSE i.e., [www.nseindia.com](http://www.nseindia.com).

#### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.



### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Issue Closing Date;
- Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Issue Closing Date, would be ensured; and
- If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

## **OTHER INSTRUCTIONS FOR THE APPLICANTS**

### **Joint Applications**

In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

### **Multiple Applications**

An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

### **IMPERSONATION:**

*Attention of the application is specifically drawn to the provisions of the sub-section (1) of Section 38 of the companies Act, 2013 which is reproduced below:*

“Any person who

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.
- d) The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending upto 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount.”

## INVESTOR GRIEVANCE

In case of any pre-Issue or post-Issue related problems regarding demat credit/refund orders/unblocking etc., the investors can contact the Compliance Officer of our Company.

## NOMINATION FACILITY TO APPLICANT

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

## GROUND FOR TECHNICAL REJECTIONS

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a Limited Liability Partnership can apply in its own name.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications made using a third-party bank account or using third party UPI ID linked bank account;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 2,000;
- Category not ticked;
- Multiple Applications as defined in this prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and prospectus as per the instructions in this prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals. Application or revision thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by BSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;

- Applications by Applicants, other Retail Individual Applicants, not submitted through ASBA process and Applications by Retail Individual Applicants not submitted through ASBA process or the UPI process;
- Failure of Retail Individual Applicants to validate the request of blocking of Application amount sent by the Sponsor Bank;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- Details of ASBA Account not provided in the Application form;
- In case of Retail Individual Applicants applying through the UPI mechanism, details of UPI ID, not provided in the Application form; etc.

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID and UPI Circular.

APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

#### **NAMES OF ENTITIES RESPONSIBLE FOR FINALIZING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER**

The authorised employees of the Stock Exchange, along with the LM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 3 (three) Working Days of the Issue Closing Date. The Registrar to the Issue may dispatch the Allotment Advice within 3 (three) Working Days of the Issue Closing Date.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC**

- a) The issue is 100% underwritten. Our company has entered into an Underwriting Agreement dated September 06, 2024 with Lead Manager. For Further information, please refer section **“General Information”** beginning from page no 56 of this prospectus.
- b) A copy of prospectus will be filled with the RoC in terms of Section 26 & 32 of Companies Act, 2013.

#### **UNDERTAKINGS BY OUR COMPANY**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 3 (three) Working days of Issue Closing Date.
- 3) That the funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the registrar to the issue by the issuer.
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) That the promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public in accordance with applicable provisions in these regulations.
- 6) That no further issue of securities shall be made till the securities offered through the prospectus are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 19.
- 7) That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
- 8) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to

be listed shall also be informed promptly;

- 9) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;

#### **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested.
- 4) The utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 5) The details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated February 08, 2024 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated February 07, 2024 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. **"INE0TD301017"**

## RESTRICTIONS OF FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the “automatic route”, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “government route”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, 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 Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

RBI has also issued Master Direction- Foreign Investment in India dated January 4, 2018. In terms of the Master Direction, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. 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 Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to consult their legal counsel, to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT 2013  
(COMPANY LIMITED BY SHARES)  
ARTICLES OF ASSOCIATION  
OF  
SHANMUGA HOSPITAL LIMITED\*<sup>1</sup>**

**INTERPRETATIONS**

**Preliminary**

Subject as hereinafter provided the Regulations contained in Table 'F' in the Schedule I to the Companies Act, 2013 shall apply to the Company.

**Interpretation**

**I. 1.** In these regulations—

- (a) “The Act” means the Companies Act, 2013,
- (b) “The Seal” means the common seal of the company.
- (c) “The Year” means 1<sup>st</sup> April to 31<sup>st</sup> March respectively.
- (d) “Seal” means the Common Seal of the Company

**2.** Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

**Public Company**

**3.** As per Section 2(71) of the Companies Act, 2013 “Public company” means a company which—

- a) Is not a Private Company  
Provided that a Company which is a subsidiary of a Company, not being a Private Company, shall be deemed to be a Public Company for the purpose of this Act even where such Subsidiary Company continues to be a Private Company in its articles;

**Share capital and in variation of rights**

**II. 1.** Subject to the provisions of the Act and these Articles, the shares 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. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

*\*1 Altered vide resolution passed at the Extra Ordinary General Meeting dated February 27, 2024.*

2. (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) The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;
- (iii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iv) 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.
3. (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 and on execution of such indemnity as the company deem ad equate, 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 (2) and (3) shall *mutatis mutandis* apply to debentures of the company.
4. 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.
5. (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.
6. (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.
7. 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

8. 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.
9. Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered in compliance with the relevant provisions of Companies Act, 2013 and any other applicable law.

#### 10. DEMATERIALISATION OF SHARES

- I. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialized form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debenture holders/ other security holders with the details of members/debenture holders/ other securities both in materialized and dematerialized form in any medium as permitted by the Act.
- II. Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. 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 records the name of the allottee as the Beneficial Owner of the Security.
- III. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of the Depository as the absolute owner thereof as regards receipt of dividends or bonus on shares, interest/premium on debentures and other securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by the Court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.
- IV. In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.  
 Provided that in respect of the shares and securities held by the depository on behalf of a beneficial owner, provisions of Section 9 and any other applicable section as amended of the Depositories Act shall apply so far as applicable.
- V. Every Depository shall furnish to the Company, information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.
- VI. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act.

#### Lien

11. (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.  
 Every fully paid shares shall be free from all lien and that in the case of partly paid shares the issuer's lien shall be restricted to moneys called or payable at fixed time in respect of such shares.
- (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.



- 12.** 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.
- 13.** (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.  
(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.  
(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 14.** (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.  
(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **Calls on shares**

- 15.** (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.
- 16.** 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.
- 17.** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 18.** (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.
- 19.** (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.
- 20.** 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

21. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.  
(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
22. The Board may, subject to the right of appeal conferred by section 58 decline to register—  
(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or  
(b) any transfer of shares on which the company has a lien.  
(c) Provided however that the Company will not decline to register or acknowledge any transfer of shares 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.  
(d) The common form of transfer shall be used by the Company.
23. The Board may decline to recognise any instrument of transfer unless—  
(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;  
(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and  
(c) the instrument of transfer is in respect of only one class of shares.
24. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:  
Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### Transmission of shares

25. (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.
26. (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.
27. (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 afore said as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
28. 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.

#### **Forfeiture of shares**

- 29.** 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 there after 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.
- 30.** 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.
- 31.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 32.** (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.
- 33.** (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.
- 34.** (i) A duly verified declaration in writing that the Declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.  
(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.  
(iii) The transferee shall thereupon be registered as the holder of the share.  
(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.
- 35.** The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **Alteration of capital**

- 36.** 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.

37. 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.

38. 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.

39. 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.

#### **Capitalization of Profit**

40. (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;

- (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

41. (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 capitalized 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 capitalization, 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 capitalized, 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.

(iv) Capital paid-up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

#### **Buy-back of shares**

42. 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.

#### **General meetings**

43. All general meetings other than annual general meeting shall be called extra-ordinary general meeting.

44. (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.

#### **Proceedings at general meetings**

45. (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.

46. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

47. 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.

48. 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.

#### **Adjournment of meeting**

49. (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**

**50.** 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.

**51.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

**52.** (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.

**53.** 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.

**54.** Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

**55.** 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.

**56.** (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **Proxy**

**57.** 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 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.

**58.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

**59.** 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

60. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

The First Directors of the Company are:

1. **PANNEERSELVAM PALANIAPPAN SHANMUGAM**
2. **PRABU SANKAR PANNEERSELVAM**

61. (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.
62. The Board may pay all expenses incurred in getting up and registering the company.
63. 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.
64. 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.
65. 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.
66. (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.

### 67. MANAGING DIRECTOR(S)/WHOLE TIME DIRECTOR(S)/KEY MANAGERIAL PERSONNEL

The Managing Director or Whole Time Director shall be appointed in compliance with the Provisions of Companies Act, 2013 and any other applicable law in force.

### 68. Powers and duties of Managing Director or whole-time Director

The Managing Director/Whole-time Director shall be subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board's direction.

### Proceedings of the Board

- 69.** (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (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.
- 70.** (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.
- 71.** 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.
- 72.** (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 number to be Chairperson of the meeting.
- 73.** (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
- 74.** (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.
- 75.** (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.
- 76.** 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.
- 77.** 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.

### Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

- 78.** Subject to the provisions of the Act,—
- a. 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;
- b. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.



79. 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

80. (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

81. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
82. 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.
83. (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.
84. (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.
85. 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.
86. (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.
87. 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.

88. 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.
89. No dividend shall bear interest against the company.

Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law.

#### **Accounts**

90. (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.

#### **Winding up**

91. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- a. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the 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.
- b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **Indemnity**

92. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECTION XII: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of the prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of the prospectus delivered to the RoC for filing, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at 51/24, Saradha College Road, Salem, Tamil Nadu, 636007, India, between 10.00 a.m. to 5.00 p.m. (IST) on all working days and will also be available at the website of our company [www.shanmugahospital.com](http://www.shanmugahospital.com) from the date of the prospectus until issue closing date.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time, if so required, in the interest of our Company, or if required by the other parties, without notice to the Shareholders, subject to compliance with the provisions of the Companies Act and other applicable law.

#### A. Material Contracts to the Issue

1. Issue Agreement dated September 06, 2024 entered into among our Company and the Lead Manager.
2. Agreement dated July 11, 2024 entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated February 08, 2024 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated February 07, 2024 entered into among our Company, CDSL and the Registrar to the Issue.
5. Banker to the Issue Agreement January 20, 2025 among our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated September 06, 2024 between our Company, the Lead Manager and the Market Maker.
7. Underwriting Agreement dated September 06, 2024 between our Company and the Lead Manager.

#### B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporations of our Company dated June 26, 2020 and June 06, 2024 issued by Registrar of Companies.
3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated June 14, 2024 and June 21, 2024 respectively, authorizing the Issue and other related matters.
4. Copies of Audited Financial Statements of our Company for six months period ended September 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.
5. Peer Review Auditors Report dated January 29, 2025 on Restated Financial Statements of our Company for six months period ended September 30, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.
6. Copy of Statement of tax benefits dated January 29, 2025 from the Statutory Auditor included in this prospectus.
7. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditor, Legal Advisor to the Issue, Banker to the Issue, Sponsor Bank, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the prospectus to act in their respective capacities.

8. Certificate on KPI's issued by the Statutory Auditor M/s. P P N and Company, Chartered Accountants, vide their certificate dated January 29, 2025.
9. In-principle listing approval dated January 22, 2025 from BSE Limited for listing the Equity Shares on the SME Platform of BSE.
10. Due Diligence certificate dated February 06, 2025 submitted to SEBI after filing the prospectus with RoC.

Any of the contracts or documents mentioned in this prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines 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 prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

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**Palaniappan Shanmugam Panneerselvam**  
Managing Director  
DIN: 08772887

Date: February 06, 2025

Place: Salem, Tamil Nadu

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines 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 prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

**Panneerselvam Prabu Sankar**  
Executive Director & CEO  
DIN: 08772888

Date: February 06, 2025

Place: Salem, Tamil Nadu

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines 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 prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

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**Jayalakshmi Panneerselvam**  
Executive Director DIN: 10692764

Date: February 06, 2025

Place: Salem, Tamil Nadu

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines 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 prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

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**Priyadharshni Dhandapani**

Non-Executive Director

DIN: 10469316

Date: February 06, 2025

Place: Salem, Tamil Nadu



## DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines 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 prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

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**Karuppiah Saravanan**

Non-Executive Director DIN: 10692765

Date: February 06, 2025

Place: Salem, Tamil Nadu

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines 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 prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

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**Gowri Senkkotaiyyan Attur**  
Independent Director  
DIN: 07830578

Date: February 06, 2025

Place: Salem, Tamil Nadu

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines 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 prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

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**Rajkumar Ashwin**  
Independent Director  
DIN: 09217524

Date: February 06, 2025

Place: Salem, Tamil Nadu

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines 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 prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

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**Bhoopathy Akilan**  
Independent Director  
DIN: 10670386

Date: February 06, 2025

Place: Salem, Tamil Nadu

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines 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 prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:**

Sd/-

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**Veera Pratap Reddy Gandluru**  
Company Secretary & Compliance Officer

Date: February 06, 2025

Place: Salem, Tamil Nadu

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines 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 prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

Sd/-

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**Karthick**  
Chief Financial Officer

Date: February 06, 2025

Place: Salem, Tamil Nadu