

Certificate on Financial Indebtedness

Date: November 25, 2024

To:

The Board of Directors

Suraksha Diagnostic Limited

Plot No. DG-12/1, Action Area 1D,
Premises No. 02-0327, New Town,
Rajarhat, Kolkata - 700156

ICICI Securities Limited

ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi, Mumbai - 400 025

Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited)

801 – 804, Wing A,
Building No 3, Inspire BKC,
G Block, Bandra Kurla Complex
Bandra East, Mumbai 400 051
Maharashtra, India

SBI Capital Markets Limited

1501, 15th Floor, A & B Wing,
Parinee Crescenzo Building, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

(ICICI Securities Limited, Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) and SBI Capital Markets Limited are collectively referred to as the “**Book Running Lead Managers**” or “**BRLMs**” in relation to the Offer)

Re: Proposed initial public offering of equity shares of face value of ₹ 2 each (the “Equity Shares”) of Suraksha Diagnostic Limited (the “Company”) and such offering, comprising of an offer for sale of Equity Shares by certain existing shareholders of the Company (the “Offer”)

We, **Manian & Rao**, Chartered Accountants, are an independent firm of chartered accountants, appointed by the Company in terms of our engagement letter dated April 12, 2024 in relation to the Offer. We have received a request from the Company to provide certain confirmations in relation to the loans, advances and working capital facilities from banks/institutions and any other financial indebtedness of the Company.

We have read : (a) the restated consolidated financial statements of the Company as of the end of and for the three months period ended June 30, 2024 and for the Financial Years 2024, 2023 and 2022 (“**Review Period**”), prepared in accordance with the Companies Act, 2013, as amended and the rules framed thereunder, the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**Restated Consolidated Financial Statements**”); (b) relevant records, ledger entries and registers of the Company; (c) documents pertaining to the financial indebtedness of the Company, including, *inter alia*, sanction letters issued by the banks/ financial institutions, loan agreements, deeds of hypothecation, other letters and correspondence between the lenders and the Company; (d) documents pertaining to balance confirmations received from relevant lenders, for the purpose of issuing this certificate (e) minutes of the meetings of the Board of Directors of the Company (the “**Board**”), return of charge filed by the Company with Registrar of Companies (“**Registrar of Companies**”), relevant forms and documents filed with the Registrar of Companies and the Reserve Bank of India and other documents and accounts presented to us, bank statements, relevant statutory registers and the books of accounts as prepared and provided by the management of the Company, trial balance as on June 30, 2024.

Accordingly, we hereby certify that the consolidated financial indebtedness information provided in **Annexure A** is true, fair, accurate, not misleading and without omission of any matter that is likely to mislead and adequate to enable investors to make a well-informed decision.

Further, we confirm that as on date, except as stated in **Annexure A**, there are no other (i) loans or facilities availed by the Company; or (ii) any guarantee extended by the Company; or (iii) loans or facilities availed by the Company from the Promoters or Directors.

We also confirm that, as on the date of this letter, none of the banks or institutions from whom the Company have availed of debt facilities which are outstanding as on June 30, 2024, have accelerated payment of the facility in full or in part on account of default in the repayment in any instalment or interest due or for violation of any other terms of any of the outstanding loans/ debt facilities granted to the Company.

We confirm that the information in this certificate is true, fair, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes(Revised 2016)' issued by the Institute of Chartered Accountants of India. We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in red herring prospectus, prospectus and any other material used in connection with the Offer (together, the "**Offer Documents**") which may be filed by the Company with Securities and Exchange Board of India ("**SEBI**"), BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"), Registrar of Companies, West Bengal at Kolkata ("**Registrar of Companies**") and / or any other regulatory or statutory authority.

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLMs in connection with the Offer and in accordance with applicable law.

This certificate may be relied on by the BRLMs, their affiliates and legal counsels in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when made available to us by the management of the company, in writing, to the BRLMs until the equity shares allotted in the Offer commence trading on the relevant stock exchanges. In the absence of any such communication from us, the BRLMs and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours Sincerely,

For **Manian & Rao, Chartered Accountants**
ICAI Firm Registration No: **001983S**

PALLAVI Digitally signed by
PALLAVI VIJAY
RAO
VIJAY RAO Date: 2024.11.25
12:34:50 +05'30'

Partner: Pallavi V Rao
Membership No. 222182
Peer Review Certificate No. 016272

UDIN: 24222182BKAEQF3385

Encl: Annexure A

CC:

IndusLaw

#1502B, 15th Floor,
Tower – 1C, “One World Centre”,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400013

J. Sagar Associates

One Lodha Place, 27th Floor,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400013

Annexure A

Set forth below are the details of the aggregate borrowings of the Company as of June 30, 2024

(in ₹ million)

| Category of borrowing | Sanctioned amount as on June 30, 2024 | Outstanding amount as on June 30, 2024 |
|---------------------------|---------------------------------------|--|
| Secured (A) | | |
| Fund Based Facilities | 224.68 | 70.73 |
| Non-Fund Based Facilities | - | - |
| Vehicle loans | 6.50 | 4.93 |
| Total (A) | 231.18 | 75.66 |
| Unsecured (B) | | |
| Unsecured borrowings | - | - |
| Total (B) | - | - |
| Total (A+B) | 231.18 | 75.66 |

Principal terms of the subsisting borrowings of the Company:

1. **Interest:** In terms of the facilities availed by the Company, the interest rate typically comprises a base rate plus applicable margin of the specified lender. The spread varies between different facilities, ranging from 6.90% per annum to 10.05% per annum.
2. **Tenor:** The tenor of the term loans (for medical equipment and vehicles) availed by the Company is typically between 12 months to 67 months and the tenor of working capital facilities availed by the Company is typically 12 months to 48 months.
3. **Security:** In terms of the borrowings by the Company where security needs to be created, security is created by way of, among other things,
 - (a) Guarantees by the Promoters, Dr. Somnath Chatterjee and Ritu Mittal.
 - (b) Charge by way of Hypothecation on movable fixed assets, i.e., medical equipment.
 - (c) Charge created in favor of National Credit Guarantee Trustee Company Limited (NCGTC) for providing a corporate guarantee in relation to certain of the outstanding borrowings of the Company.
 - (d) Exclusive charge by way of hypothecation on three months card receivables.
 - (e) Exclusive charge by way of hypothecation on each and all vehicles of the Company.
4. **Prepayment:** : If the Company chooses to pay some or all of the outstanding amount to the lender before its due date by serving notice to the lender, some of the loan agreements may require the Company to pay a pre-payment penalty between 2.00% to 4.00% of the amount paid before it is due. However, in respect of certain loans availed by the Company, it is restricted from pre-paying the loan without prior consent or intimation to the lender.
5. **Repayment:** The facilities are typically repayable on demand with an option for annual review for each of the sub-limits and there may exist certain exclusive provisions of repayment for each of the sub-limits, subject to the facility documentation for each lender.
6. **Restrictive Covenants:** The financing arrangements entail various conditions and covenants restricting certain corporate actions and the Company is required to take prior approval of the lender before carrying out such activities, without which, it would result in an event of default under the financing arrangements. For instance, certain actions prior to which the Company is required to obtain written consent of the lenders before carrying out such activities, including, among others, for:
 - (a) Permitting any transfer of the controlling interest of the Company or make any drastic change in the management set-up of the Company including resignation of Promoters, Directors or any change in the

ownership or control of the Company whereby the effective beneficial ownership or control of the Company shall change.

(b) Entering into any scheme of merger, amalgamation, de-merger, re-arrangement, compromise or reconstruction by the Company or investing in third parties.

(c) Enter into any contractual obligation of a long term nature or, any obligation which in the reasonable assessment of the lender, is detrimental to its interest.

(d) Opening or maintaining any new bank account or similar account with a financial institution.

(e) Undertaking any new project, implement any scheme of expansion/diversification or capital expenditure or acquisition of fixed assets.

(f) Making any changes in the Memorandum of Association and Articles of Association the Company.

(g) Prepayment of loans prior to scheduled date of repayment by the Company.

(h) Approaching the capital market for mobilizing additional resources either in the form of debt or equity.

(i) Creating a pledge of the Promoter's shares in the Company in favour of any bank/NBFC/financial institution.

(j) Changing the practice with regard to remuneration of Directors by means of ordinary remuneration or commission, scale of sitting fees etc. This is an indicative list and there may be additional restrictive conditions and covenants under the various borrowing arrangements entered into by the Company.

(k) Obtain written consent from lender for borrowing any loan from any other bank.

7. ***Events of default:*** Borrowing arrangements entered into by the Company, contain certain events, the occurrence of which, will constitute an event of default, including:

(a) All or any part of the facility is not utilized for the relevant purpose for which it is sanctioned.

(b) The occurrence of one or more events, conditions or circumstances which in the reasonable opinion of the lender, could have a material adverse effect on the Company, assets or the security created.

(c) Any mis-representation, suppression of material records by the Company in respect of its assets and financial status.

(d) The death, insolvency, winding up, failure in business, commission of an act of bankruptcy, general assignment for the benefit of creditors, if the Company suspends payment to any creditors or threatens to do so, filing of any petition in bankruptcy of by, or against the Company or filing up of any petition for winding up of the Company.

(e) Breach of any of the terms, conditions, obligations, covenants and stipulations under the facility document or any other document entered into in relation thereto.

(f) Any change in ownership or management of the Company without the prior consent of the lenders.

(g) If the Company commits any default in the payment of principal or interest or any obligation of the Company to the lender when due and payable.

(h) If a receiver is appointed in respect of the whole or any part of the property/ assets of the Company. This is an indicative list and there may be additional events that might constitute an event of default under the various borrowing arrangements entered into by the Company.

8. ***Consequences of occurrence of events of default:*** In terms of the loan facility, upon the occurrence of events of default, the lenders of the Company may:

(a) Declare the entire loan and outstanding balance, to have become due and payable by the Company to the lender forthwith thereupon, and recall the same from the Company, in which event the Company shall be liable to forthwith pay to the lender the entire outstanding balance;

- (b) Initiate, pursue, defend such proceedings/actions, whether criminal, civil or otherwise in nature, against the Company or any other person, as deemed necessary by the lender, inter alia for recovery of dues and/or to enforce the security or any part thereof.
- (c) Enforce any/all security provided to the lenders in terms of the facility documents including by invoking the guarantee(s) if any furnished;
- (d) Cancel the undisbursed portion of the facility;
- (e) Impose penal interest over and above the contracted rate on the amount in default;
- (f) Declare the commitments to be cancelled or suspended and/or place the facilities on demand or declare all amounts payable by the Company in respect of the facilities to be due and payable immediately;
- (g) Exercise any other rights/remedies available to the lender under any regulations/law or the facility documents.