

Certificate on Key Performance Indicators

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

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 for Sale”, and the “Offer”)

Dear Sir/Madam,

Re: Proposed initial public offering of equity shares (the “Equity Shares”) of Suraksha Diagnostic Limited (the “Company”) and such offering, the “Issue”)

1. This report is issued in accordance with the terms of our engagement letter dated April 12, 2024. We hereby confirm that pursuant to a peer review process conducted by Institute of Chartered Accountants of India (“ICAI”), we hold a certificate bearing no. 016272 issued by the peer review board of the ICAI that is valid till March 31, 2027 and are eligible to certify the financial information as per the requirements of the ICDR Regulations (*defined below*), as amended and as applicable.
2. In relation to the Company and its affiliates, we, Manian & Rao, Chartered Accountants are an independent firm of chartered accountants. We have received a request from the Company to perform certain procedures with respect to certain identified key performance indicators of the Company as on respective dates and for the respective period, set forth in the accompanying statement set out in **Annexure B** as prepared by the Company’s management.
3. In connection with the proposed Issue, the Company is required to obtain a report from an independent chartered accountant that holds a valid peer review certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (“ICAI”), with regard to the key performance indicators as identified by the Company for the purposes of disclosure in the red herring prospectus and prospectus, or any addenda or corrigendum thereto which may be filed by the Company in connection with the Issue (the “Issue Documents”), as required by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”).
4. The accompanying statement (set forth in **Annexure B** hereto), containing details of GAAP measures, Non-GAAP Financial measures and Non-Financial measures (part of financial reporting) as described in the Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Issue Documents issued by the ICAI (“**Technical Guide**”) identified by the Company as at and for the three months ended June 30, 2024 and for the financial years ended March 31, 2024, 2023 and 2022 as per the requirement of Schedule VI, Part A (9)(K)(3) of the ICDR Regulations (the “**KPIs**”, and such statement, the “**Statement**”), is prepared by the Management of the Company, which we have initialed for identification purposes only.

Management’s Responsibility for the Statement

5. The preparation of the accompanying Statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing, and maintaining adequate internal controls that were operating effectively and testing of such controls for ensuring the accuracy and completeness of information

relating to KPIs including such accounting records relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

6. The Management is responsible for:
 - a) Identification, definition, completeness, accuracy, relevance, appropriateness and sufficiency of the KPIs included in the Statement;
 - b) Providing access to the accounting and other records to us including information and explanations required for reporting on the KPIs;
 - c) Maintenance of the accounting and other records in relation to point (a) and (b) above; and
 - d) Compliance with the ICDR Regulations, the Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Issue Documents and other regulatory requirements.

Our Responsibility

7. Pursuant to the requirements of Schedule VI, Part A (9)(K)(3) of the ICDR Regulations, it is our responsibility to obtain limited assurance and conclude as to whether (i) the financial details provided in the Statement are in agreement with the restated consolidated financial information of the Company as at the end of and for the three months ended June 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 proposed to be included in the Issue Documents (“**Restated Financial Information**”) the audited financial statements of the Company for the three months ended June 30, 2024 and for the financial years ended March 31, 2024, Special Purpose financial statements for the financial years ended March 31, 2023 and March 31, 2022 [(the “**Audited Financial Statements**”) and the underlying books of account maintained by the Company used for the purpose of preparation of the Restated Financial Information/ Audited Financial Statements, (ii) non-financial measures provided in the Statement are in agreement with the books of accounts, and other relevant records maintained by the Company; and (iii) the KPIs (including their definitions) included in the Statement are mathematically accurate.
8. The Audited Financial Statements as at and for the three months ended June 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 referred to in paragraph 7 above, have been audited by the current statutory auditors of the Company. The Auditors have issued unmodified opinion vide their reports dated September 16, 2024 for the three months ended June 30, 2024 and July 16, 2024 on the Audited Financial Statements as at and for the financial years ended March 31, 2024 and March 31, 2022 . Further, the current statutory auditors have issued a modified opinion vide their report dated July 16, 2024 on the Audited Financial Statements as at and for the financial year ended March 31, 2023. Further, the auditor has issued emphasis of matter with reference to Note 51 to the Standalone Audited Financial Statements for financial year ended March 31, 2024. Further, referring to Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information, the modifications referred above do not require any adjustments in the restated consolidated financial information.

Their audits of these financial statements were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, & the rules framed thereunder as amended (the “**Act**”). Those standards require that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

9. The Restated Financial Information as at and for the three months ended June 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 referred to in paragraph 7 above, have been examined by the current statutory auditors of the Company on which the current statutory auditors of the Company issued their examination report dated October 21, 2024. Their examination of the Restated Financial Information was conducted taking into consideration the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information and the requirements of Section 26 of Part I of Chapter III of the Act and the ICDR Regulations. Their work was

performed solely to assist the Company in meeting its responsibilities in relation to its compliance with the Act, and the ICDR Regulations.

10. We conducted our examination of the Statement in accordance with the Technical Guide and the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which require that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.
12. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent from a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:
 - a. Obtained understanding from the management of the Company with regard to the KPIs which have been used by the management historically to analyse, track or monitor the performance of the Company;
 - b. Obtained list of KPIs and explanation from the management and compared the specific components of the KPIs as mentioned in the Statement to the source of the KPIs as maintained by the management of the Company, which includes books of account, financial and accounting records, Audited Financial Statements and Restated Financial Information maintained by the Company as described in the paragraph 7 above;
 - c. Performed walkthrough of the process of extracting the identified KPIs by way of virtual meetings;
 - d. Recomputed the mathematical accuracy of the KPIs included in the Statement;
 - e. Procedures specific to each KPI are elaborated in **Annexure A** hereto; and
 - f. Conducted relevant management inquiries and obtained necessary representation.
13. We have no responsibility to update this report for events and circumstances occurring after the respective dates of the reports on the financial statements mentioned in paragraph 7 above. However, in cases of any changes to any of the information/confirmations contained in this report are made available to us in writing by the management, we undertake to communicate, in writing, changes in this report to the Company until the Equity Shares allotted in the Issue commence trading on the Stock Exchanges. In the absence of any such communication from us till the Equity Shares commence trading on the Stock Exchanges, assume that there is no change. Issue, including, in particular, but without limitation, any which may be taken by the Company or book running lead managers and syndicate members appointed for the Issue in the capacity of an investor or in providing investment advice to their clients or the Company.
14. We, however, state that this is not an assurance as to the future viability of the Company or whether the KPIs have been considered / have a bearing for arriving at the basis for Issue price. We further state that our reporting is based on the facts up to the date of this report and we neither give any guarantee nor any assurance that the KPIs reported will continue to perform and/or report in similar manner in future. It should be noted that the KPIs contained in the Statement may not be measures of operating performance or liquidity defined by generally accepted accounting principles. We make no comment about the Company's definition, methodology or presentation of the KPIs in the Statement or its usefulness for any purposes.
15. The KPIs and explanation included in the Statement should not be considered in isolation from, or as a substitute for, analysis of Company's historical financial performance, as reported and presented in the Restated Financial Information of the Company included in the Issue Documents. These KPIs (other than GAAP measures) are not defined in the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, & the rules framed thereunder are not presented in accordance with Ind AS and have limitations. These KPIs may differ from similarly titled information used by certain peer companies, who may calculate such information differently and hence their comparability with the measures used by the Company may be limited. Therefore, such KPIs should not be viewed as substitutes for measures of

performance under Ind AS or as indicators of Company's financial position, financial performance or its cash flows.

Conclusion

16. Based on the procedures performed by us, as mentioned above, and the information and explanations given to us, nothing has come to our attention that causes us to believe that (i) the financial details provided in the Statement are not in agreement with the Restated Financial Information as at and for the three months ended June 30, 2024 and for the financial years ended March 31, 2024, 2023 and 2022, and/or the underlying books of account and other financial and accounting records maintained by the Company used for the purpose of preparation of the Restated Financial Information, as applicable; (ii) non-financial measures provided in the Statement are not in agreement with the books of accounts and other relevant records maintained by the Company; or that (ii) the KPIs included in the Statement are not mathematically accurate.

Restriction on Use

17. This report is addressed to, and provided to, the Board of Directors of the Company for the purposes of the Issue and to comply with the requirements of the ICDR Regulations and should not be used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care if this report is used for any other purpose other than as specified in this report. We also consent to the submission of this report as may be necessary to SEBI, the Stock Exchanges, RoC and to any judicial/regulatory/statutory authority and/or for the records to be maintained by the Book Running Lead Managers in connection with the Issue and in accordance with applicable law. We hereby consent to this report being disclosed, if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.
18. We also consent to our firm's name and the details in this report being included in the Issue Documents. This report can be used, in full or part, for inclusion in the Offer Documents. We also consent to the inclusion of this report as a part of 'Material Contracts and Documents for Inspection' in the Issue Documents and in connection with the Issue, which will be available to the public for inspection and on the website of the Company.
19. This report is issued solely for the limited purpose to comply with the provisions of the ICDR Regulations on KPIs. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India (including in the United States of America), and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by United States of America law and regulation or any other laws other than laws of India.

Yours faithfully,

For Manian and Rao,

Chartered Accountants

ICAI Firms Registration No.: 001983S

PALLAVI Digitally signed
by PALLAVI
VIJAY VIJAY RAO
RAO Date: 2024.11.25
12:37:30 +05'30'

Partner: Pallavi V Rao

Membership No. 222182

Peer Review Certificate No. 016272

Place: Bangalore

UDIN: 24222182BKAEQS1208

CC:

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)

ANNEXURE A

Sl.No	Key Performance Indicators	Procedures performed
1	Revenue from operations	Extracted the revenue from operations amount appearing in the Restated Consolidated Financial Information for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024
2	Restated profit for the year	Extracted the profit for the year/period amounts appearing in the Restated Consolidated Financial Information for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.
3	EBITDA	<p>1) Extracted the details of “(a) to (d)” below from restated consolidated financial information as at and for Fiscal 2022, Fiscal 2023 and Fiscal 2024 and for the three months ended June 30, 2024. EBITDA is calculated based on the below mentioned formula:</p> <p>a) Restated profit/(loss) before taxes for the period/year</p> <p>Add:</p> <p>b) Exceptional items</p> <p>c) Depreciation and amortization expense</p> <p>d) Finance Cost</p> <p>2) Verified the arithmetical accuracy of the formulas used to calculate the EBITDA provided to us by the Company.</p>
4	EBITDA Margin (%)	<p>1) Extracted the details from restated consolidated financial information as at and for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.</p> <p>2) EBITDA Margin is calculated based on the below mentioned formula: EBITDA Margin = (EBITDA divided by revenue from operations) *100</p> <p>3) Verified the arithmetical accuracy of the calculations relating to the EBITDA Margin (%).</p>
5	Return on Equity (%)	<p>1) Extracted the details from restated consolidated financial information as at and for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.</p> <p>2) Return on Equity (%) is calculated based on the below mentioned formula: Return on equity is calculated as restated profit for the year attributable to owners of the parent divided by average equity attributable to owners of the parent.</p> <p>3) Verified the arithmetical accuracy of the calculations relating to the Return on Equity (%).</p>
6	Return on Capital Employed (%)	<p>1) Extracted the details from restated consolidated financial information as at and for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.</p> <p>2) Return on Capital Employed (%) is calculated based on the below mentioned formula: Return on Capital Employed % = [EBIT (i.e., calculated as restated profit for the year before tax expenses and finance costs) divided by capital employed (i.e., total equity plus total borrowings, lease liabilities, deferred tax liabilities excluding Right Of Use Assets and other intangible assets)] *100.</p> <p>3) Verified the arithmetical accuracy of the calculations relating to the Return on Capital Employed (%).</p>
7	Net debt/equity	<p>1) Extracted the details from restated consolidated financial information as at and for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.</p> <p>2) Net debt/equity is calculated based on the below mentioned formula: Net Debt / Equity = Net Debt to Equity is calculated as Net Debt (i.e., Total Borrowings and Lease Liabilities - Cash and Bank Balances) divided by Total Equity</p> <p>3) Verified the arithmetical accuracy of the calculations relating to the Net debt/equity.</p>

8	Average revenue per patient (in ₹)	<p>1) Extracted the details of revenue from operations from restated consolidated financial information as at and for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.</p> <p>2) Obtained the extracts of number of patients from the revenue register of the company for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024. and for the three months ended June 30, 2024.</p> <p>3) Average revenue per patient (in ₹) is calculated based on the below mentioned formula: Average revenue per patient = Revenue from operations divided by the number of patients served.</p> <p>4) Verified the arithmetical accuracy of the calculations relating to the Average revenue per patient (in ₹).</p>
9	Average revenue per centre (in million)	<p>1) Extracted the details of revenue from operations from restated consolidated financial information as at and for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.</p> <p>2) Obtained the extracts of number of centres from the revenue register of the company for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.</p> <p>3) Obtained MIS from the company for number of centres for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.</p> <p>4) Average revenue per centre (in million) is calculated based on the below mentioned formula: Average revenue per Centre = Revenue from operations divided by number of Centres.</p> <p>5) Verified the arithmetical accuracy of the calculations relating to the Average revenue per centre (in million).</p>
10	EBITDA per patient (in ₹)	<p>1) Extracted the details from restated consolidated financial information as at and for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.</p> <p>2) Obtained the extracts of number of patients from the revenue register of the company for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.</p> <p>3) EBITDA per patient (in ₹) is calculated based on the below mentioned formula: EBIDTA per Patient is calculated as EBITDA divided by the number of patients served</p> <p>4) Verified the arithmetical accuracy of the calculations relating to the EBITDA per patient (in ₹).</p>
11	Number of Tests per patient	<p>1) Obtained the extracts of number of patients from the revenue register of the company for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.</p> <p>2) Obtained the extracts of number of tests from the revenue register of the company for Fiscal 2022, Fiscal 2023, Fiscal 2024 and for the three months ended June 30, 2024.</p> <p>3) Number of Tests per patient is calculated based on the below mentioned formula: Number of tests per patient visit is calculated as number of tests divided by number of patients served</p> <p>4) Verified the arithmetical accuracy of the calculations relating to the Number of Tests per patient.</p>

ANNEXURE B

Suraksha

Clinic & Diagnostics

Details of KPI as at/for the three months period ended June 30, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 :

KPIs	Unit	Jun-24	Fiscal 2024	Fiscal 2023	Fiscal 2022
Unit					
Number of tests per patient ¹	Unit	5.58	5.26	4.65	2.95
Revenue generated from East India	%	100	100	100	100
B2C revenues	%	93.48	93.83	96.01	95.56
B2B revenues	%	6.52	6.17	3.99	4.44
Revenue from radiology	%	46.52	46.03	44.25	31.24
Revenue from pathology	%	49.75	53.30	53.89	35.71
Revenue from COVID-19 tests	%	0.03	0.18	1.86	33.05
Revenue from Doctor Consultancy	%	3.69	0.49	-	-
Number of Centres	Unit	49	48	43	41
Number of Laboratories	Unit	9	9	8	7
Number of NABL accredited labs	Unit	3	3	3	3
Number of patients served	Unit in million	0.28	1.14	1.11	1.69
Number of patients served per centre	Unit	5,776	23,701	25,834	41,309
Number of tests performed	Unit in million	1.58	5.98	5.17	4.99
Number of Small centres	Unit	23	23	19	18
Number of Medium centres	Unit	11	10	10	10
Number of Large centres	Unit	13	13	12	12
Number of Private public partnerships	Unit	2	2	2	1
Customer touch points					
- Number of Centres	Unit	49	48	43	41
- Collection Centres	Unit	161	142	123	111
- Company Owned Collection Centres	Unit	5	4	8	2
Total	Unit	215	194	174	154
Number of doctors	Unit	278	283	234	186
Number of CT machines	Unit	24	24	23	23
Number of MRI machines	Unit	13	13	12	12
Financial					
Revenue from operations ¹	(₹ in million)	607.32	2,187.09	1,901.34	2,231.93
Restated profit for the year ²	(₹ in million)	76.67	231.27	60.65	208.24
EBITDA ³	(₹ in million)	217.21	736.18	474.79	652.53
EBITDA Margin (%) ⁴	%	35.77	33.66	24.97	29.24
Return on Equity (%) ⁵	%	4.33	14.09	4.32	15.38
Return on Capital Employed (%) ⁶	%	6.32	21.46	9.05	23.11
Net debt/equity ⁷	-	0.16	0.20	0.27	0.37
Average revenue per patient(₹) ⁸	(₹)	2,146.01	1,922.44	1,711.58	1,317.81
Average revenue per centre (mn) ⁹	(₹ in million)	12.39	45.56	44.22	54.44
EBITDA per patient (₹) ¹⁰	(₹)	767.53	647.10	427.40	385.28
Return on Net Worth ¹¹	%	4.33	14.09	4.32	15.38
Net asset value per Equity Share (in ₹) (Basic & Diluted) ¹²	(₹)	35.09	33.66	29.25	27.36
EPS (in ₹) (Basic and Diluted) ¹³	(₹)	1.49	4.43	1.22	3.91
Face Value Per Share (in ₹)	(₹)	2	2	2	2

Suraksha Diagnostic Limited

Head Office: 12/1, Premises No. 02-0327, DG Block, Action Area 1D, New Town, Kolkata - 700156.

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^ Number of tests per patient visit is calculated as number of tests divided by number of patients served

1. Revenue from Operations = Revenue from Operations
2. Restated profit for the year = Profit after Tax
3. EBITDA = EBITDA is calculated as restated profit for the year plus Exceptional items, tax expenses, finance costs, depreciation, and amortization expense.
4. EBITDA Margin = EBITDA Margin is the percentage of EBITDA divided by revenue from operations
5. Return on Equity % = Return on Equity is calculated as restated profit for the year attributable to Owners of the Parent divided by average equity attributable to Owners of the Parent
6. Return on Capital Employed % = Return on Capital Employed is calculated as a percentage of EBIT (i.e., calculated as restated profit for the year before tax expenses and finance costs) divided by Average capital employed (i.e., total equity plus total borrowings, lease liabilities, deferred tax liabilities excluding Right Of Use Assets and other intangible assets).
7. Net Debt / Equity = Net Debt to Equity is calculated as Net Debt (i.e., Total Borrowings and Lease Liabilities - Cash and Bank Balances) divided by Total Equity
8. Average revenue per patient is calculated as revenue from operations divided by the number of patients served.
9. Average revenue per Centre is calculated as Revenue from operations divided by number of Centers
10. EBITDA per Patient is calculated as EBITDA divided by the number of patients served
11. Return on Networth % = Return on Networth is calculated as restated profit for the year attributable to Owners of the Parent divided by average equity attributable to Owners of the Parent
12. Net asset value per Equity Share (in ₹) (Basic & Diluted) = Net asset value per share is calculated by dividing Total Equity attributable to Owners of the Parent by average number of equity shares outstanding during the year and potential additional equity shares outstanding during the year.
13. EPS (in ₹) (Basic & Diluted) = Earning per share is calculated by dividing profit for the year attributable to the Owners of the Parent by dividing average number of equity shares outstanding during the year and potential additional equity shares outstanding during the year.

For Suraksha Diagnostic Limited



Amit Saraf

Chief Financial Officer



Suraksha Diagnostic Limited

Head Office: 12/1, Premises No. 02-0327, DG Block, Action Area 1D, New Town, Kolkata - 700156.

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