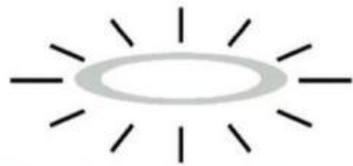




Briefing Document

**SRL Diagnostics Lab Launch: KRIMS Hospital, 275 Central Bazaar Road,
Ramdaspath, Nagpur, Maharashtra**

Day and Date: Wednesday, January 20, 2016



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Event Flow: Nagpur lab Launch

- 04:00pm – 04:15pm** Media registration at the venue
- 04:15pm – 04:20pm** Welcome address by SRL Diagnostic's spokesperson talking about the purpose of the 'Press Conference'
- 04:20pm – 04:30pm** Brief by SRL Diagnostic's spokesperson on lab introduction, lab amenities/ facilities, further plans etc
- 04:30pm– 04:40pm** Brief by KRIM's Hospital spokesperson on joining hands with SRL Diagnostics, benefits of tying up, common diseases of the city, number of diagnostics required/ done in a month etc.
- 04:40pm – 05:10 pm** Q&A session with the media
- 05:10pm – 05:15 pm** Photo opportunity
(*Spokespersons shaking hands*)
- 05:15pm onwards** Invite media for High- Tea
- Post High- tea media gifts are distributed.

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Draft Press Release:



SRL Diagnostics and KRIMS Hospital jointly brings state-of-the-art pathology laboratory in Nagpur

- All the 22,000 possible tests on human body are available in this SRL Diagnostics lab

Nagpur, January 20, 2016: SRL Diagnostics Limited, the largest diagnostics network in India, introduces the citizens of Nagpur to its state-of-art laboratory located at KRIMS hospital. With an investment of Rs 60-70 lakhs, SRL lab is equipped with high tech equipments to provide solutions with ethical standards and care. This is the only lab in the city that provides all the possible 22,000 tests on human body under one roof. The company has a robust presence in the state with 25 number of labs and aims to increase its centre by many more by the end of 2016.

The SRL lab at KRIMS hospital is headed by Dr. Komal Galani and is equipped to conduct tests with advanced and unique technologies, ranging from routine to specialized tests. Spread over an area of 1500 sq. feet, SRL lab brings world class testing facilities to the city, giving the most accurate and faster results. This lab also boasts of superior reliability of two-level reporting and has specialised trained professionals for oncology (Blood & Tissue cancer). SRL is the first organised player promoting preventive healthcare system in Nagpur.

Nagpur is located at the exact centre of the Indian peninsula, in the state of Maharashtra and has a very tropical and dry climate with people majorly suffering from diseases like allergy, pneumonia, fluid in the lungs, respiratory diseases, hypertension, blood pressure etc. The city needs superior quality testing and diagnosis facilities to combat the prevalent health issues pertaining to the region. SRL Diagnostics with its well established name in performance and reliability is here to offer even better care to patients than ever before.

On the occasion, Mr Sanjeev Vashishta, CEO SRL Diagnostics, said, *“We are pleased to dedicate our new state-of-the-art pathology lab to the people of Nagpur. It is a new-age diagnostics set up, manned by skilled workforce offering quality testing and diagnosis facilities within time. With SRL’s own pathology lab setup, the company has further strengthened its presence as a leading diagnostic services provider in the country.”*

Dr. Ashok Arbat, founder Chairman & Managing Director KRIMS Hospital said, *“We are proud of our collaboration with SRL Diagnostics and anticipate significant gains, both to the hospital at large and to the patients in the Nagpur city as well as entire Vidharbha region and adjoining states. With this, we have brought in the most advanced world class pathology service to our centre and are certain to serve patients with the best treatment enabled by accurate diagnostic results”*

To provide quick and convenient reporting, SRL Diagnostics also provides test reports to the doctors and patients on a click of button through their website. It also provides home collection services by qualified and trained Phlebotomists. The company employs skilled manpower who undergoes the highest level of on the job training at SRL Reference Labs.

SRL consistently follows the best of National and International Quality protocols, thereby ensuring accuracy of every test report. In keeping with SRL reputation, the lab will offer quality diagnostics services ranging from

basic blood counts, blood sugar tests, and liver function tests to the more advanced tests pertaining to Biochemistry, CLIA Hematology, Microbiology, Clinical Pathology & Cytopathology and Serology at competitive prices. The lab is operational through-out the year (24x7) including Sundays and holidays.

About SRL Diagnostics

SRL is the largest Diagnostics Company in India having an impressive 'Reach', providing superior quality diagnostics services to its customers through a very efficient network of labs and collection points.

The vision to create SRL diagnostics was driven by the philosophy to provide high quality accurate tests/ outcomes at affordable prices to the masses. SRL is known for high ethical standards synonymous with 'TRUST' and each and every constituent of 'Team SRL' follows immaculate value system.

SRL Diagnostics has *306 networking laboratories, including *11 Reference Labs, 4 Centers of Excellence, *12 radiology/imaging centers, and a footprint spanning over 6900 collection points. The company has large labs in Dubai, Sri Lanka and Nepal, and also about 58 collection points in various countries outside India. SRL Diagnostics is the veritable pioneer of medical diagnostics in India. Established in 1995, the diagnostic center has been imbued with a mission to deliver Gold Standard Diagnostic services, both in the field of Laboratory Medicine and Radiology including high-end Imaging services.

SRL has the most Accredited Lab Network in India comprising of 39 NABL accredited labs and 4 CAP accredited labs. SRL continues to revolutionize diagnostic services in India by ushering in the most specialized technologies and innovative services.

Its Research & Innovation division is ISO certified and was the first lab in the Private Sector was recognized by the Government of India's Department of Scientific and Industrial Research. SRL's wide range of tests provides quality diagnostic, prognostic and monitoring services to other path labs, hospitals and patients. It also provides services of testing samples for the Multinational and Indian Pharmaceutical companies/ CROs undertaking Phase III/ IV Clinical Trial work, thereby supporting their international regulatory submissions.

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TARGET MEDIA LIST

Activity	Publications	Venue	Time
Media Round Table	<ul style="list-style-type: none"> • Punya Nagri • Nava Bharat • Deshonnati • Sakal • The Hitavada • Lokshahi Varta • Tarun Bharat • National Sandesh • Loksatta • Vidyapan ki Duniya • Yugdharma • Nagpur Post • Mahaviderbha • Rashtrprakash • Mahasagar • Viderbha Ki Baat • Yuva Rashtra Darshan • Rashtradoot • Gaurav Garima <p>Local Channels</p> <ul style="list-style-type: none"> • GTPL • IN BTP CHANNEL • UCN 	KRIMS Hospital, 275 Central Bazaar Road, Ramdaspath, Nagpur, Maharashtra 440010	4 PM -6 PM

Key Messages

- SRL is the largest Diagnostics Company in India having an impressive 'Reach'
- SRL provides superior quality diagnostics services to its customers through a very efficient network of labs and collection points.
- SRL Diagnostics has *300 networking laboratories, including *11 Reference Labs, 4 Centers of Excellence, *12 radiology/imaging centers, and a footprint spanning over 6900 collection points.
- SRL has the most Accredited Lab Network in India comprising of 39 NABL accredited labs and 4 CAP accredited labs.
- SRL continues to revolutionize diagnostic services in India by ushering in the most specialized technologies and innovative services.
- SRLs Research & Innovation division is ISO certified and was the first lab in the Private Sector recognized by the Government of India's Department of Scientific and Industrial Research.

Talk Points:

Nagpur Lab

- SRL Diagnostics Limited, the largest diagnostics network in India introduces its state-of-art laboratory located at KRIMS hospital in Nagpur
- With an investment of Rs 60-70 lakhs, SRL lab is equipped with high tech equipment's to provide most accurate and faster results
- The lab is headed by Dr. Komal Galani
- This is the only lab in the city that provides all the possible 22,000 tests on human body under one roof
- This lab also boasts of superior reliability of two-level reporting and has specialised trained professionals for oncology (Blood & Tissue solid cancer).
- Altogether, SRL has 25 labs in Maharashtra and the number will further increase this year.
- To provide quick and convenient reporting, SRL Diagnostics also provides test reports to the doctors and patients on a click of button through their website
- It will also provide home collection services by qualified and trained Phlebotomists.
- The lab is operational all throughout the year (24x 7) including Sundays and all holidays.

Growth story of the company

Growth points of sales, number of collections center, number of labs and expansion domestic / international. Additional information on other key areas like logistics and retailing

- SRL is growing at ~ 20% YOY (last 2 years) on the revenue front. Growth of over 50% on the IBITDA front
- ~ 5700 Collection Points
- ~ 275 networking labs
- Expansion-
 - SRL is present in 500 cities/ towns of India covering over 50% of the total districts of India. The company is embarking on an ambitious plan to have maximum coverage in the domestic market
 - At the moment, the company has a capacity utilization of a little over 50%. Expansion of reach through opening more collection points + introduction of new tests would help in filling the capacity at insignificant cost/investment
 - While substantial focus will remain on the Indian market, the company is spreading its wings in select countries of Africa such as Congo, Kenya and Nigeria. The company is also looking at possible tie ups in CIS countries, Middle East and South East Asia
- Logistics- running a large network as SRL entails excellence in logistics. SRL has strong logistics teams which ensure
 - The consumables, reagents, packaging materials reach well within time to all the labs and collection centers. To maintain high quality standards, SRL procures everything centrally and sends it across to all labs and collection points
 - We ensure that the samples are collected from all the locations, collection points etc and taking them to the testing points/ labs within the designated time frame. Today 60% of the samples are delivered to the labs in 6 hours and 100% of the consignments are temperature controlled. Today, SRL makes use of all the modes of transport i.e

Road, Rail and Air. At the local level, riders pick up the samples on 3 to 4 occasions per day from various collection points

- Retailing- the diagnostics industry is per se 3 in 1, where, to be effective, the operation has to be as good in Healthcare as in Retailing and Logistics. Managing 5300 collection points successfully is a testimony to the retail prowess. Added to this, is SRL's superiority in reaching out to the customers in the form of its 'Home Collection' initiative

Details on current status of the regulation

- Unfortunately, the diagnostics industry in India is not regulated at the moment. It is the hour of the need if we want to provide quality services to the masses. Good quality diagnosis will help in accurate prognosis and early and effective treatment. The government should look at making accreditation mandatory for the diagnostic service providers

Collaboration with the Himachal Pradesh Government

- The Memorandum of understanding between SRL Diagnostics and HP Government was signed on September 13, 2013, to set up 23 labs in state of HP
- SRL to perform tests at the price at par with government run labs and provide services when hospital labs stops functioning (12 noon to next day 9.00 am)
- According to the current financial year, the labs have conducted tests of 4, 18, 603 patients. The total number of tests done are 13,38,434
- It was found that Tuberculosis and Cancer are two major diseases in the state
- SRL has technology and the capacity to provide diagnostic, prognostic as well as therapeutic lab parameters for treating the infectious diseases/tumours and life style diseases
- Initiatives by SRL Diagnostics for the locals of the region
 - Conducted health check camps for senior citizens in Kullu
 - As per state & national health programmes, tests are being offered to BPL as well as pregnant fem/infants (JSSK: Janani Shishu Suraksha Karyakram)
 - The national and state health programmes are integrated with Scope of services of SRL
- As per the new developments for the future:
 - SRL has planned NABL accreditations for Mandi, Tanda & IGMC
 - A scientific session in CME planned at Tanda. More CMEs/RTMs planned for the doctors
- Pricing Quotient: SRL Diagnostics provides lab facilities in HP labs at very nominal Government/RKS prices. For tests which are not covered under RKS/Govt. prices, SRL offers 10% discount on CGHS prices or 40 % discount on SRL MRP prices
- SRL's services are available round the clock
- All SRL labs has the access to reference labs of Gurgaon & Mumbai which helps the lab to conduct any sort of tests including high end esoteric tests also
- SRL labs have NABL/CAP accreditations and few HP labs will also be going for the same. As of now none of HP labs, private or government labs are accredited
- SRL has a good logistical network across the state

- SRL is the only authorised private lab to conduct tests like swine flu. The lab has tied up with various state governments like Rajasthan to conduct the tests
- SRL has hired around 150 employees and has offered employment to the residents of the state

Expansion plans in Congo

SRL has recently tied up with a local promoter in Congo where SRL will be setting up/ establishing, operating and running 5 high end diagnostic labs (both Radiology and Lab Medicine) in the Democratic Republic of Congo (DRC). This is a unique model association where the investment would be made by the local promoter and SRL will get its remuneration in the form of operational and management fee.

Growth opportunities in India and International for diagnostics

- SRL has a domestic market focusing at providing the affordable diagnostics facilities
- International market focuses at
 - Opportunistic and Asset light in Africa, CIS countries/ South East Asia and Middle East
 - Further, SRL is strengthening its base in getting the samples from various countries for testing in India
- Expansion plans in Middle East, Far East, Kenya and Nigeria- (explained in Point 1: Expansion plans)

Growth as per pathology , radiology and wellness

Today, Pathology constitutes 79% of SRL's business; Radiology is 16% and 5% is from Wellness (Preventive health check) and CT Testing. As people are getting more and more educated and discerning, Preventive Health Check is expected to grow rapidly.

Initiatives under preventive healthcare

SRL carries out Health camps and promotes preventive healthcare via mass media like extensive leaflets activity (hand to hand distribution and at the doorsteps of consumers), radio, social media and PR.

Details on PG Courses run by Universities under SRL experts

- The R&D division at SRL is the first division of any Private lab to be recognized by DSIR (Department of Science and Industrial Research)
- R&D has over 55 publications in peer reviewed journal
- We are recognized by the Mumbai University to conduct the following courses
 - PhD in Biotechnology (Mumbai University)
 - MSc by Research (Biotechnology, Microbiology, Biochemistry)- Mumbai University
 - Fellowship in Molecular Pathology (recognized by Maharashtra University of Health Sciences)

Details on Huge market in CIS countries

Currently, there is less availability of high end diagnostics technology in the CIS countries, thereby extending availing the same from the western countries, at high price points. SRL has a huge opportunity to enter these CIS countries by offering the best of technology, quality services, professionalism, with a price advantage.

Industry Overview

Market Size

- The overall healthcare industry scenario can be said to be upbeat. It is directly influenced by the growing economy, new investment avenues, the high incidence of lifestyle disorders, and a large, talented and cost effective, young workforce, coupled with the large pool of experienced consultants. Importantly, the sectors that are benefitting the most are hospitals, pharmaceuticals, medical devices, and diagnostics and associated pathological laboratories.
- The Indian government, on its part is promoting the sector through positive regulations such as the introduction of the Health Bill, which aims to bring together independent bodies like the Medical Council of India (MCI), Dental Council of India (DCI), Pharmacy Council of India (PCI) and the Nursing Council of India (NCI) under one umbrella.
- The government is also increasing public expenditure in healthcare from just over 1% of the GDP to 2.5% of the GDP. It is also boosting other allied activities such as medical tourism to increase the revenue in the sector, as well as promoting private-public partnerships in the area of R and D, thereby making the overall atmosphere conducive to investments by foreign companies in the sector.
- The Indian diagnostics sector has been witnessing immense progress. Major technological advancements and higher efficiency systems has taken the sector to new heights. Advanced cutting-edge technologies are being used to understand disease prognosis, thereby strengthening the sophistication level of the participants in the sector.
- Diagnostic medical imaging is one of the most rapidly growing fields in the Indian medical devices market. While nuclear imaging is the fastest growing area in the Indian imaging market, the diagnostic lab services are also growing at a fast pace, particularly in the unorganized sector. The segment's growth is expected to be fueled by the growing demand for automated diagnostics.
- The Indian diagnostics market can be broadly divided into equipment, reagents and services. The service sector is largely unorganized, with the majority of players being clustered in the suburbs and metros. However a clear and structured format is being established in order to have better regulations and proper definition for the market. The size of the Indian in vitro Diagnostics (IVD) market is estimated to be 531 m USD in 2011; by 2016 it is expected to expand to approximately 900 m USD, growing at an annual growth rate of 18% as per Frost and Sullivan.

Investments

- The hospital and diagnostic centres attracted foreign direct investment (FDI) worth US\$ 2,793.72 million between April 2000 and January 2015, according to data released by the Department of Industrial Policy and Promotion (DIPP). On the back of continuously rising demand, the hospital services industry is expected to be worth US\$ 81.2 billion by 2015.
- Temasek Holdings Pte Ltd has acquired the entire 17.74 per cent stake of Punj Lloyd Ltd in Global Health Pvt Ltd, which owns and operates the Medanta super specialty hospital in Gurgaon, Haryana. Private equity firm Carlyle Group LP is nearing an agreement to acquire Johnson & Johnson's ortho clinical diagnostics unit, four people familiar with the matter said on Monday, in a deal expected to be worth around \$4 billion.
- Apollo Health and Lifestyle Ltd (AHLL), a wholly-owned subsidiary of Apollo Hospitals Enterprise, has acquired Nova Specialty Hospitals at an estimated cost of Rs 135-145 crore (US\$ 21.71-22.32 million).

Need of better diagnosis in India

- Industry experts cite emergence of the country as a preferred global R&D hub, expansion of the clinical trials market, opening up of the health insurance industry for privatization, consolidation amongst organized players, increased health awareness and quality consciousness in urban India resulting in an increased test prescription rate and Public-Private Partnerships (PPP) as the major reasons for the boom.
- The importance of the new innovations in preventive healthcare in India can be gauged that with a population of 1.2 billion the country is among the fastest growing economies in the world. Despite of the country's fast economic growth, it still remains a country of opposites. Roughly 70 percent of the country's population resides in the rural areas with limited access to healthcare.
- With a compound annual growth rate (CAGR) of 18%, IVD has emerged as one of the most profitable markets in the Indian healthcare industry. Importantly, in the coming years there will be likely increase in the number of health insurance policies. Therefore, more and more health insurance companies will coordinate with the various diagnostic labs.
- Although many diagnostic tests are available for most diseases, still, many more are needed. For example, there is an urgent need for good and reliable diagnostics for many communicable diseases like tuberculosis, malaria, dengue, hepatitis B and C. For tuberculosis, a new test is available – the GeneXpert, which is a very good test and can even detect resistance. But even this is currently plagued by the high cost, which is preventing its introduction in the public health program in India.
- Therefore, diagnostic tests not only need to be “available”, but they also need to be “affordable” and “accessible” in order to be able to make a real impact. It should be remembered that most of the people in urgent need of a diagnostic test are very poor, especially those in the developing countries. Therefore, innovative funding mechanisms need to be in place so that these tests can be made available to those who need them most.
- The pathology industry could become the Indian pharmaceutical industry's most successful growth story. But the question is whether the Indian government gets to grips with the outstanding issue of liability before Indians miss this window of opportunity and another outsourcing destination country is established by a very competitive industry desperate to save costs.

India becoming preferred destination for diagnostic services

- India is fast becoming the preferred destination for high-end pathology and diagnostic services. Many foreign medical services companies are outsourcing their specialized laboratory tests to India.
- It is proving to be a very profitable win-win situation, with India reaping the benefits of the new business and the foreign medical companies saving huge sums of money on lab fees. Pathology is becoming the next big outsourcing vehicle in India
- An increasing number of hospitals from the UK, US, Middle East and neighboring countries are tying up with Indian diagnostic centers to conduct laboratory tests. For the foreign hospitals and medical companies, it can amount to savings of up to 40 per cent, while for India, it means more revenue
- More and more tests are coming from overseas to India for testing from developing as well as developed countries. Developing countries are outsourcing to us due to non-availability, whereas developed countries are sending samples because of a cost-saving factor
- India is in a position to do the same test with the same quality at a lesser cost because of the availability of the same technology in India, lower manpower cost and low insurance cost
- At the moment, only specialized tests in the areas of genetics, cancer and infectious diseases are being outsourced, but pathologists feel the business is set to grow
- India has good platforms, very good skilled people... cost wise, probably something which has happened at the call centers, a similar revolution has been brought into India, but yes, there is a need to keep a check on the quality, not everyone can be allowed to do that because a sample means a patient's life and you can't play with life
- The healthcare industry has welcomed Budget proposals to increase tax exemption limits for health insurance cover

Future Prospects

- 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 population. Besides, Indian medical service consumers have become more conscious towards their healthcare upkeep.
- The diagnostic service market of India is one of the profitable market segments, owing to rising middle class population, increased disposable income and expansion of healthcare infrastructure in Tier I and Tier II cities.
- Increasing need for integrated healthcare services and rising awareness have also supported the growth of this industry
- There is active participation of the leading players that have propelled the growth of this industry. Considering all these factors, Indian Diagnostic Service Market is projected to grow at a CAGR of around 25% by 2017.
- There remains a huge opportunity for expansion in rural regions. Market players have been expanding their services to these markets via opening up sample collection centers and satellite laboratories. Moreover, the growth of the diagnostic service industry is hindered by the lack of regulations, which has been taken care of for the growth of the industry
- The industry needs investments to yield:
 - Economic growth leading to higher disposable incomes
 - Increased public spending in the healthcare sector
 - Increased penetration of the health insurance

Expected Questions

- 1) What is the total investment of SRL in Nagpur Lab?
- 2) Can you share the list of the tests available at Nagpur lab?
- 3) How will Nagpur lab be different from other labs?
- 4) What all diseases are major focus for testing at Nagpur lab since the state has very dry and tropical climate?
- 5) Does Nagpur labs also gives home collection services?
- 6) Are you coming up with more labs in Nagpur or Maharashtra. If yes then where all?
- 7) How many total number of Labs does SRL Diagnostics has in India?
- 8) How is the industry performing currently?
- 9) How has been your revenue/ profits in last year?
- 10) As per industry estimates, what makes you one of the leading global diagnostics chain?
- 11) SRL Diagnostics is perceived as very high niche brand. Do you have plans to open centers for middle and lower class segment?
- 12) We have heard about SRL's PPP in UP. Have you entered into any such agreement with UP Govt?
- 13) Do you have plans to come out with IPO? By when?
- 14) Are you convinced with Govt expenditure in Healthcare sector in India? Please share your thoughts.

MEDIA DO'S AND DON'TS

Some key factors to be kept in mind while speaking to a journalist:

Do's

- Before the interaction, it is important to decide upon the key messages that needs to be delivered
- It needs to be ensured that opportunities are created to deliver the key messages
- This may mean seizing the initiative. It is not about responding to the questions but giving more details and information garnering the interest of media
- In case of any controversial question, the answer needs to be driven in a way that it delivers a positive image about the company
- If the media asks a question which could not be answered at that moment, but the information is available, convey to the journalist that you will provide the information later. Advisory will conduct all necessary follow up immediately
- It's alluring to believe that the interview is for a relatively non-controversial feature and you can be relaxed about what you say. But, if the feature writer thinks he is on the track of something interesting, he may instantly turn this side news into the main peg for the story
- Please forward all information requests or commitments to the advisory

Don'ts

- Please avoid extensive one-to-one discussions of anything controversial. This will get reported in detail and detract from the main focus
- Don't let false charges, facts or figures offered by a reporter stand uncorrected
- Remember no information shared with media is "off the record"
- Do not get provoked
- Do not overlap your answers with the reporter's question – Begin your answer when the reporter is finished
- Do not repeat a journalist's negative statement or slurs: Frame your reply as a positive statement
- In case the media puts across a number of controversial questions, please do not get defensive and subtly respond to the questions
- Say 'no comments'
- Take the journalists knowledge for given - always start at ground zero
- Offer information on competitors

Document Ends