



## DRAFT PROSPECTUS

December 31, 2015

(This Draft Prospectus will be updated upon filing with the RoC)  
(Please read Section 32 of the Companies Act, 2013)

**100% Fixed Price Issue**

### SAKAR HEALTHCARE LIMITED

Our Company was incorporated as Sakar Healthcare Private Limited on March 26, 2004 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company vide Fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company dated March 27, 2015 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli and the name of our Company was changed to Sakar Healthcare Limited. The Corporate Identity Number of our Company is U24231GJ2004PLC043861. For further details on change of name and the registered office of our Company, please see chapter titled "History and Corporate Structure" beginning on page 104 of the Draft Prospectus.

**Registered Office:** Plot No. 10/13, Nr. M.N. Desai Petrol Pump, Sarkej Bawla Highway, Changodar, Ahmedabad – 382 213, Gujarat, India.

**Tel.:** +91 2717 250477, **Fax:** +91 2717 251621, **E-mail:** [info@sakarhealthcare.com](mailto:info@sakarhealthcare.com) **Website:** [www.sakarhealthcare.com](http://www.sakarhealthcare.com);

**Contact Person:** Pratixa S. Seju, Company Secretary and Compliance Officer; **E-mail:** [cs@sakarhealthcare.com](mailto:cs@sakarhealthcare.com) **Website:** [www.sakarhealthcare.com](http://www.sakarhealthcare.com)

#### PROMOTERS OF OUR COMPANY: MR. SANJAY SHAH, MS. RITA SHAH AND MR. AARSH SHAH

**PUBLIC ISSUE OF 29,61,000 EQUITY SHARES OF Rs.10 EACH FOR CASH AT A PRICE OF Rs. 40 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. 30 PER EQUITY SHARE) AGGREGATING UPTO Rs. 1184.40 LACS (THE "ISSUE") BY OUR COMPANY, OF WHICH 1,53,000 EQUITY SHARES OF Rs. 10 EACH AGGREGATING TO Rs. 61.20 LACS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 28,08,000 EQUITY SHARES OF Rs. 10 EACH AT THE PRICE OF Rs. 40 PER EQUITY SHARE AGGREGATING TO Rs. 1123.20 LACS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.01% AND 25.62%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS Rs. 10 EACH.**

**THE ISSUE PRICE IS Rs. 40 PER EQUITY SHARE AND IS 4 TIMES THE FACE VALUE OF THE EQUITY SHARE**

This being an Issue for Equity Shares representing more than 25% of the post-Issue equity share capital of our Company, Equity Shares will be offered to the public for subscription in accordance with Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957, as amended and in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended. The Issue is being made through the Fixed Price Process wherein 1,53,000 Equity Shares shall be reserved for Market Maker. Not less than 50% of the Net Issue will be available for allocation on a proportionate basis to Retail Institutional Investors, subject to valid applications being received from them at the Issue Price. For further details, please refer to the section "Issue Procedure" on page 193 of this Draft Prospectus.

All potential investors may participate in the Issue through 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. For details in this regard, specific attention is invited to "Issue Procedure" on page 193 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

#### RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 and the Issue Price is 4 times the face value of the Equity Share. The Issue Price (as determined and justified by our Company and the Lead Manager ("LM") as stated under the chapter titled "Basis for Issue Price" beginning on page 61 of the Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed on the SME Platform of NSE. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing on the SME Platform of NSE.

#### GENERAL RISKS

Investment in equity and equity related securities involves 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 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 offered 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 chapter titled "Risk Factors" beginning on page 12 of the Draft Prospectus.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue; that the information contained in the 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 the 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 offered through this Draft Prospectus are proposed to be listed on the NSE Emerge Platform. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principle listing approval for the shares being offered in this issue. However, our Company has received an approval letter dated [●] from NSE for using its name in this offer document for listing of our Equity Shares on the NSE Emerge Platform. For the purpose of this Issue, the NSE shall be the Designated Stock Exchange.

#### LEAD MANAGER TO THE ISSUE



**VIVRO FINANCIAL SERVICES PRIVATE LIMITED**  
"VIVRO House", 11, Shashi Colony, Opp. Suvidha Shopping Centre,  
Paldi, Ahmedabad – 380 007, Gujarat, India  
**Tel.:** +91 79 2665 0670;  
**Fax:** +91 79 2665 0570  
**Email:** [sakar@vivro.net](mailto:sakar@vivro.net);  
**Investor Grievance Email:** [investors@vivro.net](mailto:investors@vivro.net)  
**Website:** [www.vivro.net](http://www.vivro.net)  
**Contact Person:** Mr. Ravish Mehta/Ms. Mili Khamar  
**SEBI Registration No.:** INM000010122  
**CIN:** U67120GJ1996PTC029182

#### REGISTRAR TO THE ISSUE



**LINK INTIME INDIA PVT LTD**  
**LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai – 400 078, Maharashtra India **Tel.:** +91 226171  
5400  
**Fax:** +91 222596 0329  
**Email:** [shl.ipo@linkintime.co.in](mailto:shl.ipo@linkintime.co.in)  
**Investor Grievance Email:** [shl.ipo@linkintime.co.in](mailto:shl.ipo@linkintime.co.in)  
**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)  
**Contact Person:** Mr. Sachin Achar  
**SEBI Registration Number:** INR000004058  
**CIN:** U67190MH1999PTC118368

#### ISSUE PROGRAMME

**ISSUE OPENS ON: [●]**

**ISSUE CLOSES ON: [●]**

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## SECTION – I OVERVIEW

### DEFINITIONS AND ABBREVIATIONS

#### Company Related Terms:

Term	Description
“Board” or “Board of Directors” or “our Board”	The Board of Directors of our Company, as duly constituted from time to time, including any committee(s) thereof
“Promoters” or “our Promoters”	Mr. Sanjay S. Shah, Ms. Rita S. Shah and Mr. Aarsh S. Shah
“Sakar Healthcare Limited”, or “Sakar” or “the Company”, or “our Company” or “we” and “us”	Sakar Healthcare Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 1956 and having its registered office situated at Plot No. 10/13, Nr. M N. Desai Petrol Pump, Sarkhej Bawla Highway, Changodar, Ahmedabad – 382 213, Gujarat, India
Articles or Articles of Association or AOA	The Articles of Association of our Company, as amended
Auditor or Statutory Auditor	The Statutory Auditors of our Company being, A. L. Thakkar & Co., Chartered Accountants
Bankers to our Company	State Bank of India
Company Secretary and Compliance Officer	Ms. Pratixa S. Seju, Company Secretary
Director(s)	The Director(s) of our Company
Equity Shareholder	Persons holding Equity Shares of our Company
Equity Shares	Equity Shares of our Company of face value of Rs.10 each
Group Entities	Such entities as are included in the chapter titled “Our Group Entities” beginning on page 120 of this Draft Prospectus
Memorandum of Association or Memorandum or MOA	The Memorandum of Association of our Company, as amended
Peer Review Auditors	The Peer Review Auditors of our Company being M/s Shah & Dalal, Chartered Accountants
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(zb) of the SEBI ICDR Regulations and a list of which is provided in the chapter titled “Our Promoters” beginning on page 117 of this Draft Prospectus
Registered Office	The Registered Office of our Company situated at Plot No. 10/13, Nr. M N. Desai Petrol Pump, Sarkhej Bawla Highway, Changodar, Ahmedabad – 382 213, Gujarat, India
RoC/ Registrar of Companies	The Registrar of Companies, Gujarat, Dadra and Nagar Haveli located at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India

#### Issue Related Terms:

Term	Description
Allocation / Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Public Issue of Equity Shares to the successful Applicants
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to Issue of the Equity Shares to the successful Applicants
Allottee(s)	Successful Applicants to whom Equity Shares of our Company shall have been allotted
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Prospectus
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Prospectus
Application Form/ Application	The form in terms of which the prospective investors shall apply for our Equity Shares in the Issue

ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the Application Amount
ASBA Investor/ASBA Applicant	Any prospective investor(s)/applicants(s) in this Issue who apply(ies) through the ASBA process
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB
Banker(s) to the Issue/ Escrow Collection Bank(s).	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened and in this case being [●]
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled “Issue Procedure” beginning on page 193 of this Draft Prospectus
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</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 Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a> , or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSBs is transferred from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transfer to the successful Applicants
Designated Stock Exchange/ Stock Exchange	The National Stock Exchange of India Limited (SME Platform viz. NSE EMERGE)
Draft Prospectus	This Draft Prospectus issued in accordance with section 32 of the Companies Act, 2013 and filed with the NSE under SEBI ICDR Regulations, 2009
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Emerge Platform of NSE/ NSE Emerge	The Emerge Platform of NSE for listing of Equity Shares offered under Chapter XB of the SEBI ICDR Regulations, 2009
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in whose favor the Applicants (excluding ASBA Applicants) will issue cheques or drafts in respect of the Application Amount when submitting any Application(s) pursuant to this Issue
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Manager, and the Escrow Collection Bank(s) for collection of the Application Amounts and where applicable, refunds of the amounts collected to the Applicants (excluding ASBA Applicants) on the terms and conditions thereof
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FPI	Foreign Portfolio Investor, as defined under the FPI Regulations and registered with the SEBI under applicable laws in India
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
Issue Agreement	The Agreement dated April 21, 2015 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	[●] being the date on which Issue closes for subscription
Issue Opening Date	[●] being 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 the days during which prospective Investors may submit their application

Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 40 per Equity Share of face value of Rs.10 each fully Paid
Issue Proceeds	Proceeds from the fresh Issue that will be available to our Company
Issue/ Issue Size	Public Issue of 29,61,000 Equity Shares of face value of Rs. 10 each fully paid of our Company for cash at a price of Rs. 40 per Equity Share (including a premium of Rs. 30 per Equity Share) aggregating Rs. 1184.40 Lacs
Lead Manager/ LM	Vivro Financial Services Private Limited
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the NSE Emerge Platform
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pravin Ratilal Share and Stock Broker Limited, 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 Maker Reservation Portion	The Reserved Portion of 1,53,000 Equity Shares of face value of Rs.10 each fully paid for cash at a price of Rs. 40 per Equity Share aggregating Rs. 61.20 Lacs for the Market Maker in this Issue
Market Making Agreement	Market Making Agreement dated April 24, 2015 between our Company, LM and Market Maker
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue, excluding the Market Maker Reservation Portion, of 28,08,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs. 40 per Equity Share aggregating Rs. 1123.20 Lacs
Net Proceeds	The Issue Proceeds, less the Issue related expenses, received by the Company. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled “Objects of the Issue” beginning on page 55 of this Draft Prospectus
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non Institutional Investors	All Applicants that are not Qualified Institutional Buyers or Retail Individual Investors and who have Applied for Equity Shares for an amount more than Rs. 2,00,000
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable
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, to be filed with RoC containing, <i>inter alia</i> , the issue opening and closing dates and other information
Public Issue Account	Account opened with the Banker to the Issue by our Company to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date
Qualified Institutional Buyers or QIBs	QIBs, as defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 2(72) of the Companies Act, 2013 scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other

	than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of Rs. 2,500 Lacs, pension fund with minimum corpus of Rs. 2,500 Lacs, NIF, 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.
Refund Account (s)	Account(s) to which Application monies to be refunded to the Applicants (excluding the ASBA Applicants) shall be transferred from the Public Issue Account.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened, in this case being [●]
Refund through electronic transfer of funds	Refund through ECS, Direct Credit, RTGS or the ASBA process, as applicable
Registrar /Registrar to the Issue	Link Intime India Private Limited
Retail Individual Investor	Individual Applicants, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i> ) and ASBA Applicants, who apply for an amount less than or equal to Rs. 2,00,000
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)
SCSB/ Self Certified Syndicate Banker.	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a> , or at such other website as may be prescribed by SEBI from time to time
Stock Exchange	The National Stock Exchange Limited (SME Platform viz. NSE Emerge)
Underwriters	[●]
Underwriting Agreement	The Underwriting Agreement to be entered into between the Underwriters and our Company
Working Day	Unless the context otherwise requires: (i) Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday;  (ii) Post Application / Issue closing date and till the Listing of Equity Shares: All days other than a Sunday or a public holiday, and on which commercial banks in Delhi and / or Mumbai are open for business in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010.

#### Technical and Industry Related Terms:

Term	Description
AHU	Air Handling Unit
cGMP	Current Good Manufacturing Practices
DG Set	Diesel Generator Set
EU GMP	European Union Good Manufacturing Practices
FDCA	Food and Drugs Control Administration
FDI	Foreign Direct Investment
Ft.	Feet
GDP	Gross Domestic Product
GMP	Good Manufacturing Practices
HEPA	High-Efficiency Particulate Air
IEC	Import-Export Code

KG	Kilo Gram
KVA	Kilo Volts Ampere
LTR	Liter
PCB	Pollution Control Board
PM	Packing Material
QC	Quality Control Department
R & D	Research and Development
RM	Raw-Material
WHO	World Health Organization

#### **Conventional and General Terms/ Abbreviations:**

Term	Description
A.Y.	Assessment Year
A/C	Account
AGM	Annual General Meeting
Articles	Articles of Association of the Company as originally framed or as altered from time to time in pursuance of any previous companies law or of the Companies Act
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Companies Act	Companies Act, 1956 as amended from time to time, including sections of Companies Act, 2013 wherever notified by the Central Government
DB	Designated Branch
Depositories	NSDL and CDSL; Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identity
DTAA	Double Taxation Avoidance Agreement
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortization and extraordinary items.
ECS	Electronic Clearing Services
EGM	Extraordinary General Meeting
EPS	Earnings per Share
ESOP	Employee Stock Option Plan
ESOS	Employee Stock Option Scheme
ESPS	Employee Stock Purchase Scheme
FCNR Account Foreign Currency Non Resident Account	FCNR Account Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time and the regulations framed there under
FEMA Regulations	FEMA (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000 as amended from time to time
FII(s)	Foreign Institutional Investors
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India



FIs	Financial Institutions
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GOI	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rs.	Indian National Rupee
IPO	Initial Public Offering
IPR	Intellectual Property Right
KMP/ Key Managerial Personnel	The officers declared as key managerial personnel and as mentioned in the chapter titled “Our Management” beginning on page 107 of this Draft Prospectus
Ltd.	Limited
MNC	Multinational Corporation
MoU	Memorandum of Understanding
N/A or NA	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NR	Non Resident
NRE Account	Non Resident (External) Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self-Certified Syndicate Bank
SEBI	Securities and Exchange Board of India



SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations /Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, including instructions and clarifications issued by SEBI from time to time
Sec.	Section
Sq.	Square
Sq. mtr	Square Meter
TAN	Tax Deduction Account Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
US/ U.S. / USA	United States of America
USD or US\$	United States Dollar
Venture Capital Fund(s)/ VCF(s)	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time.
w.e.f.	With effect from

Notwithstanding the following:

- (i) In the section titled “Main Provisions of the Articles of Association” beginning on page 219 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
- (ii) In the section titled “Financial Information” beginning on page 128 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section; and
- (iii) In the chapter titled “Statement of Tax Benefits” beginning on page 64 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that chapter.

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

### **FINANCIAL DATA**

Unless stated otherwise, the financial data in this Draft Prospectus is derived from our audited financial statements for the Financial Years ended March 31, 2015, 2014, 2013, 2012 and 2011 and for six months period ended September 30, 2015 prepared in accordance with Indian GAAP, the Companies Act, 1956, the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in this Draft Prospectus and set out in the section titled “Financial Information” beginning on page 128 of this Draft Prospectus. Our Financial Year commences on April 01 and ends on March 31 of the following year, so all references to a particular Financial Year are to the period ended March 31 of that year. In this Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, 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 this Draft 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 this Draft Prospectus should accordingly be limited. All the figures appearing in this Draft Prospectus have, for the purpose of standardization of data, been represented in lacs and rounded off up to two decimal points.

Any percentage amounts, as set forth in the sections / chapters titled “Risk Factors”, “Our Business” and “Management's Discussion and Analysis of Financial Condition and Results of Operations of Our Company” beginning on pages 12, 88 and 157 respectively, of this Draft Prospectus and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act, 1956 and Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP.

### **CURRENCY OF PRESENTATION**

In this Draft Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India.

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

### **INDUSTRY AND MARKET DATA**

Unless otherwise stated, Industry and Market data used throughout this Draft Prospectus have been obtained from industry sources and government publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

Further the extent to which the market and industry data presented in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENTS

This Draft Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward looking statement.

Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in healthcare industry;
- Factors affecting healthcare industry;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For further discussion of factors that could cause our actual results to differ from our expectations, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Our Company” beginning on pages 12 and 157 respectively of this Draft Prospectus. 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.

Future looking statements speak only as of the date of this Draft Prospectus. Neither we nor our Directors, LM or any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the LM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

## SECTION – II RISK FACTORS

*An Investment in equity involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Draft Prospectus before making any investment decision relating to the Equity Shares.*

*The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects, which may cause the market price of the Equity Shares to decline and you may lose all or part of your investment. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Draft Prospectus, including the chapter titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Our Company" and the Section titled "Financial Information" included in this Draft Prospectus beginning on pages 88,157 and 128 respectively.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.*

### INTERNAL RISK FACTORS

*Risks related to our Company, our Business and our Industry*

- 1. We have received a letter from Mr. Dhanraj Jain, Mr. Arun D. Jain, Mr. Narendrakumar Jain and Mr. Ravindrakumar alleging that 2,40,000 equity shares held by them have not been transferred to Ms. Rita Shah and have responded to the same stating that as per the records available with us, the said shares have been duly transferred to Ms. Rita Shah. In the event the said dispute is not resolved, Mr. Dhanraj Jain, Mr. Arun D. Jain and Mr. Narendrakumar Jain may take out appropriate legal proceedings mainly between the shareholders inter se with regard to the said transfer of shares amongst them.**

We have received a letter dated August 22, 2015 from Mr. Dhanraj Jain, Mr. Arun D. Jain, Mr. Narendrakumar Jain and Mr. Ravindrakumar that 2,40,000 equity shares held by them have not been transferred to Ms. Rita Shah on October 15, 2014. They have also alleged that they had not executed any transfer deed in favour of Ms. Rita Shah and that they continue to be the owners of the said shares.

As per Form-2 filed with ROC on March 29, 2007, Mr. Dhanraj Jain, Mr. Arun D. Jain, Mr. Narendrakumar Jain and Mr. Ravindrakumar had been allotted 1,20,000, 40,000, 40,000 and 40,000 shares for consideration of 12,00,000/-, Rs. 4,00,000/-, Rs. 4,00,000/- and Rs. 4,00,000/-, respectively. As per the duly stamped and lodged share transfer deed along with the necessary share certificates received by us, the said equity shares have been transferred to Ms. Rita Shah by Mr. Dhanraj Jain, Mr. Arun D. Jain, Mr. Narendrakumar Jain and Mr. Ravindrakumar on October 15, 2014 for consideration of 12,00,000/-, Rs. 4,00,000/-, Rs. 4,00,000/- and Rs. 4,00,000/- respectively which has been duly received and appropriated by them on August 27, 2015.

Accordingly, we have responded to the above letter vide our communication dated August 24, 2015 stating that said shares were duly transferred to Ms. Rita Shah and refuting all allegations raised by the said letter.

On September 10, 2015, we have received letter dated September 08, 2015 from the legal counsel of Mr. Dhanraj Jain, Mr. Arun D. Jain and Mr. Narendrakumar Jain *inter-alia* alleging that Mr. Dhanraj Jain was Director of the Company and without knowledge and consent of Mr. Dhanraj Jain, his directorship in the Company was depicted to have ceased and further alleging that none of the shares held by them have been transferred or agreed to be transferred by any one of them to any other person.

We have responded through our legal counsel to this letter vide our communication dated September 18, 2015 that transfer of shares was duly effected as set out in our correspondence of August 24, 2015 and retirement of Mr. Dhanraj

Jain as Director was after following due process and in accordance with the Articles and there is no illegality in the same.

Further, Mr. Dhanraj Jain, Mr. Arun D. Jain, Mr. Narendrakumar Jain and Ravindrakumar Jain may initiate legal proceedings mainly between the shareholders inter se with regard to the said transfer of shares amongst them in respect of the ownership of 2,40,000 equity shares of the Company.

**2. We have applied for registration of trademark “Sakar Healthcare Private Limited”, however the same is currently pending registration and has been opposed.**

We have applied for registration of the mark reflected herein in the name of our Company bearing registration number 2069102. However, the same has been opposed by the Swiss Federal Institute of Intellectual Property, Stauffa Cherstrasse, Bern, Switzerland with regard to the design of a “cross” used in the same. In response thereto, our Company has filed Form TM-6, being the form of counter statement, stating that it is ready to remove the objectionable design used in the mark and is in process of amending it before the trademark registry, Ahmedabad. In support whereof, our Company has also filed Form TM 16, being the form for correction of clerical error, or for amendment which has been filed with the trademark registry on December 23, 2015. The status of the mark at the website of the trademark registry is currently reflected as ‘opposed’ and further procedure is awaited. We cannot assure you that the amendment would be accepted by the Registrar of Trademarks and Patents or that there would be no further opposition with regard to the amended mark proposed. Failure of registration of the same may impede our ability to claim ownership over it which in turn may adversely affect our business, financial condition and result of operation.

**3. We have applied for consent of State Bank of India, Law Garden Branch for change in capital structure as per our contractual agreement, however, the approval of State Bank of India, Law Garden Branch is pending.**

Our Company has entered into an Agreement of Loan for Overall Limit with the State Bank of India, Law Garden branch (“SBI”) dated April 11, 2012 for an aggregate amount of Rs. 2830 Lacs. As per clause 42 of the said agreement, the consent of SBI is required for making any change in the capital structure of our Company. Accordingly, our Company has duly applied to SBI for granting consent with respect to the Issue, however, SBI is in the process of responding to the same.

**4. We require certain approvals, licenses, registrations and permits for our business in India and in certain other jurisdictions, and the failure to obtain or renew them in a timely manner may adversely affect our operations.**

Pharmaceutical manufacturers are subject to significant regulatory scrutiny in many jurisdictions. We own and operate manufacturing facilities in India which need to comply with extensive regulations including compliance with environmental laws current good manufacturing practices stipulated by the WHO, the Central Drugs Standard Control Organization of India and other regulatory agencies. Regulatory authorities in many of our markets must approve our products before we or our distribution agents can market them, irrespective of whether these products are approved in India or other markets.

Our Company requires certain statutory and regulatory registrations, licenses, permits and approvals for our business in India including environmental compliances and in certain other jurisdictions. The time taken to obtain approvals varies by country but generally takes between six months and several years from the date of application. In many of the international markets in which we sell our products, the approval process for a new product is complex, lengthy and expensive. In future, we shall be required to renew such registrations and approvals and obtain new registrations and approvals for any proposed operations, including any expansion of existing operations. While we believe that we will be able to renew or obtain such registrations and approvals, as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time frame anticipated by us or at all. Our failure to obtain these registrations and approvals or our failure to comply with the various conditions attached to

such approvals, licenses, registrations and permissions once received, may cause the relevant regulatory body to suspend or revoke our business license or impose fines and sanctions in those jurisdictions. This may result in the interruption of our operations and may have a material adverse effect on our revenues, profits and operations. Further, there can be no assurance, that compliance with such laws and regulations including environmental regulations will not result in curtailment of production or a material increase in production costs or otherwise have a material adverse effect on our financial conditions and operations.

**5. Any delay in production at any of our manufacturing facilities, could adversely affect our business, results of operations and financial condition.**

The success of our manufacturing activities depends on, among other things, the productivity of our workforce, compliance with regulatory requirements and the continued functioning of our manufacturing processes and machinery. Disruptions in our manufacturing activities, arising out of uncontrollable or unforeseen circumstances, could delay production or require us to shut-down the affected manufacturing facility. Moreover, some of our products are permitted to be manufactured at only such facility which has received specific approvals, and any shut down of such facility will result in our inability to manufacture such product for the duration of such shut down. Such an event will result in our inability to meet with our contractual commitments, which will have an adverse effect on our business, results of operation and financial condition.

**6. We have not identified any alternate source of financing the ‘Objects of the Issue’. If we fail to mobilize resources as per our plans, our growth plans may be affected.**

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from the Issue or any shortfall in the Issue Proceeds may delay the implementation schedule of our Project and could affect our growth plans. For further details please refer to the Chapter titled “Objects of the Issue” beginning on page 55 of this Draft Prospectus.

**7. We derive a significant portion of our revenue from a few customers and a loss of one or more such significant customers or a reduction in their demand for products could affect our business, financial condition and results of operations.**

We are dependent on a limited number of customers for a significant portion of our income. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an effect on our business, financial condition and results of operations. We cannot assure you that we will be able to maintain historic levels of business from our significant customers or that we will be able to significantly reduce customer concentration in the future.

**8. If we do not maintain and increase the number of our arrangements for the distribution where we are not present or less present for our products, our business, results of operations and financial condition could be adversely affected.**

In most of the markets abroad in which we have a presence, we generally appoint a local third party entity who imports, registers and distributes our products. We have limited control over the operations and businesses of such local third party entities abroad. Our reliance on, and inability to control, our local marketing and distribution agents abroad could adversely affect our business, financial condition and results of operations.

We may not be able to find suitable partners or successfully enter into arrangements on commercially viable terms or at all. Additionally, our distribution partners may make important marketing and other commercial decisions concerning our products without our input.

**9. We, at times, rely on contract labour for the performance of many of our operations.**

We, at times, rely on contract labourers for performance of many of our unskilled or semi-skilled operations. We are registered as a principal employer under the Contract Labour (Regulation and Abolition) Act, 1970, and we shall apply for a renewal of this registration at the appropriate stage. However, any delay or non-receipt of this registration may adversely affect our ability to employ contract labour in our operations.

If the contractor through whom we engage the contract labourer does not possess registration under the Contract Labour (Regulation and Abolition) Act, 1970, or does not pay wages or provide amenities as stipulated by the Contract Labour (Regulation and Abolition) Act, 1970, we as principal employer would be liable to provide the same to the contract labourer.

**10. Changes in technology relating to production may render our current technologies obsolete or require us to make substantial capital investments.**

Modernization and technology upgradation is essential to reduce costs and increase the output. We believe that we have installed the latest technology we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. However, in case of a new found technology in the pharmaceutical business or change in market demand, we may be required to implement new technology or upgrade the machineries and other equipment employed by us which may require substantial new capital expenditures and/or write-downs of assets. Our failure to anticipate or to respond adequately to advancements in technology, changes in market demand or client requirements could adversely affect our business and financial results.

**11. Our manufacturing activities are dependent upon availability of skilled and unskilled labour.**

Our manufacturing activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations.

**12. Our Company's entire manufacturing facility is located at a single geographical location, and all of our Company's manufactured products are produced from such facility. Any delay in production at, or shutdown of, these facilities may in turn adversely affect our business, financial conditions and results of operations.**

Our Company's manufacturing facility is at single location and all of our Company's products are manufactured from such facility at Changodar, Gujarat. Further, our business operations would be vulnerable to damage or interruptions in operations due to adverse weather conditions, earthquakes, fires, explosions, power loss, civil disturbances or other similar events which may affect this area. If our Company experiences delays in production or shutdown at such facilities due to any reason, including disruptions caused by disputes with its workforce or due to its employees forming a trade union or any natural disaster, our Company's ability to execute orders in a timely manner and its operations will be significantly affected, which in turn would have a material effect on its business, financial conditions and results of operations.

**13. The pharmaceutical industry in general is characterized by an evolutionary and competitive market.**

The market landscape of the pharmaceutical industry in general is constantly evolving, primarily due to factors such as but not limited to technological advances, regulations of both governments and bilateral treaties and arrangements and consolidation of resources by industry players. In addition to evolutionary nature of the industry we operate in a competitive business environment. Growing competition may subject us to pricing pressures and require us to reduce the prices of our products and services in order to retain or attract customers, which may have a material adverse effect on our revenues and margins. Further, several of our competitors are larger international and national companies and



have access to greater resources or may be able to develop or acquire technology or partner with innovators or customers at terms which are not presently feasible for us, due to our current scale of operations. These factors are susceptible to sudden change which may affect the industry in a positive or negative manner. Any successful pharmaceutical or formulations company must be adequately prepared to react quickly and successfully when such changes occur. Any delay by our Company in reaction to these changes, whether in terms of modification of our Company's strategy or diversion of its production or management resources, would have a material adverse effect on its business, results of operation and financial condition.

**14. We are susceptible to volatility of prices of products marketed by us, including due to competitive products.**

Prices of the products marketed by us are subject to fluctuation, depending on, among other factors, the number of producers and their production volumes and changes in demand in the markets we serve. Volatility in price realization and loss of customers may adversely affect our profitability. Further, there is no assurance that we will be able to maintain our low cost of operations or to further reduce costs or develop new cost effective processes in the future, owing to factors beyond our control.

**15. The success of our strategy of expanding presence in semi-regulated markets is dependent on a number of factors, some of which are beyond our control.**

One of our business strategies is to expand our sales and distribution activities in semi-regulated markets. The success of such expansion is dependent upon our obtaining requisite approval of the regulatory authorities for the products which we intend to sell, as well as timely renewal of existing accreditations. Any change in foreign governments or in foreign governmental policies, regulations, practices or focus that results in a slowdown or inability to obtain government approvals or product registrations could adversely affect this strategy, which in turn could adversely affect our business, financial condition and results of operations.

**16. The availability of spurious pharmaceutical products could lead to losses in revenues and harm the reputation of our products, which may in turn result in a material adverse effect on our business, financial condition and results of operations.**

We are exposed to the risk of spurious products or similar products not manufactured by us being sold under our name and brand. This practice by third parties may harm our corporate reputation and that of our brand. In the event that the spurious products are manufactured using our brand, we may have to establish that the spurious products are not manufactured and/or marketed by us so that we are able to defend any claim that may be made against us. In order to do so, we mark our products with specific batch numbers and manufacturing and expiry dates, which are maintained in our internal database at our manufacturing facility. We cannot assure you that by dubious activities/processes our products will not be replicated by the manufacturer of the spurious products, and therefore, may suffer financial losses as well as loss to our reputation, which may in turn result in a material adverse effect on our business, financial condition and results of operations.

**17. We have applied for procuring the certificate/order approving the bonafide industrial use and conversion of agricultural land into non-agricultural land with respect to the land situated at Changodar, Sanand, however, the certificate/order for usage and conversion of the same is awaited.**

Our Company has purchased an agricultural land situated at Village: Changodar, Taluka: Sanand, Registration District and Sub-District: Ahmedabad under the provisions of Tenancy Act. Our Company has duly made an application before the Collector under section 63AA of the Gujarat Tenancy and Agricultural Lands Act, 1948 for certifying the usage of the said agricultural land for bona fide industrial purpose. However, the certificate confirming such usage is awaited. Further, our Company has also notified the Collector under section 65B of the Gujarat Land Revenue Code, 1879 notifying the usage of agricultural land for pharmaceutical purposes. However, the final order for usage and conversion

of the said agricultural land is awaited. As on date, the said land is vacant and our Company has no intention to make any construction or use it for industrial purpose. Failure to obtain the approval in relation to usage and conversion of the said land may lead to our inability to use the said land for the purpose intended.

**18. Under-utilisation of our proposed expansion may adversely impact our financial performance.**

The proposal to undertake the expansion of our existing facility is based on our estimates of market demand and profitability. In the event of non-materialisation, of our estimates and expected order flow for our products, our capacities may not be fully utilised thereby adversely impacting our financial performance.

**19. Our Company has not placed orders for some of the plant and machineries. In case of any escalation in prices of these machineries, our total project cost may increase which in turn will adversely affect our Company's financials.**

The Net Proceeds of this Issue are proposed to partly fund the proposed expansion project as explained in the Chapter titled "Objects of the Issue" beginning on page 55. Our Company intends to place the orders for important Plant and Machineries and has received the quotations for supply of such machineries. Any delay in placing the orders or procurement for remaining Plant and Machinery may result in a delay in implementing the proposed expansion. Consequently, we may have to purchase such remaining plant and machineries at a higher price affecting the project cost which may have an adverse effect on our Company's financials and profitability.

**20. The Objects of this Issue are based on the internal estimates of our management, and have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our discretion and as per the details mentioned in chapter titled "Objects of the Issue".**

Our funding requirements, the funding plans and the deployment of the proceeds of the Issue are based on our management estimates and have not been appraised by any bank or financial institution. The deployment of funds in the expansion project is entirely at our own discretion and the same will not be monitored by any external agency. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. The estimates contained in the Draft Prospectus may exceed the value that would have been determined by third party appraisals, which may require us to reschedule the deployment of funds proposed by us and may have a bearing on our expected revenues and earnings.

**21. We have not entered into any technical support service agreements for the maintenance and smooth functioning of our equipment's and machineries, which may affect our performance.**

Our manufacturing processes involve daily use of technical equipment and machineries. They require periodic maintenance checks and technical support in an event of technical breakdown or malfunctioning. Our Company has entered into few technical support service agreements with competent third party. Although the Company has easy and quick accessibility to avail the technical support from the external experts and the machinery suppliers locally, any failure to quickly redress any technical issue, may increase our downtime which may affect our productivity, business and results of operations.

**22. Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business.**

Our business and assets could suffer damage from claims, fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. While we believe that we maintain insurance coverage in amounts consistent with industry norms, our insurance policy are subject to exclusions and deductibles. If any or all of our facilities are damaged in whole or in part or we are subject to litigation or claims or our operations are

interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover all the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the damaged facilities. If we suffer an uninsured loss or if any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

**23. We have entered into certain related party transactions with our Directors, Promoters and Key Managerial Personnel and there can be no assurance that such transactions have been on terms favourable to us.**

We have entered into certain related party transactions with our Directors, Promoters and Key Managerial Personnel. The related party transactions entered into by us have been disclosed in our restated financial statements. See Section titled “Financial Information” at page 128 for further details of these related party transactions. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

The aggregate value of the related party transactions entered into as of March 31, 2015 and during F.Y. 2015 is Rs. 778.85 lacs and Rs. 785.70 lacs, respectively. Further, we may continue to enter into related party transactions, and there can be no assurance that such transactions will be on terms favourable to us. For further details, please refer to “Annexure U – Related Party Transactions” of the “Financial Information” beginning on page 153.

**24. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could have a material adverse impact on our profitability.**

We monitor our inventory levels based on our projections of future demand. An inaccurate forecast of demand for any product can result in the unavailability/surplus of products. This unavailability of products in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins substantially and ultimately create write-offs of inventory. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

**25. Our operations are subject to high working capital requirements. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations, financial condition and profitability.**

We require substantial amounts of working capital for our business operations and the failure to obtain needed working capital on attractive terms or at all, may materially and adversely affect our growth prospects and future profitability. We require substantial capital to maintain and operate our production facilities. We also require significant amounts of capital to market and distribute our products. To the extent these expenditures exceed our cash resources; we will be required to seek additional debt or equity financing. Our ability to obtain additional financing on favorable commercial terms or at all will depend on a number of factors, including:

- our future financial condition, results of operations and cash flows;
- covenants and restrictions in existing debt;
- general market conditions for financing activities by pharmaceutical manufacturers; and
- economic, political and other conditions in the markets where we operate.

Any new borrowings could include terms that restrict our financial flexibility, including the debt we may incur in the future, or may restrict our ability to manage our business as we had intended. If we are unable to renew existing funding or obtain additional funding in a timely manner or on acceptable terms, our growth prospects, competitive position and future profitability could be materially and adversely affected.

Further, based on the nature of our contracts, we sometimes commit resources to projects prior to receiving advances, progress or other payments from the customer in amounts sufficient to cover expenditures as they are incurred. There may be delays associated with the collection of receivables from our clients. In the event of such delay, there may be an adverse effect on our liquidity, business, cash flows and results of operations.

**26. Any default under financing arrangements could result in enforcement of security provided which in turn could adversely affect our business, results of operations and financial conditions.**

Most of the financing arrangements executed by us are secured by way of creation of charge over our current and moveable assets. Any default under such financing arrangements could result in enforcement of such security provided which in turn could adversely affect our business, results of operations and financial conditions.

**27. We may not be able to sustain effective implementation of our business and growth strategies.**

The success of our business will depend greatly on our ability to effectively implement our business and growth strategies. An inability to keep up pace with the demands of such growth could limit the business expansion and profitability of the Company.

**28. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.**

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

**29. We are dependent on key managerial personnel and the loss of such key managerial persons and/or our inability to retain such talented professionals in the future, could affect us adversely.**

The Company believes that its success depends on its continued ability to retain and attract skilled and experienced executive personnel. While the Company has retained its key management personnel in the past, should it fail to retain them in future, it may find it difficult to find suitable replacements with similar knowledge and experience. The Company is dependent on its ability to identify, hire, train, manage and retain skilled technical and management personnel and it may face a risk in realizing its business objectives in the event of attrition of key managerial personnel.

**30. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and there can be no assurance that we will be able to pay dividends in the future.**

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Hence, there can be no assurance that we will be able to pay dividends in the future.

**External Risk Factors**

**31. The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.**

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in *inter alia*, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the Companies Act, 2013 within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavor to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with the other existing laws and regulations, such as the corporate governance norms and insider trading regulations. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

### **32. Any changes in the regulatory framework could adversely affect our operations and growth prospects**

Our Company is subject to various regulations and policies. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

### **33. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance**

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

Any interruption at our manufacturing facilities, including natural or man-made disasters, workforce disruptions, regulatory approval delays, fire or the failure of machinery, could reduce our ability to meet the conditions of our contracts and earnings for the affected period, which could affect our business, prospects, results of operations and financial condition.

**34. Terrorist attacks and other acts of violence or war involving India and other countries could adversely affect the financial markets, result in a loss of business confidence and adversely affect our business, results of operations and financial condition.**

Terrorist attacks, whether in India or another country may adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Some parts of India have experienced communal disturbances and riots during recent years. If such events recur, our business and financial condition may be adversely affected.

**35. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.**

Our financial statements, including the financial statements provided in this Draft Prospectus are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft 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 this Draft Prospectus should accordingly be limited.

**36. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.**

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

**37. Financial instability in other countries could disrupt Indian financial markets and our Company's business and have an adverse effect on the market for the Equity Shares.**

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets due to negative economic development such as rising fiscal or trade deficit or a default on sovereign debt in emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. This in turn could negatively impact on the movement of exchange rates and interest rates in India. Any significant financial disruption could have an adverse effect on our Company's business, future financial performance and the market for the Issue Shares.

**38. You may be restricted in your ability to exercise preemptive rights under Indian law and thereby may suffer future dilution of your ownership position.**

Under the Companies Act, as amended, a public limited company incorporated in India must offer holders of its equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the preemptive rights have been waived by adoption of a special resolution by holders of the equity shares that are present at the relevant meeting. If you are in a jurisdiction that requires registration or qualification of the new securities, you may be unable to exercise your preemptive rights for the Equity Shares unless such registration or qualification is effective with respect to the rights or an exemption from the registration or qualification requirements is available to you. Our Company may elect not to file a registration statement or otherwise qualify the preemptive rights available by Indian law to investors in your jurisdiction. To the extent that you are unable to exercise preemptive rights granted in respect of the Equity Shares, your proportional interests in our Company would be reduced.

**39. Third-party statistical and financial data in this Draft Prospectus may be incomplete or unreliable**

We have not independently verified the data in this Draft Prospectus that comes from industry publications and other third party sources and therefore we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other countries. Therefore, discussions of matters relating to India, its economy and our industry in this Draft Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

**40. There are many factors that make predicting the future operating results of our Company very difficult, and our Company can provide no assurances that it forecasts will materialize.**

Several factors may affect the future operating results of our Company, many of which are beyond the control of our Company. The operating results of our Company are difficult to predict and past performance of our Company may not be indicative of future performance. Several factors may have an adverse effect on the future performance of the Company, including, but not limited to, changes in growth and demand for our Company's products, a shift in consumer preferences, changes in government policies (both domestically and globally), a decrease in the sales price of our Company's goods, an increase in the cost of raw materials, including fuel and other energy costs, changes in domestic duties on raw materials, changes in tax and excise policies, changes in other incentives applicable to our Company or its products, an increase in the costs associated with our Company's financing, currency fluctuations, an increase in transportation costs or the disruption of transportation due to labor shortages, strikes or other reasons, strikes or work stoppages of our Company's employees or employees of supporting manufacturers, accidents, natural disasters, acts of terrorism, the outbreak of disease or heavy rains.

**Risks associated with the Issue Shares**

**41. Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.**

Any future equity issues by our Company, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by our Company or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

**42. The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.**

Prior to the offer, there has been no public market for our Equity Shares, and an active trading market on the SME Platform of NSE. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in



response to, among other factors, variations in our operating results, market conditions specific to the pharmaceutical industry, developments relating to India and volatility in the NSE and securities markets elsewhere in the world. However, the Lead Manager will arrange for compulsory market making for a period of 3 years from the date of listing as per the regulations applicable to the SME Platforms under SEBI ICDR Regulations.

**43. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of NSE in a timely manner, or at all.**

In terms of Chapter XB of the SEBI ICDR Regulations, as amended from time to time, we are not required to obtain any in-principle approval for listing of shares issued. We have only applied to NSE to use its name as the Stock Exchange in this offer document for listing our shares on the SME Platform of NSE. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue 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 failure or delay in listing the Equity Shares on the SME Platform of NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

**44. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.**

Prior to this Issue, there has been no public market for our Equity Shares. Our Company would have a designated Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian capital markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. 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. For further details of the obligations and limitations of Market Makers please refer to the chapter titled "General Information – Details of the Market Making Arrangement" on page 42 of this Draft Prospectus.

**45. 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.**

Following the Issue, we will be subject to a daily "circuit breaker" imposed by NSE, 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 our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The NSE is not required to inform us of the percentage limit of the circuit breaker in effect from time to time. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can 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.

**PROMINENT NOTES**

- a) The Public Issue of 29,61,000 Equity Shares of face value of Rs. 10 each fully paid up for cash at a price of Rs. 40/- per Equity Share (including a premium of Rs. 30 per Equity Share) aggregating Rs. 1184.40 Lacs, of which 1,53,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 40/- aggregating to Rs. 61.20 Lacs will be reserved for subscription by Market Maker and Net Issue to Public of 28,08,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. 40/- aggregating to Rs. 1123.20 Lacs (“the Issue”). The Issue will constitute 27.01% of the fully diluted Post-Issue paid up capital of our Company. For more information, please refer to chapter titled “The Issue” on page 37 of this Draft Prospectus.
- b) The net worth of our Company was Rs. 1831.86 Lacs, Rs. 1696.44 Lacs, Rs. 1597.73 Lacs and Rs. 1481.20 Lacs as of September 30, 2015, March 31, 2015, March 31, 2014 and March 31, 2013 respectively. The book value of each Equity Share was Rs. 22.90, Rs. 21.21, Rs. 19.97 and Rs. 18.52 as of September 30, 2015, March 31, 2015, March 31, 2014 and March 31, 2013 respectively as per the audited financial statements of our Company. For more information, please refer to section titled “Financial Statements” beginning on page 128 of this Draft Prospectus.
- c) The average cost of acquisition of per Equity Shares by our Promoter, which has been calculated by taking the average amount paid by them to acquire our Equity Shares, is as follows:

<b>Name of Promoter</b>	<b>No. of Shares held</b>	<b>Average Cost of Acquisition (in Rs.)</b>
Mr. Sanjay Shah	44,67,500	10/-
Mrs. Rita Shah	2,45,000	10/-
Mr. Aarsh Shah	13,07,500	10/-

- d) For details of Related Party Transactions entered into by our Company, please refer to the chapter titled “Related Party Transactions” beginning on page 126 of this Draft Prospectus.
- e) Except as disclosed in the chapter titled “Capital Structure”, “Our Promoters” and “Our Management” beginning on pages 45, 117 and 107 respectively, of this Draft Prospectus, none of our Promoters, Directors or Key Management Personnel have any interest in our Company.
- f) Except as disclosed in the chapter titled “Capital Structure” beginning on page 45 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than cash.
- g) Investors may contact the LM or the Compliance Officer for any clarification / complaint or information relating to the Issue, which shall be made available by the LM and our Company to the investors at large. No selective or additional information will be available for a section of investors in any manner whatsoever. For contact details of the LM and the Compliance Officer, please refer to the chapter titled “General Information” beginning on page 38 of this Draft Prospectus.
- h) Investors are advised to refer to chapter titled “Basis for Issue Price” on page 61 of this Draft Prospectus.
- i) Trading and Allotment in Equity Shares for all investors shall be in dematerialized form only.
- j) There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Independent Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Draft Prospectus.

- k) Except as stated in the chapter titled “Our Group Entities” beginning on page 120 and chapter titled “Related Party Transactions” beginning on page 126 of this Draft Prospectus, our Group Entities have no business interest or other interest in our Company.
- l) Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “Issue Structure” beginning on page 190 of this Draft Prospectus.
- m) No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see “**Financial Information**” beginning on page 128 of this Prospectus.
- n) Our Company was incorporated as Sakar Healthcare Private Limited on March 26, 2004 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company vide Fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company dated March 27, 2015 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli and the name of our Company was changed to Sakar Healthcare Limited. For further details on change of name and the registered office of our Company, please see chapter titled “History and Corporate Structure” beginning on page 104 of the Draft Prospectus.

## SECTION – III INTRODUCTION

### SUMMARY OF INDUSTRY

#### *Indian Pharmaceutical Market*

##### **Introduction**

The Indian pharmaceuticals market is third largest in terms of volume and thirteenth largest in terms of value, as per a pharmaceuticals sector analysis report by equity master. The market is dominated majorly by branded generics which constitute nearly 70% to 80% of the market. Considered to be a highly fragmented industry, consolidation has increasingly become an important feature of the Indian pharmaceutical market. India has achieved an eminent global position in pharmaceutical sector. The country also has a huge pool of scientists and engineers who have the potential to take the industry to a very high level.

##### **Market Size**

The Indian pharmaceutical industry is estimated to grow at 20% compound annual growth rate (CAGR) over the next five years, as per India Ratings and Research Pvt. Ltd., a Fitch Group company. Indian pharmaceutical manufacturing facilities registered with US Food and Drug Administration as on March 2014 was the highest at 523 for any country outside the US. We expect the domestic pharmaceutical market to grow at 10%-12% in FY15 as compared to 9% in FY14, as per a recent report from Centrum Broking. The domestic pharmaceutical growth rate was 11.9% in October 2014, highlighted the report. Gujarat clocked the highest growth rate in pharmaceuticals market at 22.4% during November 2014, surpassing the industry growth rate, which grew by 10.9%, as per data from the market research firm AIOCD Pharmasofttech AWACS Pvt. Ltd.

**References:** Consolidated FDI Policy, Department of Industrial Policy & Promotion (DIPP), Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council (Source: [http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices\\_landing/347/1](http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices_landing/347/1))

#### *Snapshot of India's pharmaceutical exports*

##### **Emerging markets have also been a sustainable source of growth**

- India's pharmaceutical exports have grown at CAGR of 14% over the past five years (i.e. FY 2009-14) to touch US\$14.9 billion in FY 2014. With steadily expanding generic opportunities on the back of patent expiries in the U.S. and increasing focus of Indian companies, formulations exports have grown at a much faster pace (up 21%) and now contribute over 70% to India's pharmaceutical exports.
- While exports to developed markets have been the key growth driver (up 26% in past five years), emerging markets too have contributed meaningfully. Aided by expanding geographical reach, product portfolio and cost-competitive R&D and manufacturing capabilities, India's exports to emerging markets have grown at CAGR of 18% over the past five years.
- Although U.S. contributes nearly 1/3rd to India's pharmaceutical exports, some of the key emerging markets such as Russia, South Africa and Brazil now feature among the top 10 export destinations from India. Collectively, emerging markets also contribute to almost 20% to revenues of top 10 pharmaceutical companies, which also reflects the impact of inorganic investments by Indian companies in some of the key markets.

##### **Branded generics + high out of pocket spending in emerging markets bodes well for Indian pharmaceuticals**

- With favorable growth prospects and many of the characteristics (i.e. high out-of-pocket expenditure on healthcare and usage of branded generics), similar to Indian market, emerging markets have been an ideal fit for Indian pharmaceutical companies. Over the years, companies have steadily expanding their presence in emerging

markets through acquisitions, portfolio expansion, alliances (with multinational pharmaceutical companies) and investments in creating front-end. Despite being present in some of key markets of Latin America, the Commonwealth of Independent States (CIS) region and Africa for a reasonably long-period, Indian companies are yet to gain meaningful traction in those markets.

- Some of the key emerging markets such as Russia, South Africa and Brazil feature among the top 10 export destinations from India; however, share of Indian companies in these markets is higher as exports don't reflect the impact of acquisitions by Indian companies in those markets. There are only few examples of Indian companies being able to attain significant presence.

### **Economic development and efforts to improve healthcare access are likely to drive growth**

- As per IMS, the spending on pharmaceutical products in emerging markets is estimated to almost double to ~US\$380-390 billion by 2017 aided by improving affordability and government's commitment to expanding healthcare access. Despite some of the key emerging markets currently going through a phase of slowing economic growth, pharmaceutical products in these markets are expected to grow at a faster pace vis-à-vis developed markets given the relatively low spending on healthcare and enhancement in public healthcare provisions. The growth in emerging markets is also expected to be driven by increasing prevalence of lifestyle related health disorders. The generics segment is likely to be the key beneficiary in emerging markets as it is expected to gain traction on back of government-supported programs and higher affordability especially in markets, which depend to a great extent on out-of-pocket on healthcare spending.
- Pharmemerging markets are defined as those with more than US\$ 1 billion absolute spending growth over 2013-17 and with a GDP per capita of less than US\$25,000 in terms of purchasing power parity. IMS has classified these markets as: Tier 1 has China; Tier 2 comprises Brazil, India and Russia, and Tier 3: consist of Mexico, Turkey, Venezuela, Poland, Argentina, Saudi Arabia, Indonesia, Colombia, Thailand, Ukraine, South Africa, Egypt, Romania, Algeria, Vietnam, Pakistan and Nigeria (Source: IMS Health 2013).
- **Abundant opportunities exist across markets**

In the following exhibit, we have presented a comparative profile of some of the key emerging markets where Indian companies currently have presence or have plans to expand their focus given the favorable growth prospects. While markets differ in terms of growth potential and the extent of regulatory developments, some of key characteristics such as a) high out-of-pocket spending on healthcare, b) greater usage of branded generics, c) physicians influence on buying decision and d) greater focus by governments to enhance healthcare programs are common across most of the markets.

### ***Emerging Markets – Brazil***

#### **Market Size & Structure**

With market size of US\$ 26 billion, Brazil is the sixth largest pharmaceutical market in the world. The industry has grown steadily at a CAGR (%) of 17% over the past five years aided by rising income levels and increasing access to health care on back of government led programmes and pro-generic reforms. Brazil has primarily been a branded generics market with prescriptions contributing to almost half of the industry size. However, the share of generics has been increasing over the years on back of government's pro-generic initiatives. In 2004, the Brazilian government introduced "Farmacia Popular", a program that was aimed at broadening the access of affordable medicines. According to industry estimates, nearly 3/4th of drugs forming part of this programme are currently generics. As a result of this initiative, the share of generics in the industry has increased from 14% in 2008 to 22% in 2012.

### ***Emerging Markets – Russia***

#### **Market Size & Structure**

With a market size of ~US\$ 25 billion, Russia ranks as the seventh largest pharmaceutical market globally. Although the industry has registered a CAGR of 13% (in local currency terms) over the past five years, the growth momentum has

slowed down over the past few years on back of price cuts and weakening economic growth. Despite challenges on the economy front, the demand continues to remain relatively stable on back of improving access to healthcare as a result of government's healthcare programmes. The pharmaceutical market can be broadly divided in three segments – Retail, Hospitals and Federal Reimbursement Program. In absence of a national drug provision insurance system, Russia's pharmaceutical market also depends on private spending on healthcare, which contributes almost 75% to industry sales (in value terms). The other two segments – Hospitals and Federal Reimbursement Program accounted for 15% and 10% of the total industry in 2013. The Federal Reimbursement Program segment refers to Government's reimbursement program which includes two key programmes - the essential drug management, called "ONLS" and "7 Nosologies" program. Although essential drug list in Russia covers a substantial proportion (44% in 2013) of the industry but Federal Reimbursement Program's coverage is fairly limited as only a small fraction of the country's population qualifies for drug reimbursements at present.

### ***Emerging Markets – South Africa***

#### **Market Size & Structure**

With a market size of US\$ 3.1 billion, South Africa is the largest and the most developed pharmaceutical market within the African continent. Over the past five years, the private market (excluding government procurement) has grown at CAGR (%) of 8% driven by improving healthcare infrastructure, increasing income levels and rising demand for drugs to treat chronic diseases. While structural drivers remain intact, the industry growth has witnessed some moderation over the past couple of years from 12.4% (in FY 2012) to 4.3% (in FY 2014) on back of weak economic environment.

### ***Emerging Markets – Middle East & North Africa (MENA)***

#### **Growth rates vary across MENA region**

Although most of the countries in the region have been focusing on expanding investments in the healthcare space, the growth rates vary quite sharply across the region. For instance, the pharmaceutical industry in the top-9 markets have grown anywhere between 2-17% CAGR over the past three years (2011-13). While markets like United Arab Emirates, Saudi Arabia and Lebanon have grown in double digit terms, pharmaceutical sales in countries like Morocco and Egypt have been affected by lingering political instability and challenges in providing adequate healthcare services, respectively. With region's high dependence on oil exports, the recent sharp drop in crude oil prices present a further challenge as it could lead to lower healthcare budgets by some nations. Nonetheless, the relatively low spending on healthcare, sizeable aging population and focus to reduce reliance in costlier branded or innovator drugs are likely to drive demand for cost effective generic drugs in the region.

### ***Emerging Markets – Rest of Africa (RoA)***

#### **Rest of Africa is a well known market segment for Indian pharmaceuticals**

Over the years, Indian pharmaceutical companies have also gained market share in the African continent primarily on back of their competitive pricing, a result of their backward integrated nature of operations. Given the under-developed private market at least in the African continent, Indian companies generate a sizeable share of their business from the continent through tenders either from governments or several large institutions such as World Health Organisation, United Nations Children's Fund, President's Emergency Plan For AIDS Relief etc. In some of the markets, companies also have tie-ups with local distributors and multinational pharmaceutical companies. While historically, Indian companies have been best known for selling affordable Antiretroviral / Anti Human Immunodeficiency Virus medicines in Africa, they are rapidly broadening their product portfolio across therapy areas.

### ***Emerging Markets – Asia Pacific***

#### **Sizeable opportunities exist in both mature as well as emerging economies across Asia Pacific**

The pharmaceutical market in the Asia Pacific region is estimated to be around US\$ 250 billion with Japan and China being the two largest markets, valued at ~US\$ 100 billion and US\$ 93 billion, respectively. The common themes that have influenced industry's performance in the region over the years include – rising population of elderly people, increasing

usage of generics and price containment by governments to reduce healthcare budgets. The Asia Pacific region comprises both developed as well as developing nations. While developed nations have elderly but affluent population and established healthcare subsidy systems, the developing countries are characterized by wider income disparities and lower spending by governments on healthcare. Also, the developed markets have higher penetration of innovator products, while self-pay markets are more reliant on branded generics.

**Shift in favor of un-branded generics and increasing competition from local players and multinational pharmaceutical companies could impact margins across emerging markets over the longer-term**

A bigger risk for branded generics business also stems from increasing focus on unbranded generics, tender-driven procurement system and reference pricing mechanism to cut healthcare costs. Such interventions are expected to intensify going forward and, therefore, may affect global pharmaceutical companies.

**Reference:** ICRA Research Services - Indian Pharmaceutical Industry (An Update on Emerging Markets – A Key Export Destination)



## SUMMARY OF BUSINESS

### OVERVIEW

We are an Indian pharmaceutical company engaged in contract manufacturing of formulations for pharmaceutical companies based in India as well as in the manufacturing and marketing of our own pharmaceutical formulations for domestic and international markets.

We manufacture and market pharmaceutical formulations relating to analgesics, antielmintics, anti coagulants, anti malarial, anti spasmodics, antianemics, antibiotics, anti-emetics, anti-histamines, bronchodilators, corticosteroids, cough and cold preparations, multivitamins, etc. We focus on quality, delivery schedule and adherence to quality standards. Our efforts have resulted in applications for 142 product registrations and out of which we have obtained 123 product registrations as of November 30, 2015.

Our preliminary business area and key focus is in contract manufacturing in the past years. As a contract manufacturer, our Company undertakes manufacturing on behalf of some of the leading pharmaceutical companies in India, in accordance with the terms of the relevant agreements entered into with these companies. In the last few years, our Company has developed required expertise and infrastructure to enhance the existing product portfolio which in turn resulted in an increase in contract manufacturing business. Our Company has manufactured about 56 products for five major customers (in terms of quantity) for the year ended March 31, 2015 and about 53 products for five major customers (in terms of quantity) as of November 30, 2015.

Our Company is managed by a team of professionals headed by our Managing Director having rich experience in manufacturing and export of quality pharmaceutical and health care products to various countries. In the recent past, we have expanded our business to international markets. We have registered our products in various countries which are marketed through supply, distribution and other arrangements with various dealers / distributors. As of March 31, 2015, we have about 35 distributors in various markets, primarily in 20 emerging countries of Africa, Latin America, South East Asia and Middle East. We commenced our exports in the year 2007 and have achieved exports of Rs. 503.09 lacs for the year ended March 31, 2015 and Rs. 527.64 Lacs for the six months period ended September 30, 2015.

Our manufacturing facilities are located at Changodar, Ahmedabad, Gujarat. Our facilities have been approved by various international regulatory authorities and certified by ISO 9001:2008 (BVQI), WHO-GMP, CGMP & National Drug Authority, and we have also obtained certain drug specific registrations from the relevant authorities in countries such as Uganda, Kenya, Yemen, Ethiopia, Congo, Ghana, Zimbabwe, Namibia, Nigeria, Cote d'Ivoire. We also cater to Sri Lanka, Philippines, Vietnam, Cambodia, Sudan, Myanmar, Bolivia, Burkina Faso, Tajikistan, Guinea, Gabon, Costa Rica, El-Salvador, etc. in Latin America. Our manufacturing facilities are spread across total area of 10,022 square meters with four units having manufacturing capacity of more than 19 crore units per annum in total. We believe that each of our facilities is designed, equipped and operated to deliver high quality products within defined cost and delivery schedules.

Our income and profit after tax, as restated, for the year ended March 31, 2015 were Rs. 3,505.27 lacs and Rs. 183.77 lacs, respectively, representing growth of 5.75% and 20.76%, respectively, as compared to the year ended March 31, 2011. Our income and profit after tax, as restated, for the six months period ended September 30, 2015 were Rs. 1937.19 Lacs and Rs. 174.56 Lacs, respectively. Our domestic and international pharmaceutical sales contributed 85.64% and 14.36%, respectively, of our revenue from operations for the year ended March 31, 2015 and 72.75% and 27.25%, respectively, of our revenue from operations for the six months ended September 30, 2015, as restated.

### STRENGTHS

#### Well Established Manufacturing Facilities

Our Company has manufacturing facilities at Changodar, Ahmedabad, Gujarat. Our Company's manufacturing facilities have been built in accordance with the WHO's cGMP guidelines. Our Company is in the process of obtaining EU GMP certification. Our company presently manufactures multiple formulations under various therapeutic segments. The manufacturing facilities of the company are multi-adaptable i.e. the facilities can produce multiple products using a combination of process. Our Company believes that its manufacturing facilities which have been equipped with latest

technology machineries enable it to lower overall production costs, improve process efficiencies and produce high quality products exported as per the required standards of various countries.

### **Diversified product portfolio**

We manufacture a wide range of products in the formulation segment encompassing analgesics, antielmintics, anti coagulants, anti malarial, anti spasmodics, antianemics, antibiotics, anti-emetics, anti-histamines, bronchodilators, corticosteroids, cough and cold preparations, multivitamins, etc. Our current portfolio of product registrations comprises mainly of 58 antibiotics, 10 analgesics, 6 anti-histamines, 5 anthelmintics and 5 anti malarial drugs, which are marketed and sold domestically and internationally.

### **Registered Products:**

Our Company presently has 123 product registrations in various countries. The company dispatches currently to these countries only those products / brands which are registered in the respective countries. Our Company is in the process of making additional 15 applications for product registration in various countries.

### **Recurring business from existing customers**

Over a period of time, our Company has developed relationships with over 45 customers including several leading Indian as well as multinational pharmaceutical companies. Our top five customers accounted for [•]% of our Company's net sales for the six months ended September 30, 2015 and 42.24% for the year ended March 31, 2015. Our top five customers has remained the same over the past 3 years. These relationships have been further strengthened on account of recurring business from such existing customers due to high standard of quality maintained by our company. We believe our significant operating experience and strong relationship with our customers has helped us in getting further orders and move higher in the value chain and improve our results of operations.

### **Experienced Promoters and Management Team**

Our Company has experienced management and employees in the business who are capable of meeting the requisite requirements of our customers. Our experienced management and employees has successfully expanded our business through proper customization under the guidance of our Managing Director and thereby increasing our revenues. Our Company believes that the skills, industry and business knowledge and operating experience of our senior executives, provide us with a significant competitive advantage as we are set to expand our existing business to newer geographic markets. We also have a qualified senior management team with diverse experience in the pharmaceutical industry, including in the areas of regulatory affairs, manufacturing, quality control, supply chain management, sales and marketing and finance. See chapter titled "Our Management" beginning on page 107 for details of our senior management.

## **STRATEGIES**

We intend to strengthen our position across identified pharmaceutical formulations in India and further expand our operations both in domestic and international markets in order to achieve long-term sustainable growth and increase shareholder value. Our principal strategies and initiatives to achieve these objectives are set out below.

### **Focus on increasing our export business**

We believe that our growth in international markets will result from the growing demand for generic pharmaceuticals, access to affordable high - quality medicine and new product opportunities. Our manufacturing facilities complying international standard will help us to increase our international business.

Our broad strategic initiatives for international markets include offering a wide product portfolio with a well established product pipeline to support the growth in our existing markets, developing a broader market penetration strategy, territory-specific marketing and establishing our presence in developed markets such as Europe.

### **Expansion of business activity by tapping potential market in other parts of the Country**

Considering the huge potential of the pharmaceutical industry in India and in order to capitalize on the growth story, we intend to expand our operations to other regions of the country, besides the western region where we are currently present in order to expand our business.

#### **Strengthening marketing capabilities**

Our domestic and international marketing infrastructure consists of dedicated employees, who design various marketing and promotional strategies for our products. We believe that our strategic marketing, experienced sales team and distribution network would enable us to increase our sales across key pharmaceutical formulations. Our Company also intends to widen our distribution channels across various countries.

#### **Access new markets through obtaining more certifications**

Our Company aims to position itself as a preferred supplier, by increasing the number of registration and marketing activities of its existing and new products, in international markets. Our Company is in the process of making application of about 15 product registrations in various countries.

#### **Enhancing our manufacturing facilities by adding new lines of manufacturing for new products**

Our Company intends to place an order for procurement of freeze dryer with a capacity of 22,000 vials per day. Our Company intends to introduce new manufacturing process “lyophilization” in order to expand the product portfolio and customer base. The Lyophilisation process ensures a longer shelf life and extended stability of the products. Our Company believes that this machinery will help us in increasing our revenue and profit margins significantly, since the products manufactured through this process are used in treating critical care illness. Our Company has proposed to utilize part of the Issue Proceeds towards procurement of this machinery.

## SUMMARY OF FINANCIAL INFORMATION

### STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)

(Rs. in Lacs)

Sr No.	Particulars	Annex Ure	As at 30th September 2015	As at 31 <sup>st</sup> March				
				2015	2014	2013	2012	2011
<b>1</b>	<b>Equity Liabilities</b>							
	<b>Share Holder's Fund</b>							
	(a) Share Capital	A	800.00	800.00	800.00	800.00	800.00	800.00
	(b) Reserve & Surplus	A	857.45	682.89	499.12	323.93	179.42	80.26
<b>2</b>	<b>Share Application Money Pending Allotment</b>		-	-	88.00	88.00	88.00	88.00
<b>3</b>	<b>Non Current Liabilities</b>							
	(a) Long Term borrowings	B	1,749.44	1,878.18	1,760.63	1,980.63	2,338.24	2,344.24
	(b) Deferred Tax Liabilities	C	695.81	633.32	626.37	602.68	571.05	525.67
	(c) Long Term Provisions							
<b>4</b>	<b>Current Liabilities</b>							
	(a) Short Term borrowings	B	645.72	596.83	671.99	719.83	900.28	658.26
	(b) Trade Payables	D	151.06	96.09	352.21	252.40	142.91	300.72
	(c) Advance from Debtors		43.56	40.71	183.53	-	-	-
	(d) Other Current Liabilities	D	300.24	251.39	230.13	228.69	50.46	95.02
	(e) Short Term Provisions	E	67.85	38.09	21.69	13.21	17.85	28.50
	<b>Total Liabilities</b>		<b>5,311.13</b>	<b>5,017.50</b>	<b>5,233.67</b>	<b>5,009.37</b>	<b>5,088.21</b>	<b>4,920.67</b>
<b>5</b>	<b>Non Current Assets</b>							
	(a) Fixed Assets	F	3,670.59	3,618.32	3,801.14	3,740.95	3,657.82	3,411.12
	(b) Non Current Investment							
	(C) Deferred Tax Assets							
	(d) Long Term Loans and Advances	G	28.26	28.26	28.26	28.26	28.26	28.26
	(e) Other Non Current Assets							
<b>6</b>	<b>Current Assets</b>							
	(a) Current Investment		-	-	-	-	-	-
	(b) Inventories	H	683.84	673.81	687.42	650.73	483.34	527.27
	(c) Trade Receivable	I	469.98	200.53	224.99	134.45	110.76	276.88
	(d) Cash and Bank Balances	J	55.15	93.32	8.99	16.60	370.65	42.38
	(e) Short Term Loans and	K	403.31	403.26	482.87	438.38	437.38	396.51
	(f) Other Current Assets		-	-	-	-	-	238.25
	<b>Total Assets</b>		<b>5,311.13</b>	<b>5,017.50</b>	<b>5,233.67</b>	<b>5,009.37</b>	<b>5,088.21</b>	<b>4,920.67</b>

### STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT (AS RESTATED)

(Rs. In Lacs)

Sr. No.	Particulars	Annexu Re	For the period 1st April 2015 to 30th September 2015	For the year ended				
				31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>A</b>	<b>INCOME</b>							
	Revenue from operations		1935.94	3,502.73	2,968.64	2,190.71	1,619.16	2,012.84
	Other income	L	1.25	2.54	2.39	6.36	7.57	7.72
	<b>Total Revenue</b>		<b>1,937.19</b>	<b>3,505.27</b>	<b>2,971.03</b>	<b>2,197.07</b>	<b>1,626.73</b>	<b>2,020.56</b>
<b>B</b>	<b>EXPENSES</b>							
	Cost of Material Consumed	M	815.10	1,824.14	1,273.90	925.66	472.41	1,104.61
	Changes in inventories of finished goods, WIP and Stock-in-Trade	N	14.16	(90.86)	49.00	(79.64)	(29.36)	(23.47)
	Employee benefits expense	O	218.87	400.21	332.15	247.54	174.15	132.46

	Finance costs	P	150.55	298.52	374.58	384.28	377.53	246.48
	Depreciation and amortization Expense	F	132.12	249.63	211.90	197.66	185.65	146.88
	Other expenses	Q	306.34	581.91	529.12	343.58	300.41	284.24
	<b>Total Expenses</b>		<b>1,637.14</b>	<b>3,263.55</b>	<b>2,770.65</b>	<b>2,019.08</b>	<b>1,480.79</b>	<b>1,891.20</b>
	<b>Profit before extraordinary items and tax</b>		<b>300.05</b>	<b>241.72</b>	<b>200.38</b>	<b>177.99</b>	<b>145.94</b>	<b>129.36</b>
	Extraordinary item							
	<b>Profit Before Tax</b>		<b>300.05</b>	<b>241.72</b>	<b>200.38</b>	<b>177.99</b>	<b>145.94</b>	<b>129.36</b>
	<b>Provision for Tax:</b>							
	- Current Tax		63.00	51.00	41.60	36.75	35.91	26.00
	- Deferred Tax Liability / (Asset)		62.49	6.95	23.69	31.63	45.38	211.35
	- MAT Credit		0.00	0.00	(40.10)	(34.90)	(34.51)	(26.02)
	<b>Restated profit after tax from continuing operations</b>		<b>174.56</b>	<b>183.77</b>	<b>175.19</b>	<b>144.51</b>	<b>99.16</b>	<b>-81.97</b>
	<b>Restated profit for the year</b>							
	Balance Brought forward from previous year		522.89	339.12	163.93	19.42	(79.74)	2.23
	<b>Accumulated Profit/(Loss) carried to Balance Sheet</b>		<b>697.45</b>	<b>522.89</b>	<b>339.12</b>	<b>163.93</b>	<b>19.42</b>	<b>-79.74</b>

**STANDALONE SUMMARY STATEMENT OF CASH FLOW (AS RESTATED)**

(Rs. in Lacs)

Particulars	For the period 1st April 2015 to 30th September 2015	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>1.Cash Flow From Operating Activities:</b>						
Net Profit before tax and extraordinary item	300.05	241.72	200.38	177.99	145.94	129.36
<i>Adjustments for:</i>						
Depreciation and amortization expense	132.12	249.63	211.90	197.66	185.65	146.88
MAT Credit			40.10	34.90	34.51	26.02
Interest Paid	150.55	298.52	374.58	384.28	377.53	246.48
Provision for Gratuity						
(Profit)/Loss on sale of Fixed Assets						
Interest Received/ Other Non Operative Receipts	1.25	2.54	2.39	6.36	7.57	7.72
<b>Operating Profit before Working Capital Changes</b>	<b>581.47</b>	<b>787.33</b>	<b>824.57</b>	<b>788.47</b>	<b>736.06</b>	<b>541.02</b>
<i>Adjustments for:</i>						
Inventories	10.03	(13.61)	36.69	167.39	(43.93)	1.45
Trade Receivables	269.45	(24.46)	90.54	23.69	(166.12)	(27.85)
Short term loans and advances and other current Assets	0.05	-79.61	44.49	1.00	-197.38	157.41
Short term borrowings	48.89	(75.16)	(47.84)	(180.45)	242.02	(94.68)
Trade Payables	54.97	-256.12	99.81	109.49	-157.81	-3.62
Other Current Liabilities	81.46	-105.16	193.45	173.59	-55.21	96.18
<b>Cash Generated from Operation</b>	<b>487.26</b>	<b>468.57</b>	<b>898.27</b>	<b>699.02</b>	<b>1,172.49</b>	<b>407.89</b>
Taxes Paid	63.00	51.00	41.60	36.75	35.91	26.00
<b>Net Cash from Operating Activities</b>	<b>424.26</b>	<b>417.57</b>	<b>856.67</b>	<b>662.27</b>	<b>1,136.58</b>	<b>381.89</b>
<b>2. Cash Flow From Investing Activities:</b>						
Fixed Assets Purchased	184.39	66.81	272.09	280.79	432.35	499.67
Increase Capital Work In Progress						
Sale of Fixed Assets						
Interest Received	1.25	2.54	2.39	6.36	7.57	7.72
Long/Short Term Loans and Advance	0.00	0.00	0.00	0.00	0.00	-5.91
Long Term Provisions						
Interest on Fixed Deposit						
<b>Net Cash from Investing Activities</b>	<b>-183.14</b>	<b>-64.27</b>	<b>-269.70</b>	<b>-274.43</b>	<b>-424.78</b>	<b>-486.04</b>
<b>3. Cash Flow From Financing Activities:</b>						
Payments of short term borrowings						
Interest Paid	150.55	298.51	374.58	384.28	377.53	246.48
Interest received						

Particulars	For the period 1st April 2015 to 30th September 2015	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Proceeds from issue of shares	0.00	-88.00	0.00	0.00	0.00	0.00
Proceeds from Long term borrowings	-128.74	117.54	-219.99	-357.61	-6.00	310.53
Short Term Loans & Advances given						
Preliminary Expenses incurred						
Security premium received						
Transfer of Share Application Money						
<b>Net Cash from Financing Activities</b>	<b>-279.29</b>	<b>-268.97</b>	<b>-594.57</b>	<b>-741.89</b>	<b>-383.53</b>	<b>64.05</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>-38.17</b>	<b>84.33</b>	<b>-7.60</b>	<b>-354.05</b>	<b>328.27</b>	<b>-40.10</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	93.32	9.00	16.60	370.65	42.38	82.49
<b>Cash &amp; Cash Equivalents at the end of the Year</b>	55.15	93.32	9.00	16.60	370.65	42.39



## THE ISSUE

Particulars	Number of Equity Shares
Issue of Equity Shares by our Company	29,61,000 Equity Shares of face value of Rs. 10 each fully paid up of the Company for cash at a price of Rs. 40.00 per Equity Share aggregating Rs. 1184.40 Lacs
<i>Of which:</i>	
Market Maker Reservation Portion	1,53,000 Equity Shares of face value of Rs. 10 each fully paid up of the Company for cash at a price of Rs. 40.00 per Equity Share aggregating to Rs. 61.20 Lacs
Net Issue to the Public	28,08,000 Equity Shares of face value of Rs. 10 each fully paid up of the Company for cash at a price of Rs. 40.00 per Equity Share aggregating to Rs. 1123.20 Lacs
	<i>Of which:</i>
	14,04,000 Equity Shares of face value of Rs. 10 each fully paid up of the Company for cash at a price of Rs. 40 per Equity Share aggregating Rs. 561.60 Lacs will be available for allocation to Retail investors
	14,04,000 Equity Shares of face value of Rs. 10 each fully paid up of the Company for cash at a price of Rs. 40 per Equity Share aggregating Rs. 561.60 Lacs will be available for allocation to other than Retail Investors
Equity Shares outstanding prior to the Issue	80,00,000 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding after the Issue	1,09,61,000 Equity Shares of face value of Rs. 10 each
Use of Proceeds	For further details please refer chapter titled “Objects of the Issue” beginning on page 55 of this Draft Prospectus for information on use of Issue Proceeds.

### Notes

1. This Issue is being made in terms of Chapter XB of the SEBI ICDR Regulations, as amended. For further details, please refer to “Issue Structure” on page 190 of this Draft Prospectus.
2. The Issue is being made through the Fixed Price method and hence, as per sub-regulation (4) of Regulation 43, of SEBI ICDR Regulations allocation in the net offer to public category shall be made as follows:
  - (a) Minimum fifty percent 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;
  - (c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.
3. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on April 01, 2015 and by the shareholders of our Company vide a special resolution passed pursuant to section 62 (1) (c) of the Companies Act, 2013 at the EGM held on April 04, 2015.

## GENERAL INFORMATION

Our Company was incorporated as Sakar Healthcare Private Limited on March 26, 2004 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company and a fresh Certificate of Incorporation consequent upon change of name on Conversion to Public Limited Company dated March 27, 2015 was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli and the name of our Company was changed to Sakar Healthcare Limited. The Corporate Identification Number of our Company is U24231GJ2004PLC043861.

### **Registered Office of our Company**

#### **Sakar Healthcare Limited**

Plot No. 10/13, Nr. M N. Desai Petrol Pump,  
Sarkhej Bawla Highway,  
Changodar, Ahmedabad – 382 213,  
Gujarat, India

**Tel.:** +91 2717 250477

**Fax:** +91 2717 251 621

**E-mail:** [info@sakarhealthcare.com](mailto:info@sakarhealthcare.com)

**Website:** [www.sakarhealthcare.com](http://www.sakarhealthcare.com)

For details on change in the address of Registered Office of our Company, please refer to the chapter titled “History and Corporate Structure” beginning on page 104 of this Draft Prospectus.

### **Registrar of Companies**

#### **Registrar of Companies, Gujarat, Dadra and Nagar Haveli**

ROC Bhavan, Opp. Rupal Park Society,  
Behind Ankur Bus Stop,  
Naranpura, Ahmedabad – 380 013  
Website: [www.mca.gov.in](http://www.mca.gov.in)

### **Designated Stock Exchange**

#### **SME Platform of NSE**

#### **National Stock Exchange of India Limited**

Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai – 400 051, Maharashtra

### **Our Board of Directors**

The Board of Directors as on the date of filing this Draft Prospectus is as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Age (years)</b>	<b>DIN</b>	<b>Address</b>	<b>Designation</b>
1	Mr. Sanjay S. Shah	56	01515296	7, Arun Society, Paldi, Ahmedabad - 380007 Gujarat, India	Managing Director
2	Ms. Rita S. Shah	50	01515340	7, Arun Society, Paldi, Ahmedabad - 380007 Gujarat, India	Executive Director
3	Mr. Aarsh S. Shah	24	05294294	7, Arun Society, Paldi, Ahmedabad - 380007 Gujarat, India	Joint Managing Director
4	Mr. Shailesh B. Patel	54	01835567	12, Swastik Society, Shriji Krupa, N S Road No. 2, JVPD Scheme, Mumbai – 400 056, Maharashtra, India	Independent Director
5	Mr. Prashant C. Srivastav	36	02257146	16, Hem Apartments, Nehru	Independent Director

				Park, Lad Society Road, Vastrapur, Ahmedabad – 380 015, Gujarat, India	
6	Mr. Hardik P. Mehta	27	07153485	Near Shrinivas Society, Behind Samkit Flats, Vikas Gruh Road, Paldi, Ahmedabad – 380007	Independent Director

For detailed profile of our Directors, please refer to the chapter titled ‘Our Management’ beginning on page 107 of this Draft Prospectus.

#### ***Company Secretary and Compliance Officer***

**Ms. Pratixa S. Seju**

**Sakar Healthcare Limited**

Plot No. 10/13, Nr. M N. Desai Petrol Pump,

Sarkhej Bawla Highway,

Changodar, Ahmedabad – 382 213,

Gujarat, India

**Tel.:** +91 2717 250477

**Fax:** +91 2717 251621

**E-mail:** [cs@sakarhealthcare.com](mailto:cs@sakarhealthcare.com)

**Website:** [www.sakarhealthcare.com](http://www.sakarhealthcare.com);

Investors may contact the Compliance Officer and / or the Registrar to the Issue and / or the LM to the Issue, in case of pre-issue or post issue related problems. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant.

Equity Shares in the respective beneficiary account, refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant.

#### ***Chief Financial Officer***

**Mr. Johnny G. Kudilil**

**Sakar Healthcare Limited**

Plot No. 10/13, Nr. M N. Desai Petrol Pump,

Sarkhej Bawla Highway,

Changodar, Ahmedabad – 382 213,

Gujarat, India

**Tel.:** +91 2717 250477

**Fax:** +91 2717 251 621

**Email:** [cfo@sakarhealthcare.com](mailto:cfo@sakarhealthcare.com)

**Website:** [www.sakarhealthcare.com](http://www.sakarhealthcare.com);

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

**Lead Manager to the Issue**

**Vivro Financial Services Private Limited**

“VIVRO House”, 11, Shashi Colony,

Opp. Suvidha Shopping Centre,

Paldi, Ahmedabad – 380 007,

Gujarat, India

**Tel.:** +91 79 2665 0670;

**Fax:** +91 79 2665 0570

**Email:** [sakar@vivro.net](mailto:sakar@vivro.net);

**Investor Grievance Email:** investors@vivro.net

**Website:** [www.vivro.net](http://www.vivro.net)

**Contact Person:** Ravish Mehta/Mili Khamar

**SEBI Registration No.:** INM000010122

**CIN:** U67120GJ1996PTC029182

**Registrar to the Issue**

**Link Intime India Private Limited**

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West),

Mumbai – 400 078, Maharashtra India

**Tel:** +91 22 6171 5400

**Fax:** +91 22 2596 0329

**E-mail:** [shl.ipo@linkintime.co.in](mailto:shl.ipo@linkintime.co.in)

**Investor grievance e-mail:** shl.ipo@linkintime.co.in

**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)

**Contact Person:** Sachin Achar

**SEBI Registration No.:** INR000004058

**CIN:** U67190MH1999PTC118368

**Legal Advisors to the Issue**

**Wadia Ghandy & Co. (Ahmedabad)**

**Advocates & Solicitors**

1st Floor, Chandan House,

Near Mayor's Bungalow,

Law Garden, Ahmedabad - 380 006

**Tel:** +91 79 2656 4700/ 2656 4800

**Fax:** +91 79 2656 4300

**Contact Person:** Tanvish Bhatt

**E-mail:** [tanvish.bhatt@wadiaghandy.com](mailto:tanvish.bhatt@wadiaghandy.com)

**Statutory Auditors**

**M/s. A. L. Thakkar & Co., Chartered Accountants**

“Karishma Chambers, 1<sup>st</sup> Floor,

Behind Old High Court, Navrangpura,

Ahmedabad – 380 009, Gujarat

**Tel:** +91 79 2658 7802;

**Fax:** +91 79 2658 5132;

**Email:** [aseemthakkar@gmail.com](mailto:aseemthakkar@gmail.com);

**Contact Person:** Sanjeev Shah;

**Firm Registration No.:** 120116W;

**Membership No.:** 42264.

**Peer Review Auditors**

**M/s Shah & Dalal, Chartered Accountants**

B/101, Second Floor, Neelam Apartment,

Hirabaug Crossing, Ambawadi,

Ahmedabad – 380 015, Gujarat

**Tel:** +91 79 2656 8896;

**Fax:** +91 79 2656 0177;

**Email:** [shah.dalal@gmail.com](mailto:shah.dalal@gmail.com)

**Contact Person:** Malay Dalal

**Firm Registration No.:** 109432W

**Membership No.:** 036776

**Bankers to our Company**

**State Bank of India**

Zodiac Avenue,  
Opp. Commissioner Bungalow,  
Law Garden, Ahmedabad – 380 006  
**Tel.:** +91 79 2642 0277;  
**Fax:** +91 79 26425202;  
**Email:** sbi.60438@sbi.co.in;  
**Contact Person:** Ghanshyam Solanki

#### **Bankers to the Issue/Escrow Collection Banks**

[•]

#### **Refund Banker**

[•]

#### **Self-Certified Syndicate Banks**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on [http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1365051213899.html](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html). For details on Designated Branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

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

Since Vivro Financial Services Private Limited is the sole Lead Manager to this Issue, all the responsibilities of the Issue will be managed by them.

#### **Credit Rating**

This being an issue of Equity shares, credit rating is not required.

#### **IPO Grading**

Since the Issue is being made in terms of Chapter XB of the SEBI ICDR Regulations, there is no requirement of appointing an IPO Grading agency.

#### **Appraisal and Monitoring Agency**

As per Regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is mandatory if the Issue size exceeds Rs. 50,000 Lacs. Since the Issue size is only of Rs. 1,184.40 Lacs, our Company has not appointed any monitoring agency for this Issue. However, as per the Clause 52 of the NSE SME Listing Agreement to be entered into with NSE upon listing of the Equity Shares and the corporate governance requirements, *inter-alia*, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

#### **Expert Opinion**

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

Our Company has received written consent from the Peer Reviewed Auditor, M/s. Shah & Dalal, Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Prospectus in relation to the report dated October 31, 2015 on the restated audited financial statements of our Company and the statement of tax benefits dated December 05, 2015 included in this Draft Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Prospectus.

#### **Debenture Trustee**

Since this is not a debenture issue, appointment of debenture trustee is not required.

#### **Issue Period**

<b>ISSUE OPENS ON</b>	[•]
<b>ISSUE CLOSES ON</b>	[•]

#### **Underwriting Agreement**

This Issue is 100% Underwritten. The Underwriting Agreement entered into by our Company with the Underwriter is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are subject to certain

conditions specified therein. The Underwriter has indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Name, address and contact information of the Underwriter	No. of Equity Shares Underwritten	Amount Underwritten (Rs in lacs)	% of the Total Issue Size Underwritten
[●]	[●]	[●]	100%

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full.

#### **Details of the Market Making Arrangement**

Our Company and the Lead Manager have entered into a tripartite agreement dated April 24, 2015 with the following Market Maker, duly registered with SME segment of NSE to fulfill the obligations of Market Making:

#### **Pravin Ratilal Share and Stock Brokers Limited (PRSSB)**

SAKAR- I, 5th Floor, Opp. Gandhigram Railway Station,  
Ashram Road, Ahmedabad – 380 009  
Gujarat

Tel: + 91 79 26553700, + 91 79 66302700

Fax: + 91 79 26582331

Email: [info@prssb.com](mailto:info@prssb.com)

Contact Person: Atul P. Sharedalal

SEBI Reg. No. INB 230758933

Market Maker Reg. No. (SME Segment of NSE): INB 230758933

PRSSB, registered with SME segment of NSE 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 by amendment to SEBI (ICDR) Regulations.

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

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by NSE. Further, the Market Maker shall inform the NSE in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be Rs. 1,00,000. However, the investors with holdings less than Rs. 1,00,000 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. Based on the IPO price of Rs. 40, the minimum lot size is 3,000 Equity Shares thus minimum depth of the quote shall be Rs. 1,20,000 until the same would be revised by NSE.
3. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker for the quotes given by him.
4. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide buy quote if the shares of Market Maker in our Company reaches to 25% of Issue Size (including the 5% issue size out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 5% of issue size would not be taken into consideration of computing the threshold of 25% of Issue Size. Apart from the above mandatory inventory, only those shares which have been acquired on the platform of the exchange during market making process shall be counted towards the Market Maker's threshold. As soon as the Equity Shares of the Market Maker in our Company reduce to 24% of Issue Size, Market Maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.

6. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, PRSSB is acting as the sole Market Maker.
7. 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.
8. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
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 Stock Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Stock Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker.

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 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 106V of the SEBI ICDR Regulations. Further our Company and the Lead Manager reserve the right to appoint another Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

11. NSE SME Exchange will have all margins which are applicable on the NSE Main Board viz. Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
12. Punitive Action in case of default by Market Makers: Stock 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 Stock 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 Stock Exchange from time to time. The Stock Exchange will impose a penalty on the Market Maker in case he is 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 Stock 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.
13. 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 Rs. 25,000 Lacs, 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 (Trade for Trade) segment for first 10 days from commencement of trading. The following spread will be applicable on the NSE SME Exchange/ Platform.

Sr. No.	Market Price Slab (In Rs.)	Proposed Slab (In % to sale Price)
1	Up to 50	9
2	50 to 75	8
3	75 to 100	6
4	Above 100	5

14. 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 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)
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Up to Rs. 20 crores	25%	24%
Rs. 20 to Rs. 50 crores	20%	19%
Rs. 50 to Rs. 80 crores	15%	14%
Above Rs. 80 crores	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/NSE from time to time.



## CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Prospectus before and after the issue is set forth below:

(Rs. in Lacs except share data)

Particulars		Aggregate nominal value	Aggregate at Issue Price
<b>A</b>	<b>Authorised Share Capital</b>		
	1,20,00,000 Equity Shares of Rs. 10 each	1200.00	
<b>B</b>	<b>Issued, Subscribed and Paid-up Capital before the Issue</b>		
	80,00,000 Equity Shares of Rs. 10 each	800.00	
<b>C</b>	<b>Present Issue in terms of this Draft Prospectus<sup>(1)</sup></b>		
	29,61,000 Equity Shares of Rs 10 each	<b>296.10</b>	1184.40
	<b>Which comprise of</b>		
	<b>Reservation for Market Maker(s) -</b> 1,53,000 Equity Shares of face value of Rs 10 each reserved as Market Maker portion at a price of Rs 40 per Equity Share	<b>15.30</b>	61.20
	<b>Net Issue to the Public</b> of 28,08,000 Equity Shares of face value of Rs 10 each at a price of Rs 40 per Equity Share	<b>280.80</b>	1123.20
	<b>Which comprises of</b>		
	<b>Allocation to Retail Individual Investors-</b> 14,04,000 Equity Shares of face value of Rs 10 each at a price of Rs 40 per Equity Share	<b>140.40</b>	561.60
	<b>Allocation to Other than Retail Individual Investors-</b> 14,04,000 Equity Shares of face value of Rs 10 each at a price of Rs 40 per Equity Share	<b>140.40</b>	561.60
<b>D</b>	<b>Issued, Subscribed and Paid-up Capital After The Issue</b>		
	<b>1,09,61,000</b> Equity Shares of face value of Rs. 10 each	<b>1,096.10</b>	
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		160.00
	After the Issue		1,048.30

(1) *The Issue has been authorised by the Board of Directors in their meeting dated April 1, 2015 and the shareholders pursuant to their resolution at the extraordinary general meeting dated April 4, 2015.*

**Note:**

- Our Company has only one class of share capital i.e. Equity Shares of face value of Rs.10 each only.
- All Equity Shares issued are fully paid-up.
- Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

#### 1. Details of increase in Authorised Share Capital of our Company:

AGM/ EGM	Date of Meeting	From	To
On Incorporation		Rs. 1.00 Lac divided into 10,000 Equity Shares of Rs. 10/- each	
EGM	August 03, 2004	Rs. 1.00 Lac divided into 10,000 Equity Shares of Rs. 10/- each	Rs. 70.00 Lacs divided into 7,00,000 Equity Shares of Rs. 10/- each
EGM	March 23, 2006	Rs. 70.00 Lacs divided into 7,00,000 Equity Shares of Rs. 10/- each	Rs. 200.00 Lacs divided into 20,00,000 Equity Shares of Rs. 10/- each
EGM	March 17, 2007	Rs. 200.00 Lacs divided into 20,00,000 Equity Shares of Rs. 10/- each	Rs. 300.00 Lacs divided into 30,00,000 Equity Shares of Rs. 10/- each

EGM	March 15, 2008	Rs. 300.00 Lacs divided into 30,00,000 Equity Shares of Rs. 10/- each	Rs. 500.00 Lacs divided into 50,00,000 Equity Shares of Rs. 10/- each
EGM	March 28, 2009	Rs. 500.00 Lacs divided into 50,00,000 Equity Shares of Rs. 10/- each	Rs. 700.00 Lacs divided into 70,00,000 Equity Shares of Rs. 10/- each
EGM	August 18, 2009	Rs. 700.00 Lacs divided into 70,00,000 Equity Shares of Rs. 10/- each	Rs. 800.00 Lacs divided into 80,00,000 Equity Shares of Rs. 10/- each
EGM	February 25, 2015	Rs. 800.00 Lacs divided into 80,00,000 Equity Shares of Rs. 10/- each	Rs. 1200.00 Lacs divided into 1,20,00,000 Equity Shares of Rs. 10/- each

2. **History of increase in Issued Share Capital of our Company:**

Date of Allotment	No. of shares Allotted	Face Value	Issue Price	Nature of Allotment	Nature of Consideration	Cumulative No. of Shares	Cumulative Paid up capital (Rs. In Lacs)
March 26, 2004	10,000	10	10	Subscription to Memorandum of Association (1)	Cash	10,000	1.00
August 06, 2004	6,90,000	10	10	Further Allotment (2)	Cash	7,00,000	70.00
March 19, 2007	23,00,000	10	10	Further Allotment (3)	Cash	30,00,000	300.00
March 28, 2008	20,00,000	10	10	Further Allotment (4)	Cash	50,00,000	500.00
March 30, 2009	20,00,000	10	10	Further Allotment (5)	Cash	70,00,000	700.00
October 3, 2009	4,00,000	10	50	Further Allotment (6)	Cash	74,00,000	740.00
March 30, 2011	6,00,000	10	10	Further Allotment (7)	Cash	80,00,000	800.00

(1) Initial allotment of 10,000 Equity Shares of face value of Rs. 10 each at par to the subscribers of Memorandum of Association as per the details given below:

Sr. No.	Name of the Person	Number of Equity Shares allotted
1.	Mr. Sanjay S. Shah	5,000
2.	Mrs. Rita S. Shah	5,000
	<b>TOTAL</b>	<b>10,000</b>

(2) Our Company allotted 6,90,000 Equity Shares of face value of Rs. 10 each at par on August 6, 2004 as per the details given below:

Sr. No.	Name of the Allottees	Number of Equity Shares allotted
1.	Mr. Sanjay S. Shah	1,77,500
2.	Ms. Rita S. Shah	1,77,500
3.	Mr. Sanjay V. Karkare	3,35,000
	<b>TOTAL</b>	<b>6,90,000</b>

(3) Our Company allotted 23,00,000 Equity Shares of face value of Rs. 10/- each at par on March 19, 2007 as per the details given below:

Sr. No.	Name of the Person	Number of Equity Shares allotted
1.	Mr. Sanjay S. Shah	2,80,000
2.	Ms. Rita S. Shah	2,80,000
3.	Mr. Surendra T. Shah	10,00,000
4.	Ms. Sheelaben S. Shah	5,00,000
5.	Mr. Dhanraj Jain	1,20,000

6.	Mr. Arun D. Jain	40,000
7.	Mr. Ravindrakumar D. Jain	40,000
8.	Mr. Narendrakumar D. Jain	40,000
	<b>TOTAL</b>	<b>23,00,000</b>

(4) Our Company allotted 20,00,000 Equity Shares of Face value of Rs 10/- each at par on March 28, 2008 as per the details given below:

Sr. No.	Name of the Person	Number of Equity Shares allotted
1.	Mr. Sanjay S. Shah	10,00,000
2.	Ms. Rita S. Shah	10,00,000
	<b>TOTAL</b>	<b>20,00,000</b>

(5) Our Company allotted 20,00,000 Equity Shares of Face value of Rs 10/- each at par on March 30, 2009 as per the details given below:

Sr. No.	Name of the Person	Number of Equity Shares allotted
1.	Mr. Sanjay S. Shah	17,50,000
2.	Ms. Rita S. Shah	2,50,000
	<b>TOTAL</b>	<b>20,00,000</b>

(6) Our Company allotted 4,00,000 Equity Shares of Face value of Rs 10/- each at premium of Rs 40/- on October 3, 2009 as per the details given below:

Sr. No.	Name of the Person	Number of Equity Shares allotted
1.	M/s. Airmax (Gujarat) Pvt. Ltd	4,00,000
	<b>TOTAL</b>	<b>4,00,000</b>

(7) Our Company allotted 6,00,000 Equity Shares of Face value of Rs 10/- each at par on March 30, 2011 as per the details given below:

Sr. No.	Name of the Person	Number of Equity Shares allotted
1.	Mr. Surendra T. Shah	4,00,000
2.	Ms. Sheelaben S. Shah	2,00,000
	<b>TOTAL</b>	<b>6,00,000</b>

- No benefits have accrued to our Company out of the above issuances.
- We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391-394 of the Companies Act.
- We have not issued any equity shares in last one year at price below Issue Price.
- Details of shareholding of promoters:**

#### A. Mr. SANJAY S. SHAH

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Equity Share (Rs.)	Issue/ Acquisition/ Transfer Price (Rs.)	Nature of Consideration	Nature of Transaction	Pre-Issue shareholding percentage	Post-Issue shareholding percentage	Lock-In Period	No. of Shares Pledged	% of Shares Pledged	Source of Promoter Contribution
March 26, 2004	5,000	10	10	Cash	Subscription to MOA	0.06%	0.05%	3 Years	Nil	Nil	Income/ Savings
August 06, 2004	1,77,500	10	10	Cash	Further Allotment	2.22%	1.62%	3 Years	Nil	Nil	Income/ Savings
April 07, 2006	1,75,000	10	10	Cash	Purchase	2.19%	1.60%	3 Years	Nil	Nil	Income/ Savings
March	2,80,000	10	10	Cash	Further	3.50%	2.55%	3 Years	Nil	Nil	Income/

19, 2007					Allotment						Savings
March 28, 2008	10,00,000	10	10	Cash	Further Allotment	12.50%	9.12%	3 Years	Nil	Nil	Income/ Savings
March 30, 2009	7,35,000	10	10	Cash	Further Allotment	9.19%	6.71%	3 Years	Nil	Nil	Income/ Savings
March 30, 2009	10,15,000	10	10	Cash	Further Allotment	12.69%	9.26%	1 Year	Nil	Nil	Income/ Savings
October 15, 2014	10,80,000	10	10	Cash	Purchase	13.50%	9.85%	1 Year	Nil	Nil	Income/ Savings
<b>Total</b>	<b>44,67,500</b>					<b>55.84%</b>	<b>40.76%</b>				

## B. Ms. RITA S. SHAH

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Equity Share (Rs.)	Issue/ Acquisition/ Transfer Price (Rs.)	Nature of Consideration	Nature of Transaction	Pre-Issue shareholding percentage	Post-Issue shareholding percentage	Lock-In Period	No. of Shares Pledged	% of Shares Pledged	Source of Promoter Contribution
March 26, 2004	5000	10	10	Cash	Subscription to MOA	0.06%	0.05%	1 Year	Nil	Nil	Income/ Savings
August 06, 2004	1,77,500	10	10	Cash	Further Allotment	2.22%	1.62%	1 Year	Nil	Nil	Income/ Savings
April 07, 2006	1,60,000	10	10	Cash	Purchase	2.00%	1.46%	1 Year	Nil	Nil	Income/ Savings
March 19, 2007	2,80,000	10	10	Cash	Further Allotment	3.50%	2.55%	1 Year	Nil	Nil	Income/ Savings
March 28, 2008	10,00,000	10	10	Cash	Further Allotment	12.50%	9.12%	1 Year	Nil	Nil	Income/ Savings
March 30, 2009	2,50,000	10	10	Cash	Further Allotment	3.13%	2.28%	1 Year	Nil	Nil	Income/ Savings
March 20, 2014	(12,60,000)	10	10	Cash	Transfer / Sale	(15.75)%	(11.15)%		Nil	Nil	Income/ Savings
October 15, 2014	2,40,000	10	10	Cash	Purchase	3.00%	2.19%	1 Year	Nil	Nil	Income/ Savings
February 26, 2015	(6,07,500)	10	10	Cash	Transfer/ Sale	(7.59)%	(5.38)%		Nil	Nil	Income/ Savings
<b>Total</b>	<b>2,45,000</b>					<b>3.06%</b>	<b>2.74%</b>				

## C. Mr. AARSH S. SHAH

Date of Allotment/ Transfer	No. of Equity Shares	Face value per Equity Share (Rs.)	Issue/ Acquisition/ Transfer Price (Rs.)	Nature of Consideration	Nature of Transaction	Pre-Issue shareholding percentage	Post-Issue shareholding percentage	Lock-In Period	No. of Shares Pledged	% of Shares Pledged	Source of Promoter Contribution
October 06, 2013	7,00,000	10	10	Cash	Purchase	8.75%	6.39%	1 Year	Nil	Nil	Income/ Savings
February 26, 2015	6,07,500	10	10	Cash	Purchase	7.60%	5.54%	1 Year	Nil	Nil	Income/ Savings
<b>Total</b>	<b>13,07,500</b>					<b>16.34%</b>	<b>11.93%</b>				

7. Our Promoter Group, Directors and their immediate relatives have not purchased / sold Equity Shares of our Company during last 6 months.

8. 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 or their internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
9. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase, through any other person, of securities of our Company during the period of six months immediately preceding the date of filing offer document with the Stock Exchange.

**10. Details of Promoter's Contribution locked in for three years:**

Pursuant to Regulation 32 and 36 of SEBI ICDR Regulations an aggregate of 20.98% of the post-issue capital held by our Promoters shall be considered as Promoters' Contribution ("**Promoters Contribution**") and locked-in for a period of three years from the date of the Allotment pursuant to the Issue. 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 Promoter, Mr. Sanjay S. Shah, has granted consent to include 23,72,500 Equity Shares held by him as may constitute 20.98% of the post-issue Equity Share Capital of our Company as Promoters Contribution and has agreed not to sell or transfer or pledge or otherwise dispose of or encumber in any manner, the Promoters Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above.

Date of Allotment /Transfer	No. of Equity Shares	Face value per Share (Rs.)	Issue/ Acquisition/ Transfer price (Rs.)	Nature of Transactions	Post – Issue Shareholding Percentage	Consideration
26-Mar-04	5,000	10	10	Subscription to MOA	0.05%	Cash
6-Aug-04	1,77,500	10	10	Further Allotment	1.62%	Cash
7-Apr-06	1,75,000	10	10	Purchase	1.60%	Cash
19-Mar-07	2,80,000	10	10	Further Allotment	2.55%	Cash
28-Mar-08	10,00,000	10	10	Further Allotment	9.12%	Cash
30-Mar-09	7,35,000	10	10	Further Allotment	6.71%	Cash
<b>Total</b>	<b>23,72,500</b>				<b>21.65%</b>	

We further confirm that the aforesaid minimum Promoter Contribution of 20.98% which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from the bonus issue against Equity Shares which are ineligible for minimum promoters' contribution.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- The Equity Shares held by the Promoters and offered for minimum Promoters' contribution that are subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the concerned Promoter for inclusion of their subscription in the minimum Promoters' contribution subject to lock-in.
- Equity shares issued to our Promoter on conversion of partnership firm into limited company.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The Promoters' Contribution that is locked- in for three years as aforesaid may be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan and the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue.

The Equity Shares held by our Promoters may be transferred, during the aforesaid lock-in period of 3 years, to and among the Promoter Group or to new Promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

# 11. Details of share capital locked in for one year:

In addition to minimum Promoter Contribution 20.98% of the Post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), the entire pre-issue share capital of our Company held by the Promoters in excess of the minimum promoter contribution shall be locked in for a period of one year from the date of Allotment in this Issue. The Promoters' shareholding that is locked-in for a period of one year as aforesaid may be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the Equity Shares is one of the terms of the sanction of the loan.

12. Further, in accordance with Regulation 37 of SEBI ICDR Regulations, the entire pre-issue share capital of our Company held by persons other than the Promoters shall be locked-in for a period of one year from the date of Allotment. However, such Equity Shares held by the persons other than Promoters may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

## A. The table below represents the shareholding pattern of our Company in accordance with clause 37 of the Listing Agreement, as on the date of this Draft Prospectus:

(Face value of Equity Shares of Rs. 10 each)

	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a %
<b>(A)</b>	<b>Promoter and Promoter Group</b>							
<b>(1)</b>	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	5	7520000	7520000	94.00	94.00	NIL	NIL
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	NIL	NIL
(c)	Bodies Corporate	0	0	0	0.00	0.00	NIL	NIL
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	NIL	NIL
(e)	Any Other:							
	<b>Sub-Total (A)(1)</b>	<b>5</b>	<b>7520000</b>	<b>7520000</b>	<b>94.00</b>	<b>94.00</b>		
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	NIL	NIL
(b)	Bodies Corporate	0	0	0	0.00	0.00	NIL	NIL
(c)	Institutions	0	0	0	0.00	0.00	NIL	NIL
(d)	Any Other (specify)	0	0	0	0.00	0.00	NIL	NIL
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>5</b>	<b>7520000</b>	<b>7520000</b>	<b>94.00</b>	<b>94.00</b>	<b>NIL</b>	<b>NIL</b>
<b>(B)</b>	<b>Public shareholding</b>							
<b>(1)</b>	<b>Institutions</b>							
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00	NIL	NIL
(b)	Financial Institutions/ Banks	0	0	0	0.00	0.00	NIL	NIL
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	NIL	NIL

	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a %
(d)	Venture Capital Funds	0	0	0	0.00	0.00	NIL	NIL
(e)	Insurance Companies	0	0	0	0.00	0.00	NIL	NIL
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	NIL	NIL
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	NIL	NIL
(h)	Any Other	0	0	0	0.00	0.00	NIL	NIL
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>NIL</b>	<b>NIL</b>
(2)	<b>Non-institutions</b>							
(a)	Bodies Corporate	1	400000	400000	5.00	5.00	NIL	NIL
(b)	Individuals							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	0	0	0	0.00	0.00	NIL	NIL
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	4	80000	80000	1.00	1.00	NIL	NIL
(c)	Any Other (specify)						NIL	NIL
	i. Non-resident Indians (Repat)	0	0	0	0.00	0.00	NIL	NIL
	<b>Sub-Total (B)(2)</b>	<b>5</b>	<b>480000</b>	<b>480000</b>	<b>6.00</b>	<b>6.00</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>5</b>	<b>480000</b>	<b>480000</b>	<b>6.00</b>	<b>6.00</b>	<b>NIL</b>	<b>NIL</b>
	<b>TOTAL (A)+(B)</b>	<b>10</b>	<b>8000000</b>	<b>8000000</b>	<b>100.00</b>	<b>100.00</b>	<b>NIL</b>	<b>NIL</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	NIL	NIL
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>10</b>	<b>8000000</b>	<b>8000000</b>	<b>100</b>	<b>100.00</b>	<b>NIL</b>	<b>NIL</b>

**Statement showing shareholding of persons belonging to Category "Promoter and Promoter Group"**

No.	Name of shareholder	Total shares held		Shares Pledged or otherwise encumbered	
		Number	As a % of grand total (A+B+C) indicated in Statement at para(I)(a) above}	No. of shares	%
1.	Mr. Sanjay S. Shah	44,67,500	55.84	Nil	Nil
2.	Rita S. Shah	2,45,000	3.06	Nil	Nil
3.	Aarsh S. Shah	13,07,500	16.34	Nil	Nil
4.	Surendra T. Shah*	14,00,000	17.50	Nil	Nil
5.	Ayushi S. Shah*	1,00,000	1.25	Nil	Nil
	<b>Total</b>	<b>75,20,000</b>	<b>94.00</b>	<b>Nil</b>	<b>Nil</b>

\* Part of Promoter Group

**Statement showing shareholding of persons belonging to Public holding more than 5% of total shares**

Name of the Shareholder	Number of Shares	Percentage (%) holding
M/s Airmax (Gujarat) Private Limited	4,00,000	5.00

Name of the Shareholder	Number of Shares	Percentage (%) holding
<b>Total</b>	4,00,000	5.00

Statement showing shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares

Name of the Shareholder	Number of Shares	Percentage (%) holding
M/s Airmax (Gujarat) Private Limited	4,00,000	5.00
<b>Total</b>	4,00,000	5.00

In terms of SEBI circular bearing no. Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/Cir/ISD/ 05 /2011, dated September 30, 2011, our Company shall ensure that 100% holding of the Promoters / members of the Promoter Group and 50% Public Shareholding shall be dematerialised prior to filing the Prospectus with the RoC. Our Company will file its shareholding pattern, in the form prescribed under clause 37 of the Listing Agreement, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of NSE before commencement of trading of such Equity Shares.

#### B. Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group (individuals and companies).

Sr. No.	Name of Shareholder	Pre Issue		Post Issue	
		No. of Equity Shares	% of Pre Issue Capital	No. of Equity Shares	% of Post Issue Capital
	<b>Promoter</b>				
1	Mr. Sanjay S. Shah	44,67,500	55.84%	44,67,500	40.76%
2	Ms. Rita S. Shah	2,45,000	3.06%	2,45,000	2.24%
3	Mr. Aarsh S. Shah	13,07,500	16.34%	13,07,500	11.93%
	<b>Promoter Group</b>				
1	Mr. Surendra T. Shah	14,00,000	17.50%	14,00,000	12.77%
2	Ms. Ayushi S. Shah	1,00,000	1.25%	1,00,000	0.91%
	<b>TOTAL</b>	<b>75,20,000</b>	<b>94.00%</b>	<b>75,20,000</b>	<b>68.61%</b>

The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of Promoter	No. of shares held	Average cost of Acquisition (in Rs.)
Mr. Sanjay S. Shah	44,67,500	10/-
Ms. Rita S. Shah	2,45,000	10/-
Mr. Aarsh S. Shah	13,07,500	10/-

#### C. Equity Shares held by top ten shareholders

Our top ten shareholders and the number of Equity Shares held by them as on date of this Draft Prospectus and ten days prior to date of this Draft Prospectus are as under

Sr. No.	Name of shareholders	No. of shares	% of pre-Issue Capital
1	Mr. Sanjay S. Shah	44,67,500	55.84%
2	Mr. Surendra T. Shah	14,00,000	17.50%
3	Mr. Aarsh S. Shah	13,07,500	16.34%
4	M/s Airmax (Gujarat) Pvt. Ltd.	4,00,000	5.00%
5	Ms. Rita S. Shah	2,45,000	3.06%
6	Ms. Ayushi S. Shah	1,00,000	1.25%
7	Mr. Paresh V. Sukhadiya	20,000	0.25%



8	Mr. Johnny George	20,000	0.25%
9	Mr. Suketu Vaywala	20,000	0.25%
10	Ms. Pushpa J. Ponmany	20,000	0.25%

Our top ten shareholders and the number of Equity Shares held by them two years prior to date of this Draft Prospectus are as under:

Sr. No.	Name of shareholders	No. of shares	% of pre-Issue Capital
1	Mr. Sanjay S. Shah	33,87,500	42.34%
2	Ms. Rita S. Shah	18,72,500	23.34%
3	Sheelaben S. Shah	7,00,000	8.75%
4	Mr. Surendra T. Shah	14,00,000	17.50%
5	Mr. Dhanraj Jain	1,20,000	1.50%
6	M/s Airmax (Gujarat) Pvt. Ltd.	4,00,000	5.00%
7	Mr. Arun D. Jain	40,000	0.50%
8	Mr. Ravindrakumar D. Jain	40,000	0.50%
9	Mr. Narendrakumar D. Jain	40,000	0.50%

13. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through this Draft Prospectus.
14. The Equity Shares, which are subject to lock-in, shall carry the inscription "non-transferable" and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.
15. As on the date of this Draft Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
16. We have not raised any bridge loans against the proceeds of the Issue.
17. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in heading on "Basis of Allotment" beginning on page 203 of this Draft Prospectus.
18. The Equity Shares Issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which the allotment shall not be made.
19. Our Company has not issued any Equity Shares at a price less than the Issue Price in the last one year preceding the date of filing of this Draft Prospectus.
20. In case of over-subscription in all categories, the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI ICDR Regulations, as amended from time to time.
21. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Lead Manager and NSE-EMERGE Platform.
22. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the 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 Promoters and subject to lock-in shall be suitably increased to ensure that 20.00% of the post issue paid-up capital is locked-in.
23. The Issue is being made through Fixed Price Method.

24. As on date of filing of this Draft Prospectus with Stock Exchange, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Issue will be fully paid up.
25. On the date of filing this Draft Prospectus with Stock Exchange, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.
26. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.
27. Lead Manager to the Issue and its associates do not hold any Equity Shares of our Company.
28. Our Company has not revalued its assets since incorporation.
29. Our Company has not made any Public Issue of any kind or class of securities since its incorporation.
30. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law.
31. Our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.
32. Our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares. 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 listing of equity shares 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.
33. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
34. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
35. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.

## OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds which are being raised towards funding the following objects:

1. To set up a new Lyophilization facility to manufacture Lyophilized Products (Injectable) in existing unit at Changodar, Ahmedabad, Gujarat;
2. To register new products;
3. To obtain registration of European Union GMP;
4. To meet general corporate purpose; and
5. To meet Issue Expenses and Listing of Equity Shares on the Emerge Platform of NSE.

The main objects clause of our Memorandum of Association enables us to undertake the activities proposed in terms of the objects of the Issue, for which the funds are being raised through this Issue. Our existing activities are within the ambit of the objects clause of the Memorandum of Association of our Company.

### Cost of Project and Means of Finance

The cost of project and means of finance estimated by our management are given below:

#### Cost of Project

(Rs. in Lacs)		
Sr. No.	Object	Total Estimated Cost
1	Setting up new manufacturing line	
	(a) Imported Plant and Machinery	827.40
	(b) Indigenous Plant And Machinery	113.64
	(c) Furniture And Fixture	10.76
	(d) Building Alteration	13.72
2	New Product Registration	99.45
3	EU GMP Registration	59.38
4	General Corporate Purpose	[•]
5	Issue Expenses	[•]
	<b>Total Cost of the Project</b>	[•]

#### Means of Finance

(Rs. in Lacs)		
Sr. No.	Description	Amount
1	Gross Proceeds of the Issue	1184.40
2	Internal Accruals	[•]
	<b>Total Means of Finance</b>	[•]

In case the IPO does not go as planned, our Company will make alternative arrangements like availing of loans from bank(s) and/or utilizing internal accruals. In case of excess funds remaining after deployment as per the Objects of the Issue, the same will be utilized for General Corporate Purposes. For further details please refer to the Paragraph titled “General Corporate Purposes” beginning on page 59 under Chapter titled “Objects of the Issue” beginning on page 55 of the Draft Prospectus.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution or any independent organization. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy.

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as incremental pre-operative expenses and external factors which may not be within the control of our management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management in accordance with applicable laws. In case of any surplus after utilization of the Net Proceeds for the stated objects, we may use such surplus towards future growth opportunities, if required and general corporate purposes.

In case of variations in the actual utilisation of funds earmarked 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 done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

## Appraisal

Our Company has not got its proposed requirements of funds as detailed in this chapter appraised by any bank or financial institution.

We propose to meet the requirement of funds for the objects from the Net Proceeds of the Issue and Internal Accruals. Accordingly, the requirements under Regulation 4 (2) (g) of the SEBI ICDR Regulations regarding confirmation for firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through proposed Public issue, does not arise.

## Details of Objects

### 1. Setting up of New Lyophilisation facility to manufacture lyophilized products (Injectable) at the existing unit at Changodar

We propose to utilize Rs. 827.40 Lacs out of the Net Proceeds of the Issue, for the establishment of a Lyophilisation facility manufacturing Lyophilized Products (Injectable) in existing unit at Changodar, Ahmedabad, Gujarat, having an aggregate capacity of 22,000 vials per day, which will enhance our existing product portfolio. Lyophilisation process ensures longer shelf life and extended stability of the products. Our Company believes that this manufacturing facility will help to increase our revenue and profit margins significantly, since the products manufactured through this process of freeze drying are used in treating critical care illness.

Freeze drying (Lyophilisation) is a process of removing moisture from the frozen state of products using process of sublimation to enhance stability and shelf life. Vials are filled with liquid solution and loaded into the Lyophiliser using automatic loading system under class – 100 environment which is protected by open RABS. Lyophiliser is loaded shelf by shelf. Once loading is completed, automatic freeze drying cycle starts. After completion of freeze drying, half stoppered vials are fully stoppered and they are unloaded from the machine, using automatic unloading system connected to cap sealing machine protected by open RABS.

Lyophiliser is equipped with automatic CIP (Clean in Place) and SIP (Sterilisation in Place) arrangement. Integrity of this machine is checked using automatic cycle.

The breakdown of proposed investment for the setting up of the Lyophilisation Process is as follows:

Sr. No.	Particulars	Rs. In Lacs
(a)	<b>Plant &amp; Machinery</b>	
I	Imported Machinery	827.40
II	Indigenous Machinery	113.64
(b)	Furniture and Fixture	10.76
(c)	Building Alterations	13.72

Sr. No.	Particulars	Rs. In Lacs
	<b>Total</b>	<b>965.52</b>

#### Plant & Machinery

Sr. No.	Plant & Machinery	Rs. In Lacs
I	Imported Machinery	827.40
II	Indigenous Machinery	113.64
	<b>Total</b>	<b>941.04</b>

#### I. Imported Machinery

We propose to utilize Rs. 827.40 lacs out of the Net Proceeds of the Issue for expenditure on Machinery required for the establishment of a Lyophilisation process manufacturing line having aggregate capacity of 22,000 vials per day.

The details of imported machinery to be established for Lyophilisation process are as under:

Sr. No.	Equipment Name	Supplier	Cost Rs. In Lacs	Quotation Date
1	Tofflon Lyophilizer	Shanghai Tofflon Science and Technology Company Limited	827.40*	December 30, 2014

(Source: Quotations received by our Company)

\*Conversion rate: USD 1 = Rs. 66.30

#### II. Indigenous Machinery

We propose to utilize Rs. 113.64 Lacs out of the Net Proceeds of the Issue for expenditure on Machinery required for the establishment of a Lyophilisation process manufacturing line.

The details of Indigenous Machinery to be established for the proposed facility are as under:

Sr. No.	Equipment Name	Supplier	Cost (Rs. In Lacs)	Quotation Date
1	Aerosol Particle Sensor Model Airnet II 510:102507	Aimil Limited	39.76	April 18, 2015
2	Shimadzu UV VIS Spectrophotometer and FTIR Spectrophotometer with Accessories	Shimadzu (Asia Pacific) PTE Limited	21.35	March 23, 2015
3	Laboratories Instruments	Labtronik	3.15	March 24, 2015
4	Electrolab Products (Laboratory instrument)	Electrolab (India) Private Limited	6.37	March 24, 2015
5	Electric Installations	Pratik Engineers	10.00	April 25, 2015
6	Computer Systems	NA	5.00	NA
7	Cooling Systems	NA	10.00	NA
8	Ancillary Items	NA	18.00	NA
	<b>Total</b>		<b>113.64</b>	

(Source: Quotations received by our Company and Management Estimates)

**(a) Furniture and Fixtures**

We plan to utilize Rs. 10.76 lacs out of the Net Proceeds of the Issue for expenditure on Furniture and Fixtures for the proposed manufacturing facility.

The details of Furniture and Fixtures to be purchased for the proposed facility are as under:

Sr. No.	Description of Asset	Supplier	Cost (Rs. In Lacs)	Quotation Date
1	Ceiling	Satish D. Pankhania	2.28	March 26, 2015
2	Framework	Satish D. Pankhania	4.41	March 26, 2015
3	Aluminium Partition	Satish D. Pankhania	1.61	March 26, 2015
4	Wooden Framing	Satish D. Pankhania	1.05	March 26, 2015
5	Plywood Storage	Satish D. Pankhania	1.41	March 26, 2015
	<b>Total</b>		<b>10.76</b>	

(Source: Quotations received by our Company)

**(b) Building Alterations**

We propose to alter the certain civil construction in plant 4 of our existing manufacturing unit in order to accommodate the proposed lyophilisation process manufacturing line. We plan to utilize Rs. 13.72 lacs towards expenditure of building alterations.

The details of civil work pertaining to building alterations are as under:

Sr. No.	Name of Area	Quantity	Rate (Rs.)	Per	Cost (Rs. In Lacs)
1	Breaking Floor	8.80	275.00	Square Meter	0.02
2	Excavation - Pile Cap	4.90	550.00	Centimeter	0.03
3	Excavation - Manual	21.90	800.00	Lot	0.18
4	Bulb – Pile Foundation	12.00	250.00	Number	0.03
5	Reinforcement Work	780.00	100.00	Kilogram	0.78
6	PCC – Foundation	8.25	800.00	Square Meter	0.07
7	Concrete – Pile Cap	69.52	6,500.00	Centimeter	4.52
8	Steel Column	5,415.90	145.00	Lot	7.85
9	Stone Fitting	11.84	1,500.00	Square Meter	0.18
10	Rebarring Work	36.00	200.00	Number	0.07
	<b>Total</b>				<b>13.72</b>

We have obtained a letter from Kalpesh Motibhai Solanki, Contractor, certifying the estimated cost of Rs. 13.72 lacs to be incurred on Building Alterations for the said facility vide their letter dated April 17, 2015.

**2. New Product Registration:**

We propose to utilize Rs. 99.45 lacs towards New Product Registration expenses.

The details of expenses pertaining to new product registrations are as under:

Particulars	Cost Per Unit (USD)	Total Cost (USD)	Cost (Rs. In Lacs)*
150 Product Registrations (15 Products * 10 Countries)	1,000	150,000	99.45
<b>Total</b>			<b>99.45</b>

\*Conversion rate: USD 1 = Rs. 66.30

### 3. EU GMP Certification

We propose to utilize Rs. 59.38 lacs towards European Union (EU) Good Manufacturing Practices (GMP) Certification.

The details of expenses pertaining to EU GMP certification are as under:

Particulars	Total Cost (EUR)	Cost (Rs. in Lacs)*
EU GMP Audit Fees	45,000	32.63
EU GMP Consultant Charges	20,000	14.50
EU GMP Pre Audit Gap Analysis	10,000	7.25
Other Incidental Expenses	-	5.00
<b>Total</b>		<b>59.38</b>

\*Conversion rate: EUR 1 = ₹ 72.50

### 4. General Corporate Purposes

We intend to deploy the balance issue proceeds of Rs. [•] lacs towards the general corporate purposes, including but not restricted to appointing dealers and setting up distribution channel and logistic arrangements, brand building exercises, establishment of supply chain, investment in other segments of the industry, acquisition of raw material and packing material or any other purposes as approved by our Board of Directors. However, not more than 25% of the proceeds of issue would be deployed for the General Corporate Purposes.

### 5. Expenses related to Issue

The Issue related expenses consist of fees payable to LM to the Issue, Legal Counsels, Bankers to the Issue, Escrow Bankers and Registrars to the Issue, Printing and Distribution expenses, Advertising and Marketing expenses, Depository fees and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange. We intend to use about [•] lacs towards these expenses for the Issue. All expenses with respect to the Issue will be borne out of Issue proceeds.

Particulars	Amount (Rs. In Lacs)	% of Issue Size	% of Issue Expenses
Payment to Merchant Banker, Underwriting, Brokerage, Market Makers, Legal Advisors, Registrar, Bankers and expenses towards advertising, printing, dispatch etc.	[•]	[•]	[•]
Regulatory, marketing and other Misc. Expenses	[•]	[•]	[•]
<b>Total estimated Issue Expenses</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

### MONITORING OF FUNDS

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lacs, 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 Clause 52 of the SME Listing Agreement, 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 Draft 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 Promoter, our Directors, Key Management Personnel or companies promoted by the Promoter, except as may be required in the usual course of business.

For risks associated with our Objects of the Issue, please refer to the section titled “Risk Factors” beginning on page 12 of this Draft Prospectus.

## FUNDS DEPLOYED

As estimated by our management, the deployment of funds would be as follows:

(Rs. in Lacs)			
Particulars	Total Funds Required	Amount Incurred Till December 26, 2015	Balance Deployment During FY 2017
Setting up new manufacturing line	1,174.92	0.00	1,174.92
New Product Registration	200.13	0.00	200.13
EUGMP Registration	62.83	0.00	62.83
General Corporate Purpose	[•]	0.00	[•]
Issue Expenses	[•]	19.91	[•]
<b>Total</b>	<b>[•]</b>	<b>19.91</b>	<b>[•]</b>

(Rs. in Lacs)	
Sources of Funds	Amount
Internal Accruals	19.91
<b>Total</b>	<b>19.91</b>

M/s Shah & Dalal, Chartered Accountants, have vide the certificate dated December 26, 2015, confirmed that as on December 26, 2015, the above funds were deployed for the proposed Objects of the Issue.

## INTERIM USE OF ISSUE PROCEEDS

We, in accordance with the policies established by our Board, will have flexibility in deploying the Net Proceeds received by us from the Issue. The particular composition, timing and schedule of deployment of the Net proceeds will be determined by us based upon the development of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in high quality interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

Variation in Objects: In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules thereunder. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.



## BASIS FOR ISSUE PRICE

The Issue Price of Rs. 40 per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is Rs. 10 and Issue Price is 4 times the face value.

### QUALITATIVE FACTORS

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

- Well established manufacturing facilities
- Diversified product portfolio
- Internationally registered products
- Association with leading pharmaceutical companies
- Experienced promoters and senior management team

For further details, refer to heading ‘Our Strengths’ under chapter titled ‘Our Business’ beginning on page 88 of this Draft Prospectus.

### QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Years 2012-13 and 2013-14 and 2014-15, prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic Earnings per Share (EPS)

Year ended	EPS (Rs.)	Weight
March 31, 2013	1.81	1
March 31, 2014	2.20	2
March 31, 2015	2.30	3
Weighted Average	2.18	
Period ended September 30, 2015*	2.18	

Note: Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” issued by the Institute of Chartered Accountants of India.

\*Not Annualised

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. 40 per Equity Share of face value of Rs. 10/- each.

Particulars	PE Ratio
Based on Basic EPS of Rs. 2.30 for the Year Ended March 31, 2015	17.41
Based on Weighted Average EPS of Rs. 2.18 for the past three years	18.35
Industry Composite PE Ratio	27.90
Industry Highest PE Ratio	41.70
Industry Lowest PE Ratio	1.10

Source: Capital Market - Volume XXX/22 (December 21, 2015 – January 03, 2016) – Corporate Scoreboard – (Pharmaceuticals: Indian Company – Formulations)

#### 3. Average Return on Net worth (RONW)

Period	%	Weight
Year ended March 31, 2013	12.86	1
Year ended March 31, 2014	13.49	2
Year ended March 31, 2015	12.39	3
Weighted Average	12.83	
Period ended September 30, 2015*	<b>10.53</b>	

Note: RONW has been calculated by dividing net profit after tax, as restated, by the Net Worth as restated at the end of the year.

\*Not Annualised

#### 4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2015.

Based on Basic EPS of Rs. 2.30 for the Year ended 2015

At the Issue Price: 9.44%

#### 5. Net Asset Value (NAV)

NAV per Equity Share as on March 31, 2015:	Rs. 16.24
NAV per Equity Share after the Issue:	Rs. 24.33
Issue Price:	Rs. 40

Note: NAV per Equity Share has been calculated as Net Worth divided by number of Equity Shares.

#### 6. Comparison with other listed companies/Industry peers\*

(Rs. In lacs)

Companies	Market Price	Market Cap	Equity Capital	Networth	Total Income	Net Profit	EPS (Rs.)	NAV (Rs.)	P/E	Market Price / NAV
Lincoln Pharmaceuticals Limited	240.80	39,276	1,631.08	11,134.61	22,859.79	1,477.30	9.06	68.29	26.58	3.53
Bal Pharma Limited	120.80	15,550	1,287.24	5,559.73	18,713.00	402.28	3.14	43.40	38.47	2.78
Jenburkt Pharmaceuticals Limited	465.90	21,661	464.93	3,343.87	8,521.04	964.91	20.75	71.91	22.45	6.48
Makers Laboratories Limited	95.45	4,693	491.70	2,462.54	6,491.41	235.19	4.78	50.05	19.97	1.91
Coral Laboratories Limited	550.52	19,662	357.26	5,906.52	5,942.07	957.02	26.79	165.34	20.55	3.33
BDH Industries Limited	115.20	6,632	593.94	2,408.42	4,461.35	256.97	4.46	41.80	25.83	2.76
Sakar Healthcare Limited	NA	NA	800.00	1,532.54	3,505.27	186.45	2.33	19.16	NA	NA

\*Source: [www.bseindia.com](http://www.bseindia.com) and Audited Annual Reports for FY2015

NA=Not Applicable

- The figures of Sakar Healthcare Limited are based on the restated results for the year ended March 31, 2015
- The figures for the Peer group are based on Standalone audited results for the Financial Year 2015.
- Current Market Price (CMP) is the closing prices of respective scripts as on December 29, 2015 from: [www.bseindia.com](http://www.bseindia.com).

The Company in consultation with the Lead Manager and after considering various valuation fundamentals including Book Value and other relevant factors believes that the issue price of Rs. 40 per share for the Public Issue is justified in view of the above parameters. The investors may also want to pursue the Risk Factors on page 12 and Financials of the company as set out in the Financial Information included in the Draft Prospectus beginning on page 128 to have more informed view about the investment proposition. The Face Value of the Equity Shares is Rs 10 per share and the Issue Price is 4 times of the face value i.e. Rs 40 per share.

For further details see “Risk Factors” beginning on page 12 and the financials of the Company including profitability and return ratios, as set out in the “Financial Information” beginning on page 128 of this Draft Prospectus for a more informed view.

## **STATEMENT OF TAX BENEFITS**

### **STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

To,  
The Board of Directors  
Sakar Healthcare Limited

We hereby confirm that the enclosed annexure, prepared by Sakar Healthcare Limited ('the Company') states the possible tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act'). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The amendments in Finance Act 2015 have been incorporated to the extent relevant in the enclosed annexure.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence 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.

Our confirmation is 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.

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, where applicable have been/would be met.

**For Shah & Dalal**  
**Firm Registration No: 109432W**  
**Chartered Accountants**

**MALAY J DALAL**  
**Partner**  
**Membership No. 036776**

**Place: Ahmedabad**  
**Date: August 24, 2015**

## **STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO SAKAR HEALTHCARE LIMITED ('SHL' OR 'THE COMPANY') AND ITS SHAREHOLDERS**

Outlined below are the possible benefits available to Sakar Healthcare Limited ('the Company'), which is proposed to be listed in a recognized stock exchange in India and its shareholders under the current direct tax laws in India based on the current provisions of the Act.

### **A. Benefits to the Company under the Act**

#### **1. General tax benefits**

For the purpose of computation of income tax payable by the Company for each financial year, the following deductions are generally available to the Company:

##### **(a) Business income**

- (a) The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act.
- (b) General deduction

According to section 37 of the Act, the Company is entitled to claim the deduction of any expenditure incurred during a particular financial year which is

- not in the nature of capital expenditure or personal expenses;
  - not in the nature of expenditure described in sections 30 to section 36 of the Act; and Incurred wholly and exclusively for business purposes.
- (c) However, the following expenditure are not allowed as deduction under section 37 as they are not considered as expenditure incurred for business purposes:
  - (d) Any expenditure incurred for any purpose which is an offence or which is prohibited by law; or
  - (e) Any expenditure incurred on the activities relating to corporate social responsibility referred to in section 135 of the Companies Act, 2013.
  - (f) As per the provisions of Section 35DD of the Act, any expenditure incurred by an Indian Company, wholly and exclusively for the purpose of amalgamation/ demerger of an undertaking shall be allowed as deduction to the extent of one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the amalgamation/ demerger takes place.
  - (g) The Company can set off its business losses for an assessment year against any other source of income. The company is also entitled to carry forward and set off the balance business losses, not set off during an assessment year against the business profits of 8 subsequent assessment years.
  - (h) The company is entitled to carry forward and set off the unabsorbed depreciation, if any, for an assessment year, in the subsequent years as per the provisions of Section 32 of the Act.

(b) Income from other sources

- (a) As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax.
- (b) As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (plus surcharge and education cess).
- (c) As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.
- (d) Income from other streams such as income in the nature of interest will be taxable at the rate of 30 % plus applicable surcharge and cess.
- (e) The Company will be entitled to claim a deduction of any expenditure incurred (not in the nature of capital expenditure) wholly and exclusively for the purpose of earning income taxable under the section 56 of the Act subject to the provisions of section 57 and section 58 of the Act.

(c) Capital gains

(i) *Computation of capital gains in the hands of the Company*

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. The Act prescribes a threshold for the period of holding of long term and short term capital assets which is based on the various factors such as nature of assets, etc. Any gains arising from the transfer of short term capital assets will be Short Term Capital Gains (‘STCG’) and gains arising from the transfer of a long term capital asset will be a Long Term Capital Gain (‘LTCG’).
- The classification of short term capital assets and long term capital assets and the applicable rates of tax on capital gains is tabulated below:

Sl No	Capital asset	Threshold holding period for LTCG	Rate (Excluding surcharge and cess)	Remarks
1	Unlisted shares	More than 36 months	LTCG - 20% (with indexation benefits)  STCG – 30%	In a case where the transfer of such unlisted shares was subject to STT, the LTCG arising will be exempt from tax as per the provisions of section 10(38) of the Act. However, the same will be subject to Minimum Alternate Tax (‘MAT’) (refer Para 2) as a part of the overall book profits of the Company, if the Company is taxed according to the provisions of section 115JB.

Sl No	Capital asset	Threshold holding period for LTCG	Rate (Excluding surcharge and cess)	Remarks
2	Listed shares	More than 12 months	<p><b><u>Where STT is paid</u></b></p> <p><i>LTCG</i> – exempt as per section 10(38)</p> <p><i>STCG</i> – concessional rate of 15% as per section 111A.</p> <p><b><u>Where STT is not paid</u></b></p> <p><i>LTCG</i> - 20 % (with indexation benefits) Or 10 % (without indexation benefits)</p> <p><i>Whichever is less</i></p> <p><i>STCG</i> – 30%</p>	Long term capital gains exempted under the provisions of section 10(38) of the Act will be subject to MAT (refer Para 2) as a part of the overall book profits of the Company, if the Company is taxed according to the provisions of section 115JB.
3	Units of Unit Trust of India	More than 12 months	<p><i>LTCG</i> - 20% (with indexation benefits)</p> <p><i>STCG</i> – 30%</p>	
4	Units of a mutual funds specified under section 10(23D) of the Act	More than 36 months	<p><b><u>Where STT is paid</u></b></p> <p><i>LTCG</i> – exempt under section 10(38) of the Act.</p> <p><i>STCG</i> – concessional rate of 15% as per section 111A.</p> <p><b><u>Where STT is not paid</u></b></p> <p><i>LTCG</i> - 20% (with indexation benefits)</p> <p><i>STCG</i> – 30%</p>	Long term capital gains exempted under the provisions of section 10(38) of the Act will be subject to MAT (refer Para 2) as a part of the overall book profits of the Company, if the Company is taxed according to the provisions of section 115JB.
5	Any other	More than 36 months	<i>LTCG</i> - 20% (with indexation)	

Sl No	Capital asset	Threshold holding period for LTCG	Rate (Excluding surcharge and cess)	Remarks
	capital asset		benefits) STCG – 30%	

- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- Capital assets held for a period not more than above mentioned threshold will be short term capital assets.
- As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
- where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
- where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 7% where the taxable income of a domestic company exceeds INR 1,00,00,000 but not INR 10,00,00,000. The surcharge shall be payable at the rate of 12% where the taxable income of a domestic company exceeds INR 10,00,00,000. Further, education cess and secondary and higher education cess on the total tax payable (inclusive of surcharge) at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- As per provisions of Section 70 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- As per provisions of Section 70 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

(ii) *Exemption of capital gains from income – tax*

- Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by –:
  - National Highway Authority of India (NHAI) constituted under Section 3 of



National Highway Authority of India Act, 1988; and

- Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed in total, INR 50,00,000 per assessee during the financial year in which the asset is transferred and in the subsequent financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as capital gains in the year of transfer / conversion.
- The characterization of the gain / losses, arising from sale / transfer of shares / units as business income or capital gains would depend on the nature of holding and various other factors.

2. MAT credit

- (i) In case the tax computed according to the normal provisions of the Act, in any assessment year, is less than the 18.5% of the book profits computed in accordance with the provisions of section 115JB, the Company will be liable to pay taxes in accordance with the provisions of section 115JB.
- (ii) However, as per provisions of Section 115JAA of the Act, the excess of such tax on book profits over the normal tax (computed in accordance with the other provisions of the Act) is available as MAT credit. The amount of MAT credit will be carried forward and set off against the normal tax payable in subsequent 10 financial years following the financial year in which the MAT credit arises.

3. Securities Transaction Tax ('STT')

- (i) As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.
- (ii) STT will be paid at the rate of 0.1% on the purchase/ sale of equity shares of a company and at the rate of 0.001% in case of sale of units of an equity oriented mutual fund through a recognised stock exchange and where such transaction is settled by the actual delivery or transfer of such shares/ units.

4. Dividend distributed by the Company

- (i) As per the provisions of Section 115-O of the Act, domestic companies distributing profits as dividends to its shareholders would have to pay tax on such distributable profits at the rate of 15 percent (plus a surcharge of 12% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon).
- (ii) For the purpose of determining the tax on distributed profits payable in accordance with the section 115-O, any amount which is declared, distributed or paid by any domestic company out of current or accumulated profit on or after 1 April 2003, shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate of 15%, be equal to the net distributed profits.
- (iii) Therefore, the amount of distributable income and the dividends which are actually received by the shareholders of the domestic company need to be grossed up for the purpose of computing the additional tax.

- (iv) Further, the amount of dividend declared, distributed or paid by the domestic shall be reduced by the following amount:
  - (a) The amount of dividend received from its subsidiary where the subsidiary is also a domestic company and has paid DDT on such dividend;
  - (b) The amount of dividend received from its subsidiary which is a foreign company and tax is payable by the domestic company under section 115BBD of the Act on such dividends received.

5. Other Provisions

- (i) As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of certain conditions.
- (ii) As per provisions of Section 80GGB of the Act, the Company is entitled to claim deduction amounting to 100% of any sum contributed, other than by way of cash, to any political party or an electoral trust.
- (iii) As per the provisions of section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

**B. Benefits to the Resident members / resident shareholders of the Company under the Act**

1. Dividends exempt under section 10(34) of the Act

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from a Domestic Company is exempt from tax as the company would have paid dividend distribution tax on such dividends distributed.

2. Capital gains

(i) *Computation of capital gains*

- (a) Income from sale of listed equity shares held as an investment is subject to be taxed under the head capital gains and the tax implications with respect to transfer of such shares have been discussed below. However, in a case where such listed shares are held as stock in trade, the gains may be taxable as business income/ speculative income and the below discussions would not be relevant.
- (b) Listed equity shares being capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. The Act prescribes a threshold of 12 months in case of listed equity shares for the purposes of such categorization.. Any gains arising from the transfer of listed equity shares being short term capital assets will be Short Term Capital Gains ('STCG') and gains arising from the transfer of listed shares being long term capital asset will be a Long Term Capital Gains ('LTCG').
- (c) The classification of listed equity shares as short term capital assets and long term capital assets and the applicable rates for computing the taxes on capital gains on transfer of such shares have been tabulated below:

Sl No	Capital asset	holding period for LTCG	Rate (Excluding surcharge and cess)	Remarks
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1	Listed shares	More than 12 months	<p><b><u>Where STT is paid</u></b></p> <p><i>LTCG</i> – exempt as per section 10(38)</p> <p><i>STCG</i> – concessional rate of 15% as per section 111A.</p> <p><b><u>Where STT is not paid</u></b></p> <p><i>LTCG</i> - 20 % (with indexation benefits) Or 10 % (without indexation benefits) <i>Whichever is less</i></p> <p><i>STCG</i> – Normal rates applicable to the shareholder</p>	In a case where the transfer of such listed shares was subject to STT, the LTCG arising will be exempt from tax as per the provisions of section 10(38) of the Act. However, the same will be subject to MAT as a part of the overall book profits of the shareholder, if the shareholder is taxed according to the provisions of section 115JB.
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- (d) Capital assets being listed equity shares held for not more than above mentioned threshold will be short term capital assets.
- (e) In case the total income of resident individuals and Hindu Undivided Family ('HUF') reduced by taxable LTCG under section 112 of the Act or STCG under section 111A of the Act, as the case maybe, is less than the basic exemption limit, then the LTCG under section 112 of the Act or STCG under section 111A of the Act will be utilized for the basic exemption to the extent available.
- (f) The tax rates mentioned above stands increased by surcharge, payable at the rate of 7% where the taxable income of a domestic company exceeds INR 1,00,00,000 but not INR 10,00,00,000. The surcharge shall be payable at the rate of 12% where the taxable income of a domestic company exceeds INR 10,00,00,000.
- (g) Surcharge shall be payable at the rate of 12 % in case of an individual, HUF where the total taxable income of a taxpayer exceeds INR 1,00,00,000
- (h) Further, education cess and secondary and higher education cess on the total tax payable (inclusive of surcharge) at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- (i) As per provisions of Section 70 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- (j) As per provisions of Section 70 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.

(ii) *Exemption of capital gains arising from sale of a capital asset*

- (a) As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC.
- (b) Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed in total INR

50,00,000 per assessee during the financial year in which the assets are transferred and in the subsequent financial year.

- (c) Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted would be taxable as capital gains in the year of transfer / conversion of the specified bonds.
- (d) Further, there are additional benefits available to resident shareholders or Hindu Undivided Family ('HUF'). The provisions of Section 54F of the Act provides that LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and such exemption is subject to other conditions to the extent specified therein.
- (e) As per provisions of Section 56(2)(vii) of the Act, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under certain instances specified under the Act.

3. Other Provisions

- (i) The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- (ii) As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

C. Benefits to the Non-resident shareholders of the Company under the Act

1. Dividends exempt under section 10(34) of the Act

As per provisions of Section 10(34), dividend (both interim and final), if any, received by non- resident shareholders from an Indian Company on which DDT is paid would be exempt from tax.

2. Capital gains

Income from sale of listed equity shares held as investment is subject to tax under the head capital gains and the tax implications with respect to transfer of such shares have been discussed below. However, in a case where such listed shares are held as stock in trade, the gains may be taxable as business income/ speculative income and the below discussions would not be relevant.

(i) *Computation of capital gains for non-residents other than non-resident Indians and Foreign Institutional investors*

- (a) As mentioned earlier, capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. The Act prescribes a threshold for the period of holding of long term and short term capital assets which is based on the various factors such as nature of assets, etc. Any gains arising from the transfer of short term capital assets will be Short Term Capital Gains ('STCG') and gains arising from the transfer of a long term capital asset will be a Long Term Capital Gain ('LTCG').
- (b) The listed equity shares held for more than 12 months then such listed equity shares will be considered as long term capital asset. Listed equity shares held for a period up to 12 months will be short term capital assets.

- (c) In case where the transfer of long term listed equity shares is subject to STT the according to the provisions of section 10(38) of the Act, such LTCG will be exempt from taxation.
- (d) As per provisions of Section 111A of the Act, STCG arising on sale of listed equity shares are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA of the Act is allowed on such income.
- (e) STCG arising on sale of equity shares where such transaction is not chargeable to STT is taxable at the rate of 40% in case of a company and at normal slab rates in case of other assesses.
- (f) The tax rates mentioned above stands increased by surcharge, payable as follows:
  - At the rate of 2 %, in case of a foreign company whose total taxable income exceeds INR 1,00,00,000 but does not exceed INR 10,00,00,000.
  - At the rate of 5 %, in case of a foreign company whose total income exceeds INR 10,00,00,000.
  - In case of other non-residents, whose total taxable income exceeds INR 1,00,00,000 surcharge shall be payable at the rate of 12% of the income tax payable.
  - Further, secondary and higher education cess on the total tax (inclusive surcharge) at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- (g) As per provisions of Section 70 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
- (h) As per provisions of Section 70 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.
- (i) Further as per Finance Act, 2015, capital gains arising to a foreign company from any transaction in securities would be subject to MAT as a part of the overall book profits if such capital gains are taxed at a rate more than 18.5%.

### 3. Exemption of capital gains arising from income – tax

- (i) As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:
- (ii) Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed in total, INR 50,00,000 per assessee during any financial year and the subsequent financial year.
- (iii) Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- (iv) The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- (v) As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- (vi) As per provisions of Section 56(2)(vii) of the Act, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under certain instances specified under the IT Act.

4. Tax Treaty benefits

- (i) As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that for the purpose of claiming tax benefits under a treaty a non-resident is required to hold a valid tax residency certificate.
- (ii) Additionally the non-resident tax payer is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

5. Withholding tax

Capital gains earned by the non-residents would be subject to withholding tax under section 195 of the Act at the specified rates.

(i) *Taxation of capital gains in the hands of Non-resident Indians*

- (a) Non-Resident India ('NRI') means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India. The income-tax laws contain certain specific provisions for taxation of income earned by NRI.
- (b) Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- (c) According to the provisions of section 10(38) of the IT Act, any long term capital gains arising from the transfer of a listed equity shares which was subject to STT will be exempt from taxation.
- (d) As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets as duly mentioned in Section 115C(f) of the Act is taxable at the rate of 10% . Such capital gains will be computed after giving effect to the foreign exchange fluctuations as per first proviso to section 48 of the Act. Further, the second proviso to section 48 of the Act relating to indexation benefits shall not apply to such capital gains arising from transfer of specified foreign exchange assets. Also, no deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- (e) As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. If only part of the net consideration is so reinvested, the exemption will be proportionately reduced. However the amount so exempted will be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
- (f) As per section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.

- (g) As per section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A relating to taxation of non-residents shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- (h) As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year.
- (i) In such a situation, transfer of long term listed equity shares which is subject to STT would be covered under the provisions of section 10(38) of the Act and hence such LTCG will be exempt from taxation.
- (j) As per provisions of Section 111A of the Act, STCG arising on sale of listed equity shares are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA of the Act is allowed from such income.
- (k) STCG arising on sale of equity shares where such transaction is not chargeable to STT is taxable at the normal slab rates.
- (l) Further as per the Finance Act 2015 a surcharge of 12% is applicable in case income of the NRI exceeds INR 1,00,00,000. Further, education cess and secondary and higher education cess on the total tax (inclusive surcharge) at the rate of 2% and 1% respectively is payable.

#### 6. Tax treaty benefits

- (i) As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate.
- (ii) Additionally the non-resident tax payer is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

#### 7. Withholding tax

Capital gains earned by the NRIs would be subject to withholding tax under section 195 of the Act at the specified rates.

- (i) *Taxation of capital gains in the hands of Foreign Institutional Investors (‘FIIs’) under the Act*
  - (a) LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act. It is pertinent to note that as per provisions of Section 14A of the Act,

expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

- (b) As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% [plus surcharge (at the rate of 2 % where the total income exceed INR 1,00,00,000 but does not exceed INR 10,00,00,000 and 5 % where the total income exceed INR 10,00,00,000) and education cess and secondary & higher education cess at the rate of 2% and 1% respectively]. No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act
- (c) As per provisions of Section 115AD of the Act, capital gains arising from transfer of such securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

- (d) Such capital gains will be computed without giving effect to the provisions of indexation or foreign exchange fluctuations.
- (e) The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.
- (f) Finance Act 2014 amended the section 2(14) of the Act, whereby the securities held by FII will be considered as a capital asset. Accordingly, any gain / losses, arising from sale / transfer of shares by FIIs will be considered as capital gains.

#### 8. Tax Treaty benefits

As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the FII is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

#### 9. Withholding tax

Capital gains earned by the FIIs would be subject to withholding tax under section 195 of the Act at the specified rates.

### D. Benefits available to Mutual Funds under the Act

As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

#### **Note:**

- 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.
- In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and



the country in which the non-resident has fiscal domicile.

- In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.
- The above statement captures the possible tax benefits available to the shareholders of the company from the capital asset being listed equity shares in a summary manner only.

The above statement of possible direct tax benefits set out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

## SECTION – IV ABOUT THE COMPANY

### OUR INDUSTRY

#### *Indian Pharmaceutical Market*

##### **Introduction**

The Indian pharmaceuticals market is third largest in terms of volume and thirteenth largest in terms of value, as per a pharmaceuticals sector analysis report by equity master. The market is dominated majorly by branded generics which constitute nearly 70% to 80% of the market. Considered to be a highly fragmented industry, consolidation has increasingly become an important feature of the Indian pharmaceutical market. India has achieved an eminent global position in pharmaceutical sector. The country also has a huge pool of scientists and engineers who have the potential to take the industry to a very high level.

##### **Market Size**

The Indian pharmaceutical industry is estimated to grow at 20% compound annual growth rate (CAGR) over the next five years, as per India Ratings and Research Pvt. Ltd., a Fitch Group company. Indian pharmaceutical manufacturing facilities registered with US Food and Drug Administration as on March 2014 was the highest at 523 for any country outside the US. We expect the domestic pharmaceutical market to grow at 10%-12% in FY15 as compared to 9% in FY14, as per a recent report from Centrum Broking. The domestic pharmaceutical growth rate was 11.9% in October 2014, highlighted the report. Gujarat clocked the highest growth rate in pharmaceuticals market at 22.4% during November 2014, surpassing the industry growth rate, which grew by 10.9%, as per data from the market research firm AIOCD Pharmasofttech AWACS Pvt. Ltd.

##### **Investments**

The Union Cabinet has given its approval to amend the existing FDI policy in the pharmaceutical sector in order to cover medical devices. The Cabinet has allowed FDI up to 100% under the automatic route for manufacturing of medical devices subject to specified conditions. The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 12,813.02 million between April 2000 and December 2014, according to data released by the Department of Industrial Policy and Promotion (DIPP).

##### **Government Initiatives**

The Addendum 2015 of the Indian Pharmacopoeia (IP) 2014 is published by the Indian Pharmacopoeia Commission on behalf of the Ministry of Health & Family Welfare, Government of India. The addendum would play a significant role in improving the quality of medicines which in turn promote public health and accelerate the growth and development of pharmaceutical sector. The Government of India has unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. It has reduced approval time for new facilities to boost investments. Further, the government has also put in place mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to address the issue of affordability and availability of medicines.

##### **Road Ahead**

The Indian pharmaceutical market size is expected to grow to US\$ 85 billion by 2020. The growth in Indian domestic market will be on back of increasing consumer spending, rapid urbanisation, raising healthcare insurance and so on. Going forward, better growth in domestic sales will depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers are on the rise. Moreover, the government has been taking several cost effective measures in order to bring down healthcare expenses. Thus, governments are focusing on speedy introduction of generic drugs into the market. This too will benefit Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

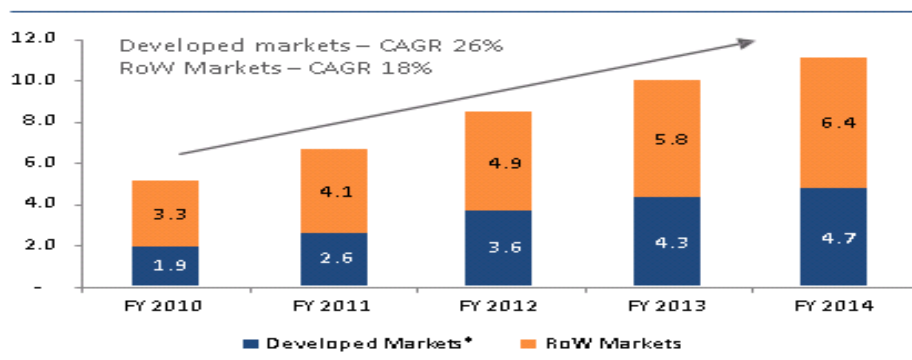
**References:** Consolidated FDI Policy, Department of Industrial Policy & Promotion (DIPP), Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council (Source: [http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices\\_landing/347/1](http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices_landing/347/1))

## Snapshot of India's pharmaceutical exports

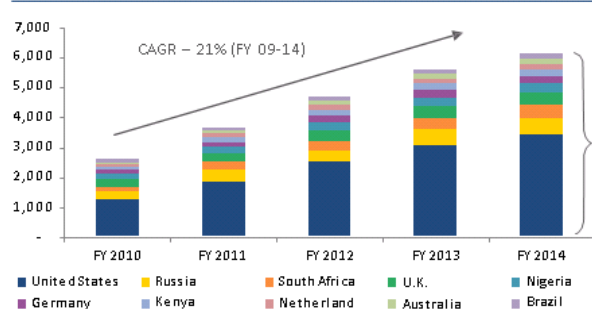
### Emerging markets have also been a sustainable source of growth

- India's pharmaceutical exports have grown at CAGR of 14% over the past five years (i.e. FY 2009-14) to touch US\$14.9 billion in FY 2014. With steadily expanding generic opportunities on back of patent expiries in the U.S. and increasing focus of Indian companies, formulations exports have grown at a much faster pace (up 21%) and now contribute over 70% to India's pharmaceutical exports.
- While exports to developed markets have been the key growth driver (up 26% in past five years), emerging markets too have contributed meaningfully. Aided by expanding geographical reach, product portfolio and cost-competitive R&D and manufacturing capabilities, India's exports to emerging markets have grown at CAGR of 18% over the past five years.
- Although U.S. contributes nearly 1/3<sup>rd</sup> to India's pharmaceutical exports, some of the key emerging markets such as Russia, South Africa and Brazil now feature among the top 10 export destinations from India. Collectively, emerging markets also contribute to almost 20% to revenues of top-10 pharmaceutical companies, which also reflects the impact of in-organic investments by Indian companies in some of the key markets.

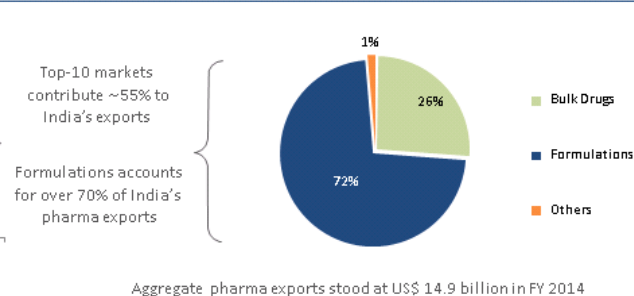
**Exhibit 1: Trend in India's Pharmaceutical Exports<sup>A</sup> (in US\$ Million)**



**Exhibit 1: Top-10 Export Destinations from India\***



**Exhibit 3: Break-up of Pharmaceutical Exports**



Source: Department of Commerce, ICRA's Research; \* Formulations only

Source: Pharmexcil, ICRA's Research

**Exhibit 4: Top-10 Export Destinations from India**

In US\$ Million	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	5y CAGR
United States	1,249	1,833	2,533	3,093	3,446	28.9%
<b>Russia</b>	<b>259</b>	<b>432</b>	<b>401</b>	<b>562</b>	<b>536</b>	<b>19.9%</b>
<b>South Africa</b>	<b>203</b>	<b>285</b>	<b>304</b>	<b>356</b>	<b>474</b>	<b>23.6%</b>
U.K.	269	288	355	383	401	10.4%
Nigeria	167	195	272	297	338	19.3%
Germany	117	160	211	237	222	17.4%
Kenya	100	165	208	225	216	21.3%
Netherland	81	138	169	179	186	23.2%
Australia	67	85	128	145	174	26.9%
<b>Brazil</b>	<b>86</b>	<b>96</b>	<b>119</b>	<b>169</b>	<b>161</b>	<b>17.1%</b>

#### **Branded generics + high out of pocket spending in emerging markets bodes well for Indian pharmaceuticals**

- With favorable growth prospects and many of the characteristics (i.e. high out-of-pocket expenditure on healthcare and usage of branded generics), similar to Indian market, emerging markets have been an ideal fit for Indian pharmaceutical companies. Over the years, companies have steadily expanding their presence in emerging markets through acquisitions, portfolio expansion, alliances (with MNC pharmaceutical companies) and investments in creating front-end. Despite being present in some of key markets of Latin America, the Commonwealth of Independent States region and Africa for a reasonably long-period, Indian companies are yet to gain meaningful traction in those markets.
- Some of the key emerging markets such as Russia, South Africa and Brazil feature among the top 10 export destinations from India; however, share of Indian companies in these markets is higher as exports do not reflect the impact of acquisitions by Indian companies in those markets. There are only few examples of Indian companies being able to attain significant presence

#### **Economic development and efforts to improve healthcare access are likely to drive growth**

- As per IMS Health, Inc., the spending on pharmaceutical products in emerging markets is estimated to almost double to ~US\$380-390 billion by 2017 aided by improving affordability and government's commitment to expanding healthcare access. Despite some of the key emerging markets currently going through a phase of slowing economic growth, pharmaceutical products in these markets are expected to grow at a faster pace vis-à-vis developed markets given the relatively low spending on healthcare and enhancement in public healthcare provisions. The growth in emerging markets is also expected to be driven by increasing prevalence of lifestyle related health disorders. The generics segment is likely to be the key beneficiary in emerging markets as it is expected to gain traction on back of government-supported programs and higher affordability especially in markets, which depend to a great extent on out-of-pocket on healthcare spending.
- Pharmemerging markets are defined as those with more than US\$ 1 billion absolute spending growth over 2013-17 and with a GDP per capita of less than \$25,000 in terms of purchasing power parity. IMS has classified these markets as: Tier 1 has China; Tier 2 comprises Brazil, India and Russia, and Tier 3: consist of Mexico, Turkey, Venezuela, Poland, Argentina, Saudi Arabia, Indonesia, Colombia, Thailand, Ukraine, South Africa, Egypt, Romania, Algeria, Vietnam, Pakistan and Nigeria (Source: IMS Health 2013).

#### **Abundant opportunities exist across markets**

In the following exhibit, we have presented a comparative profile of some of the key emerging markets where Indian companies currently have presence or have plans to expand their focus given the favorable growth prospects. While markets differ in terms of growth potential and the extent of regulatory developments, some of key characteristics such as a) high out-of-pocket spending on healthcare, b) greater usage of branded generics, c) physicians influence on buying decision and d) greater focus by governments to enhance healthcare programs are common across most of the markets.

Exhibit 6: Comparative profile of various EMs

Key Indicators	Brazil	Russia	South Africa	MENA*	Indonesia	Philippines
Market Size (in CY 13)	US\$ 26 Billion	US\$ 25 Billion	US\$ 3.1 Billion	US\$ 11 Billion	US\$ 6.5 Billion	US\$ 3.3 Billion
CAGR – 5 Years <sup>^</sup>	17%	13%	8%	8-10%	12%	4%
Nature of Market	Branded Generics	Branded Generics	Branded Generics	Branded Generics	Branded Generics	Branded Generics
Healthcare Spending (As % of GDP) <sup>#</sup>	9.3%	6.3%	8.8%	~2-6%	3.0%	4.6%
Generic Share (%) <sup>##</sup>	22%	-	~27%	-	8% (Pure Generics) 75% (Brand Generics)	6% (Pure Generics) 37% (Brand Generics)
Out of Pocket Spending	~70%	~75%	~85%	75-90%		
Regulatory Environment	Pro-generic	Pro-generic; Supports local players	Pro-generic; Govt is in the process of implementing NHI, which will support population in the generic penetration	Gradually involving; in some markets, becoming favorable in favour of generics	Govt. aims to implement NHI, which will cover 48% of first phase	Price cuts have been a common feature
Local Competition	Branded generics is dominated by local players but MNCs have strong presence in innovator segment	Foreign players dominate the market with almost 3/4 <sup>th</sup> of the market	South Africa has a well established local industry with top-3 players being domestic companies	Local competition is limited in select markets like Egypt; All others are dominated by MNCs	Relatively developed	-
Pricing Mechanism	Govt. controlled; Adjustments are annual and linked to CPI	Free market pricing for out of pocket; Reference pricing for FRP	Follows reference pricing for generics	Varies across countries but generally reference pricing	-	Govt. has implemented regular price cuts, impacting industry growth
Key Trends	Delays in product approvals; Competition from local players is increasing	Government's thrust on increasing local manufacturing	Pricing pressure in the generic segment is fairly common due to benchmarking	Geopolitical instability has been a key issue off late	Industry is likely to benefit from govt. roll out of national healthcare program	-

Source: Industry, ICRA's Research, <sup>^</sup> in local currency terms; \* MENA – Middle East & North Africa (data for top-9 markets); # Data pertains to CY 2012; ## in value terms  
In Russia, FRP refers to government procurement programmes

## Emerging Markets – Brazil

### Market Size & Structure

- With market size of US\$ 26 billion, Brazil is the sixth largest pharmaceutical market in the world. The industry has grown steadily at a CAGR (%) of 17% over the past five years aided by rising income levels and increasing access to health care on back of government led programmes and pro-generic reforms. Brazil has primarily been a branded generics market with prescriptions contributing to almost half of the industry size. However, the share of generics has been increasing over the years on back of government's pro-generic initiatives. In 2004, the Brazilian government introduced “Farmacia Popular”, a program that was aimed at broadening the access of affordable medicines. According to industry estimates, nearly 3/4<sup>th</sup> of drugs forming part of this programme are currently generics. As a result of this initiative, the share of generics in the industry has increased from 14% in 2008 to 22% in 2012.
- In line with other developing countries, Brazil also depends heavily on private spending on healthcare with 'out-of-pocket' contributing almost 80% of healthcare expenditure. However, to curb healthcare costs, the government is gradually increasing its role by including additional drugs under its bulk procurement programme.

### Competitive Landscape

- In terms of market composition, multinational pharmaceutical companies have a strong foothold in the branded generics segment, while local players dominate the generics segment. The share of domestic companies has however been with rising proportion of generics. Despite increasing share of local players, Brazil still remains a net importer of pharmaceuticals. Given this scenario, the government has introduced several policies over time to encourage domestic manufacturing, whose share has been rising gradually.
- As per industry estimates, nearly 90% of generic drugs are locally produced in Brazil with rest coming in from India, China etc.

### Regulatory Landscape & Challenges

- Notwithstanding its growth potential, the operating environment in Brazil has become somewhat challenging over the past couple of years – contributed by delays in receiving approvals from regulatory agency (Agência Nacional de Vigilância Sanitária) for new product launches and increasing competitive pressures from domestic players. In addition, development of unbranded generics has also hurt profitability in the branded generics space. The industry is also going through a phase of consolidation owing to entry of large wholesalers and big retail chains acquiring smaller ones.
- The Indian Pharmaceutical companies have adjusted their business plans in line with these challenges. Delays in product approvals and increasing competition from local players are often cited as challenges in scaling up in Brazil. Pharmaceutical companies are overcoming the impact of price cuts by either entering into pure generic segments or focusing on niche therapy segments.

## **Emerging Markets – Russia**

### **Market Size & Structure**

With a market size of ~US\$ 25 billion, Russia ranks as the seventh largest pharmaceutical market globally. Although the industry has registered a CAGR of 13% (in local currency terms) over the past five years, the growth momentum has slowed down over the past few years on back of price cuts and weakening economic growth. Despite challenges on the economy front, the demand continues to remain relatively stable on back of improving access to healthcare as a result of government's healthcare programmes. The pharmaceutical market can be broadly divided in three segments – Retail, Hospitals and Federal Reimbursement Program. In absence of a national drug provision insurance system, Russia's pharmaceutical market also depends on private spending on healthcare, which contributes almost 75% to industry sales (in value terms). The other two segments – Hospitals and Federal Reimbursement Program accounted for 15% and 10% of the total industry in 2013. The Federal Reimbursement Program segment refers to Government's reimbursement program which includes two key programmes - the essential drug management, called "ONLS" and "7 Nosologies" program. Although essential drug list in Russia covers a substantial proportion (44% in 2013) of the industry but Federal Reimbursement Program's coverage is fairly limited as only a small fraction of the country's population qualifies for drug reimbursement s at present.

### **Competitive Landscape**

The Russian pharmaceutical industry is highly fragmented and is largely dominated by foreign pharmaceutical companies given the absence of a well developed domestic pharmaceutical industry. In 2013, nearly 76% of drugs sold in Russia were imported with balances being produced by local companies. Nine out of the top-10 pharmaceutical companies in Russia have foreign ownership and majority of them are the big pharmaceutical MNCs including Novartis, Sanofi Aventis, Bayer, Nycomed etc. With revenues of RUR 56 billion (or US\$ 1.75 billion) and a market share of 3.7% (in 2013), Pharmstandard is the only domestic player that features among the top-10 pharmaceutical companies in the country. Given the dependence on imports, the Russian Government has put in place a strategy to promote the development of the domestic industry which aims to achieve at least 50% import substitution by 2020. Indian pharmaceutical companies have relatively strong presence in Russia. Russia and the Commonwealth of Independent States region has been an important market for Indian pharmaceutical companies, with most of the leading companies having a presence there.

### **Regulatory Landscape & Challenges**

- Introduction of federal drug supply system (known as DLO) in 2005 with the objective to provide affordable medicines to a segment of the population with either low incomes or certain categories of illness
- Introduction of 'Pharma 2020' strategy in 2009, which focused on developing a strong domestic pharmaceutical industry in wake of high dependence on imports. Besides supporting domestic industry, the strategy also aimed at rolling out mandatory health insurance and eventually adopting a public drug reimbursement programme.
- Implementation of reference pricing mechanism in 2010 with the objective to control prices of certain drugs that are considered to be essential, and



- Tougher restrictions on interaction between healthcare professionals and pharmaceutical companies to prevent marketing representatives of companies from influencing doctor's independence in prescribing drugs

### ***Emerging Markets – South Africa***

#### **Market Size & Structure**

- With a market size of US\$ 3.1 billion, South Africa is the largest and the most developed pharmaceutical market within the African continent. Over the past five years, the private market (excluding government procurement) has grown at CAGR (%) of 8% driven by improving healthcare infrastructure, increasing income levels and rising demand for drugs to treat chronic diseases. While structural drivers remain intact, the industry growth has witnessed some moderation over the past couple of years from 12.4% (in FY 2012) to 4.3% (in FY 2014) on back of weak economic environment.
- Similar to other emerging markets, 'out of pocket' spending on healthcare accounts for almost 85% of pharmaceutical sales in South Africa. Nearly 40% of the private market is prescription driven, while OTC and generics contribute almost 27-28% each. Driven by government's pro-generic reforms, the share of generics has however been rising steadily and is poised for steady growth on back of gradual implementation of National Health Insurance (NHI) scheme. Although private sector dominates the overall industry, the share of government procurement grew by 33% in FY 2014 compared to a growth of 4.3% witnessed by the private sector. Majority of public sector spending on healthcare comprises tenders for Antiretroviral s and other lifesaving drugs, where domestic players are offered preferential terms.

#### **Competitive Landscape – Generic Segment**

South Africa also has an established local industry with the top-3 players being domestic companies. Aspen is the market leader in the generic segment with ~33% share followed by Cipla Medpro (16%) and Adcock Ingram (9%). Given the meaningful presence of Indian companies, South Africa features among the top-3 export destinations from India after United States and Russia. Over the past five years, pharmaceutical exports to South Africa have grown at a CAGR (%) of 24% and were estimated to be around US\$ 475 million in FY 2014 (8% of India's pharmaceutical exports). Among Indian firms, Cipla is one of the leading players in South Africa owing to its acquisition of Medpro. Cipla Medpro is the 2nd largest player in the generic segment and 3rd largest overall in South Africa. Apart from Cipla, Lupin also has a considerable presence in South Africa by virtue of its acquisition of Pharma Dynamics (PD). After acquiring PD in 2008, Lupin has steadily scaled-up its revenues (up 30% in five years) driven by focus on chronic therapies. Among other firms, Ranbaxy and Dr. Reddy's are also positioned among the top-10 generic companies in South Africa with business model focused on branded generics and antiretroviral tender supplies to some extent.

#### **Regulatory Landscape & Challenges**

- Although generic segment is poised for steady growth, weak economic fundamentals are likely to put pressure pharmaceutical sales given the dependence on-out-of pocket on healthcare spending. The depreciation of South African Rand is likely to further add to pressure on margins of foreign pharmaceutical companies operating in South Africa. Over the past 12 months, the Rand has continued to trade weaker, declining by ~10% against major currencies. However, the adverse impact of lower realizations for foreign pharmaceutical companies is mitigated to some extent by the fact the domestic players operating in South Africa also depend on imported APIs, which become costlier owing to currency depreciation.
- The South African pharmaceutical market is also exposed to evolving regulatory developments, which can influence the operating environment for pharmaceutical companies. Some of the key reforms being evaluated by the government include a) introduction of international benchmarks for pricing, b) prohibition medicine supplies based on incentive schemes, and c) rational price hikes for essential drugs.
- Structural growth drivers are intact but political instability remains a challenge.

### ***Emerging Markets – Middle East & North Africa (MENA)***

## **Growth rates vary across MENA region**

Although most of the countries in the region have been focusing on expanding investments in the healthcare space, the growth rates vary quite sharply across the region. For instance, the pharmaceutical industry in the top-9 markets have grown anywhere between 2-17% CAGR over the past three years (CY 2011-13). While markets like United Arab Emirates, Saudi Arabia and Lebanon have grown in double digit terms, pharmaceutical sales in countries like Morocco and Egypt have been affected by lingering political instability and challenges in providing adequate healthcare services, respectively. With region's high dependence on oil exports, the recent sharp drop in crude oil prices present a further challenge as it could lead to lower healthcare budgets by some nations. Nonetheless, the relatively low spending on healthcare, sizeable aging population and focus to reduce reliance in costlier branded or innovator drugs are likely to drive demand for cost effective generic drugs in the region.

### **Emerging Markets – Rest of Africa (RoA)**

- Over the years, Indian pharmaceutical companies have also gained market share in the African continent primarily on back of their competitive pricing, a result of their backward integrated nature of operations. Given the under-developed private market at least in the African continent, Indian companies generate a sizeable share of their business from the continent through tenders either from governments or several large institutions such as World Health Organisation, United Nations Children's Fund, President's Emergency Plan for AIDS Relief etc. In some of the markets, companies also have tie-ups with local distributors and multinational pharmaceutical companies. While historically, Indian companies have been best known for selling affordable Antiretroviral / Anti Human Immunodeficiency Virus medicines in Africa, they are rapidly broadening their product portfolio across therapy areas.
- Political instability is a key challenge in the region besides inadequate infrastructure
- Notwithstanding its growth potential, Africa also presents a complex, multifaceted set of markets, which are highly heterogeneous in terms of growth prospects, political & economic stability and demographics. Unlike relative developed emerging markets, the key challenge that pharmaceutical companies face in Africa is the lack of adequate healthcare infrastructure and reimbursement or public funding mechanism. The region is also going through frequent regulatory changes, some of which include stricter compliance to cGMP requirements, and alterations in the drug registration process. Accordingly, companies forming their strategies for the African continent have to keep in mind the country-specific nuances.
- The weakening macro picture and political unrest in the region has also emerged as an important risk factor for pharmaceutical companies operating in the region. The impact of sharp drop in crude oil prices on Nigeria's currency and inflationary pressures in Zimbabwe and Ghana are some of the other challenges that pharmaceutical companies have had to overcome. Typically, working capital cycles also tend to be higher in these markets. Given this scenario, companies also have to manage credit risk more carefully, especially during periods of volatility in exchange rates. To overcome this issue, pharmaceutical companies either opt for advance payments or insurance covers for covering credit, especially for non-institutional business in Africa.

### **Emerging Markets – Asia Pacific**

#### **Sizeable opportunities exist in both mature as well as emerging economies across Asia Pacific**

- The pharmaceutical market in the Asia Pacific region is estimated to be around US\$ 250 billion with Japan and China being the two largest markets, valued at ~US\$ 100 billion and US\$ 93 billion, respectively. The common themes that have influenced industry's performance in the region over the years include – rising population of elderly people, increasing usage of generics and price containment by governments to reduce healthcare budgets. The Asia Pacific region comprises both developed as well as developing nations. While developed nations have elderly but affluent population and established healthcare subsidy systems, the developing countries are characterized by wider income disparities and lower spending by governments on healthcare. Also, the developed markets have higher penetration of innovator products, while self-pay markets are more reliant on branded generics.
- In the following section, we have broadly compared the key industry trends across three of the South East



Asian markets viz. Indonesia, Thailand and Philippines. The section also gives an update on the key developments in Japan and Australia. Although, both Japan and Australia are well developed but the generic drug industry in both these countries is still evolving and going through a phase of regulatory changes that aim to increase generic penetration and reduce healthcare costs.

### **Snapshot of key markets in South East Asia**

#### **Indonesia**

- Market Size – US\$ 6.5 billion
- Growth 12% CAGR
- Within the Association of Southeast Asian Nations (ASEAN) region, Indonesia is the largest pharmaceutical market, estimated at US\$ 6.5 billion. The industry has grown at a CAGR of 12% over the past five years (i.e. 2009-13) driven by rising income levels, increasing demand for quality healthcare services and improving accessibility levels.
- The Indonesian market is fairly similar to India with respect to high usage of branded generics and being majorly dependent on private expenditure on healthcare. As per industry estimates, nearly 3/4th of the industry comprise branded generics followed by innovator products (19%) and unbranded generics (8%). Over the past five years, the share of generics has grown from 6% of industry sales in 2009 to 8% in 2013 aided by implementation of mandatory generic prescription policy in 2010.
- Despite some challenges on economy front, the industry is likely to benefit with the implementation of National Health Insurance (NHI) scheme, which aims to expand healthcare access by covering 48% of the population in the first phase.

#### **Thailand**

- Market Size – US\$ 4.6 billion
- Growth 4% CAGR
- With a market size of US\$ 4.6 billion, Thailand is the second largest pharmaceutical market in the ASEAN region. In contrast to Indonesia, Thailand adopted universal healthcare programme for its citizens much earlier, which has led to development of the healthcare infrastructure in the country and also lower proportion of "out-of-pocket" spending.
- As per industry estimates, majority of the pharmaceuticals are procured by hospitals where government tenders play a major role.
- Comparatively, Thailand also has proportion of industry sales coming from innovator products (54%) followed by branded generics (41%) and unbranded generics (5%). This provides adequate opportunities for generic companies to grow their market share following patent expiries and efforts by government to increase proportion of generics.

#### **Philippines**

- Market Size – US\$ 3.3 billion
- Growth 4% CAGR
- Philippines is the fourth largest pharmaceutical market in the ASEAN region with an estimated size of US\$ 3.3 billion in 2013. Over the past five years, the industry has witnessed a growth of 3.8%, underperforming other countries in the region primarily due to sharp price cuts affected by MNCs on innovator products in response to increasing competition from branded generics. In addition, the government has also implemented price cuts on several occasions, which has impacted industry growth.
- In terms of market structure, unbranded generics accounts for around 55% of the industry sales (in volume

terms) followed by branded generics (35%) and innovator products (9%). However, in terms of value, the scenario is reverse with innovator products contributing close to 55-57% of the industry sales.

- The prescription segment accounts for around 73% of industry sales and has seen its share remain largely stable over the past five years. Similar to other markets in the region, Philippines also has plans to implement universal health coverage by 2016. In the past, the government has put in place measures to expand availability of medicines through a) Philippines medicines policy in 2011, b) Cheaper medicines act and c) regular price cuts.
- **Shift in favor of un-branded generics and increasing competition from local players and multinational pharmaceutical companies could impact margins across emerging markets over the longer-term**
- A bigger risk for branded generics business also stems from increasing focus on unbranded generics, tender-driven procurement system and reference pricing mechanism to cut healthcare costs. Such interventions are expected to intensify going forward and, therefore, may affect global pharmaceutical companies.
- The competitive environment in emerging markets is also steadily increasing on back of rising interest levels of global majors and strengthening capabilities of local companies. Although global majors operate primarily in the innovator segment but they are steadily tapping the branded generics space through in-house generics arms and partnerships with local players. In most of the emerging markets, such companies have been present for fairly long period and during this course they have developed strong front-end presence.

#### The Road Ahead

- **Acquisitions are likely to play an important role in scaling up presence in emerging markets**
- Despite challenges, the emerging markets remain an attractive market segment for Indian pharmaceutical companies owing to abundant growth opportunities. As most of these markets are branded generic in nature and structurally similar to India in many aspects, the nature of the business is familiar to the Indian companies. Nonetheless, emerging market strategies need to be tailored to country-specific nuances and evolve with changing regulatory landscape and competitive environment.
- We believe the acquisitions will play an important role in scaling presence in emerging markets given the long gestation period involved in establishing branded generics business. Indian companies are likely to scout for medium -sized assets that provide an established front-end marketing presence, complimentary product or therapy exposure and an experienced management team with understanding of local dynamics.
- Over the years, pharmaceutical companies have also relied on partnering with global majors to penetrate emerging markets. A joint venture/alliance with leading multinational pharmaceutical companies can be win-win situation as both partners can capitalize on each other's strengths. While Indian companies offer their product development and manufacturing capabilities to these partnerships, global majors leverage on their strong R&D, marketing and distribution network.
- After an initial thrust on acquisitions, such partnerships have become fairly common in emerging markets for both medium as well as large Indian firms. Among leading players, while Dr. Reddy's tied-up with GSK to market over 100 drugs in select markets, Sun Pharma also formed a joint venture with Merck to develop and sell drugs in emerging markets.
- Though these strategic partnerships are positive for the companies, given the regulatory framework for product approvals and initial gestation period, upside for Indian firms have taken longer than expected. Some of the companies have also clearly laid out plans to build their own front end in some key markets.
- As regulatory framework in some markets favors local manufacturing presence, we expect companies

to also pursue investments in setting-up units locally in markets that are strategic to their long-term plans. Among key companies, Ranbaxy has been setting-up local manufacturing units in some markets in Africa as well as Asia Pacific. We believe this trend is likely to gain pace especially in markets like Russia, Brazil etc which have implemented measures to promote local manufacturing.

- To address competitive pressures and increasing thrust on un-branded generics in many markets, companies are also gradually shifting their focus on niche therapy areas that have limited competition owing to high entry barriers on account of complex development or manufacturing techniques. Glenmark for instance is focusing on expanding its pipeline with respiratory and dermatology products to offset pricing pressures in Brazil, while companies such as Dr. Reddy's, Cadila and Biocon are focusing on scaling up their biosimilars portfolio in emerging markets. After introducing its first biosimilars (Rituximab) in India in 2006, Dr. Reddy now markets a portfolio of four biosimilars in markets like Peru, Sri Lanka and is in advanced stage of introducing its portfolio in Russia & Commonwealth of Independent States region.

Reference: ICRA Research Services - Indian Pharmaceutical Industry (An Update on Emerging Markets – A Key Export Destination), February 2015

## **OUR BUSINESS**

### **OVERVIEW**

We are an Indian pharmaceutical company engaged in contract manufacturing of formulations for pharmaceutical companies based in India as well as in the manufacturing and marketing of our own pharmaceutical formulations for domestic and international markets.

We manufacture and market pharmaceutical formulations relating to analgesics, antielmintics, anti coagulants, anti malarial, anti spasmodics, antianemics, antibiotics, anti-emetics, anti-histamines, bronchodilators, corticosteroids, cough and cold preparations, multivitamins, etc. We focus on quality, delivery schedule and adherence to quality standards. Our efforts have resulted in applications for 142 product registrations and out of which we have obtained 123 product registrations as of November 30, 2015.

Our preliminary business area and key focus is in contract manufacturing in the past years. As a contract manufacturer, our Company undertakes manufacturing on behalf of some of the leading pharmaceutical companies in India, in accordance with the terms of the relevant agreements entered into with these companies. In the last few years, our Company has developed required expertise and infrastructure to enhance the existing product portfolio which in turn resulted in an increase in contract manufacturing business. Our Company has manufactured about 56 products for five major customers (in terms of quantity) for the year ended March 31, 2015 and about 53 products for five major customers (in terms of quantity) for six months ended September 30, 2015.

Our Company is managed by a team of professionals headed by our Managing Director having rich experience in manufacturing and export of quality pharmaceutical and health care products to various countries. In the recent past, we have expanded our business to international markets. We have registered our products in various countries which are marketed through supply, distribution and other arrangements with various dealers / distributors. As of March 31, 2014, we have about 35 distributors in various markets, primarily in 20 emerging countries of Africa, Latin America, South East Asia and Middle East. We commenced our exports in the year 2007 and have achieved export sales of Rs. 503.09 lacs in the Financial Year ended March 31, 2015 and Rs. 527.64 Lacs for the six months ended September 30, 2015.

Our manufacturing facilities are located at Changodar, Ahmedabad, Gujarat. Our facilities have been approved by various international regulatory authorities such as BVQI, WHO, GMP, CGMP and National Drug Authority of various countries including Nigeria, Ethiopia, Ghana, Bolivia, Yemen and Philippines. Our manufacturing facilities are spread across total area of 10,022 square meters with four units having manufacturing capacity of more than 19 crore units per annum in total. We believe that each of our facilities is designed, equipped and operated to deliver high quality products within defined cost and delivery schedules.

Our income and profit after tax, as restated, for the year ended March 31, 2015 were Rs. 3,505.27 lacs and Rs. 183.77 lacs, respectively, representing growth of 5.75% and 20.76%, respectively, as compared to the year ended March 31, 2011. Our income and profit after tax, as restated, for the six months period ended September 30, 2015 were Rs. 1,937.19 lacs and Rs. 174.56 lacs, respectively. Our domestic and international pharmaceutical sales contributed 85.64% and 14.36%, respectively, of our revenue from operations for the year ended March 31, 2015 and 72.75% and 27.25%, respectively, of our revenue from operations for the six months ended September 30, 2015, as restated.

### **STRENGTHS**

#### **Well Established Manufacturing Facilities**

Our Company has manufacturing facilities at Changodar, Ahmedabad, Gujarat. Our Company's manufacturing facilities have been built in accordance with the WHO's cGMP guidelines. Our Company is in the process of obtaining EU GMP certification. Our company presently manufactures multiple formulations under various therapeutic segments. The manufacturing facilities of the company are multi-adaptable i.e. the facilities can produce multiple products using a combination of process. Our Company believes that its manufacturing facilities which have been equipped with latest technology machineries enable it to lower overall production costs, improve process efficiencies and produce high quality products exported as per the required standards of various countries.

### **Diversified product portfolio**

We manufacture a wide range of products in the formulation segment encompassing analgesics, antielmintics, anti coagulants, anti malarial, anti spasmodics, antianemics, antibiotics, anti-emetics, anti-histamines, bronchodilators, corticosteroids, cough and cold preparations, multivitamins, etc. Our current portfolio of product registrations comprises mainly of 58 antibiotics, 10 analgesics, 6 anti-histamines, 5 anthelmintics and 5 anti malarial drugs, which are marketed and sold domestically and internationally.

### **Registered Products:**

Our Company presently has 123 product registrations in various countries. The company dispatches currently to these countries only those products / brands which are registered in the respective countries. Our Company has is in the process of making additional 15 applications for product registration in various countries.

### **Recurring business from existing customers**

Over a period of time, our Company has developed relationships with over 45 customers including several leading Indian as well as multinational pharmaceutical companies. Our top five customers have accounted for 37.70 % of our Company's net sales for the six months ended September 30, 2015 and 42.24% for the year ended March 31, 2015. Our top five customers have remained the same over the past 3 years. These relationships have been further strengthened on account of recurring business from such existing customers due to high standard of quality maintained by our company. We believe our significant operating experience and strong relationship with our customers has helped us in getting further orders and move higher in the value chain and improve our results of operations.

### **Experienced Promoters and Management Team**

Our Company has experienced management and employees in the business who are capable of meeting the requisite requirements of our customers. Our experienced management and employees has successfully expanded our business through proper customization under the guidance of our Managing Director and thereby increasing our revenues. Our Company believes that the skills, industry and business knowledge and operating experience of our senior executives, provide us with a significant competitive advantage as we are set to expand our existing business to newer geographic markets. We also have a qualified senior management team with diverse experience in the pharmaceutical industry, including in the areas of regulatory affairs, manufacturing, quality control, supply chain management, sales and marketing and finance. See chapter titled "Our Management" beginning on page 107 for details of our senior management.

## **STRATEGIES**

We intend to strengthen our position across identified pharmaceutical formulations in India and further expand our operations both in domestic and international markets in order to achieve long-term sustainable growth and increase shareholder value. Our principal strategies and initiatives to achieve these objectives are set out below.

### **Focus on increasing our export business**

We believe that our growth in international markets will result from the growing demand for generic pharmaceuticals, access to affordable high - quality medicine and new product opportunities. Our manufacturing facilities complying international standard will help us to increase our international business.

Our broad strategic initiatives for international markets include offering a wide product portfolio with a well established product pipeline to support the growth in our existing markets, developing a broader market penetration strategy, territory-specific marketing and establishing our presence in developed markets such as Europe.

### **Expansion of business activity by tapping potential market in other parts of the Country**

Considering the huge potential of the pharmaceutical industry in India and in order to capitalize on the growth story, we intend to expand our operations to other regions of the country, besides the western region where we are currently present in order to expand our business.

### Strengthening marketing capabilities

Our domestic and international marketing infrastructure consists of dedicated employees, who design various marketing and promotional strategies for our products. We believe that our strategic marketing, experienced sales team and distribution network would enable us to increase our sales across key pharmaceutical formulations. Our Company also intends to widen our distribution channels across various countries.

### Access new markets through obtaining more certifications

Our Company aims to position itself as a preferred supplier, by increasing the number of registration and marketing activities of its existing and new products, in international markets. Our Company is in the process of making application of about 15 product registrations in various countries.

### Enhancing our manufacturing facilities by adding new lines of manufacturing for new products

Our Company intends to place an order for procurement of freeze dryer with a capacity of 22,000 vials per day. Our Company intends to introduce new manufacturing process “lyophilization” in order to expand the product portfolio and customer base. The Lyophilisation process ensures a longer shelf life and extended stability of the products. Our Company believes that this machinery will help us in increasing our revenue and profit margins significantly, since the products manufactured through this process are used in treating critical care illness. Our Company has proposed to utilize part of the Issue Proceeds towards procurement of this machinery.

## OUR BUSINESS

As explained above, our Company engages in contract manufacturing for some of the leading pharmaceutical companies in India, which is our key focus area. We also engage in manufacturing and marketing our own formulations for the Indian as well as global markets. The Table set forth below presents a breakdown of our sales in India and international markets, also expressed as a percentage of our revenue from operations, for fiscals 2011, 2012, 2013, 2014 and 2015 and for six months ended September 30, 2015.

Particulars	For the Year Ended March 31,										For the six Months Period Ended September 30,	
	2011		2012		2013		2014		2015		2015	
	(Rs. lacs)	% of Revenue from	(Rs. lacs)	% of Revenue from	(Rs. lacs)	% of Revenue from	(Rs. lacs)	% of Revenue from	(Rs. lacs)	% of Revenue	(Rs. lacs)	% of Revenue
Job Work	762.76	37.89%	818.46	50.55%	838.29	38.27%	1,112.33	37.47%	979.57	27.97	458.89	23.70
<b>Total (A)</b>	<b>762.76</b>	<b>37.89%</b>	<b>818.46</b>	<b>50.55%</b>	<b>838.29</b>	<b>38.27%</b>	<b>1,112.33</b>	<b>37.47%</b>	<b>979.57</b>	<b>27.97</b>	<b>458.89</b>	<b>23.70</b>
<b>Direct</b>												
Domestic	1,233.9	61.30%	372.22	22.99%	1,318.42	60.18%	1,640.22	55.26%	2020.07	57.67	949.41	49.04
Export	16.14	0.80%	428.48	26.46%	33.99	1.55%	215.69	7.27%	503.09	14.36	527.64	27.25
<b>Total (B)</b>	<b>1,250.0</b>	<b>62.11%</b>	<b>800.70</b>	<b>49.45%</b>	<b>1,352.41</b>	<b>61.73%</b>	<b>1,855.91</b>	<b>62.53%</b>	<b>2523.16</b>	<b>72.03</b>	<b>1,477.05</b>	<b>76.30</b>
<b>Revenue from</b>	<b>2,012.84</b>	<b>100.00%</b>	<b>1,619.16</b>	<b>100.00%</b>	<b>2,190.70</b>	<b>100.00%</b>	<b>2,968.24</b>	<b>100.00%</b>	<b>3502.73</b>	<b>100.00%</b>	<b>1,935.94</b>	<b>100.00%</b>

Our revenue from operations is mainly bifurcated into three categories: (i) contract manufacturing, (ii) domestic direct sale and (iii) exports direct sales. Contract manufacturing and domestic direct sales contributed to over 85.64% of our revenue from operations for the year ended March 31, 2015. Over the years, domestic market has been our prime focus. In recent years we have also expanded our business to international markets.

## CONTRACT MANUFACTURING

### Key elements of Contract and Contract Manufacturing

**Contract** - Our Company enters into a written agreement with the buyers, which are pharmaceutical companies, in order to record the duties and responsibilities of each party relating to the manufacture and control of the products specified in the contract. Technical aspects of the contract are drawn up by competent persons with suitable knowledgeable in pharmaceutical technology, analysis, and GMP. All arrangements for manufacturing and analysis are made in accordance with the relevant agreement entered into by both parties.

**Buyer** - Buyer assesses the competence of our Company in order to ensure our capability to carry out the required work successfully and for ensuring by means of the contract that the principles and guidelines of GMP are followed. Buyer provides all the information necessary to carry out the contracted operations correctly in accordance with the contractual and any other legal requirements.

**Contract Manufacturer** – Our Company ensures production as per the terms and conditions set out in the relevant Agreements as well as compliance with applicable laws, rules and regulations in relation to manufacturing, testing, packing and storage of the Product. Our Company develops the dossiers on its own and takes support from buyer in terms of documents, samples, data etc. Our Company registers the Product and retains the same on termination of the Agreement.

Certain agreements contain exclusivity clause which requires us to manufacture the product registered under the name exclusively for the buyer with whom the agreement is entered into. Our Company provides protocols, certificate of analysis, manufacturing records and samples of the products to the Buyer as and when required. We ensure that raw material, packing material are as per approved specifications and norms mutually agreed. We also endeavor to comply with the use of intellectual property clause mentioned in the contract.

#### *Contract Manufacturing Business*

We commenced operations in 2004, beginning as a contract manufacturer for some of leading pharmaceutical companies in the domestic market. We benefited significantly from our experience in working with, and manufacturing products for, these companies. As a contract manufacturer, our Company undertakes manufacturing on behalf of some of leading pharmaceutical companies in India like Cadila Healthcare Limited, Merck Limited, Torrent Pharmaceuticals Limited, Intas Pharmaceuticals Limited, Ipca Laboratories Limited and Claris Injectables Limited etc, in terms of the relevant agreements entered into with the customers.

Our preliminary business area and focus remained contract manufacturing in the past years. In the last few years, our Company has developed required expertise and infrastructure to enhance the existing product portfolio which in turn resulted in increase in contract manufacturing business.

Our Company has manufactured about 56 and 53 products for five major customers (in terms of quantity) for the year ended March 31, 2015 and for six months ended September 30, 2015 respectively.

#### *Key terms of some of the Contract Manufacturing Arrangements*

Our Company undertakes contract manufacturing in accordance with the terms of the relevant agreements entered into with the customers. Following are the key terms of certain material Agreements:

##### **1. Cadila Healthcare Limited (CHL)**

Our Company has entered into a Loan License Agreement with CHL dated August 25, 2011 for a period of three years which was extended for a further period of three years vide renewal to the said agreement dated August 24, 2014. The Agreement sets out the obligations of our Company *inter alia* to manufacture pharmaceutical and healthcare products as per the instructions and specifications of CHL and to supply at the destination specified by CHL. CHL shall arrange to supply the raw materials and packing materials as required, which shall be stored as per the conditions specified. The intellectual property rights of the products manufactured would remain with CHL only.

##### **2. Cadila Pharmaceuticals Limited (CPL)**

Our Company has entered into an Agreement with CPL dated September 19, 2011 which was valid up to December 31, 2013 and the validity was extended upto December 31, 2015 vide addendum to the Agreement dated December 4, 2013 and thereafter vide addendum dated March 16, 2015, the Annexure I of the Agreement was modified to include an additional product "Aciloc Injection". The Agreement sets out the obligations of our Company *inter alia* to manufacture branded pharmaceutical products for CPL as per instruction and specifications of CPL. CPL shall arrange to supply the raw materials and packing materials, which shall be stored as per the conditions specified. The intellectual property rights of the products manufactured would remain with CPL only.

**3. Claris Injectables Limited (CIL)**

Our Company has entered into a Loan License Agreement with CIL dated October 01, 2014 for a period of five years. The Agreement sets out the obligations of our Company *inter alia* to manufacture branded pharmaceutical products for CIL by our Company. The products shall be manufactured, tested, printed and packed as per instruction and specifications of CIL. CIL shall provide the specification for the raw materials and packing materials, which shall be stored as per the conditions specified. The intellectual property rights of the products manufactured would remain with CIL only.

**4. Ipca Laboratories Limited (ILL)**

Our Company has entered into a Loan License Agreement with ILL dated February 18, 2011 for a period of two years which stipulates that the same shall continue automatically thereafter until terminated. The Agreement sets out the obligations of our Company to process the material supplied by ILL as per the specified standards. The products shall be manufactured, tested, printed and packed as per instruction, specifications of ILL. The intellectual property rights of the products manufactured would remain with ILL only.

**5. USV Limited (USV)**

Our Company has entered into a Loan License Agreement with USV dated August 22, 2008 to be effective from June 01, 2008 for a period of ten years. The Agreement sets out the obligations of our Company to have the products manufactured, processed and or formulated on the terms and conditions specified by USV. USV shall supply and impart the technical information to analyse, process, formulate and pack. The products shall be manufactured, tested, printed and packed as per instruction, specifications of USV. The intellectual property rights of the products manufactured would remain with USV only.

**6. Torrent Pharmaceuticals Ltd (Torrent)**

Our Company has entered into a Job Work Agreement with Torrent dated August 16, 2010 for a period of two years, which has been modified through Addendum-1 effective from March 8, 2011, Addendum-2 effective from May 2, 2011, Addendum-3 effective from July 01, 2012, Addendum-4 effective from August 16, 2014 and Addendum-5 effective from April 01, 2015. Vide Addendum-5 effective from April 01, 2015, the term of the Agreement has been extended uptill and including March 31, 2017. The Agreement sets out the obligations of our Company to have the products manufactured on job work basis in accordance with the terms and conditions specified by Torrent. Torrent shall provide necessary raw materials and packing materials for manufacturing and processing of products. The products shall be prepared, tested, packed, stored and consumed as per instruction, specification of Torrent. The intellectual property rights of the products manufactured would remain with Torrent only.

**7. Indoco Remedies Ltd. (Indoco)**

Our Company has entered into a Loan License Manufacturing Agreement with Indoco dated October 29, 2015. The Agreement sets out the obligations of our Company to have the products manufactured for the consideration and terms and conditions specified by Indoco. Indoco shall provide the formulae, standard manufacturing procedure, input raw material and analytical testing specifications for manufacturing of the products. The products shall be stored, utilised, prepared as per the instruction and specification of Indoco. The intellectual property rights of the products manufactured would remain with Indoco only.



## 8. Merck Limited (Merck)

Our Company had entered into a Toll Manufacturing Agreement with Merck dated January 29, 2013 which was valid up to January 17, 2015 and the same is currently under renewal. However, the contractual relationship of our Company with Merck has been impliedly extended for the interim period and our Company continues to perform its obligations under the Agreement. The Agreement sets out the obligations of our Company to have the products manufactured for the consideration and terms and conditions specified by Merck. Merck shall provide the formulae, standard manufacturing procedure, input raw material and analytical testing specifications for manufacturing of the products. The products shall be stored, utilised, prepared as per the instruction and specification of Merck. The intellectual property rights of the products manufactured would remain with Merck only.

## DOMESTIC SALES

Sales in India, the primary market in which we conduct our business, amounted to Rs. 1408.30 lacs and Rs. 2999.64 lacs, or 72.75% and 85.64% of our revenue from operations, for the six months ended September 30, 2015 and for the year ended March 31, 2015, respectively.

Our domestic business and export business grew at a CAGR of 10.71% and 136.28% (in terms of revenue) between March 31, 2011 and March 31, 2015, respectively.

## INTERNATIONAL SALES

For the year ended March 31, 2015, sales from international markets amounted to Rs. 503.09 lacs, or 14.36% of our revenue from operations, and for the six months ended September 30, 2015 sales from international markets amounted to Rs. 527.64 lacs or 27.25% of our revenue from operations. The broad distribution of our export income for last five years and for the six months period ended September 30, 2015 is set forth in table below.

Countries	For the six months period ended September 30, 2015		For the Year Ended March 31,									
			2015		2014		2013		2012		2011	
	Rs. in Lacs	% of Revenue	Rs. in Lacs	% of Revenue	Rs. in Lacs	% of Revenue	Rs. in Lacs	% of Revenue	Rs. in Lacs	% of Revenue	Rs. in Lacs	% of Revenue
Nigeria	109.18	6.02%	240.34	6.86%	114.72	3.85%	19.37	0.88%	-	-	-	-
Cyprus	-	-	43.68	1.25%	-	-	-	-	-	-	-	-
Bolivia	-	-	40.71	1.16%	-	-	-	-	-	-	-	-
France	-	-	29.18	0.83%	-	-	-	-	-	-	-	-
Ethiopia	64.91	3.58%	29.06	0.83%	45.29	1.53%	-	-	-	-	-	-
RD Congo	94.87	5.23%	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>268.96</b>	<b>14.83%</b>	<b>382.97</b>	<b>10.93%</b>	<b>160.01</b>	<b>5.38%</b>	<b>19.37</b>	<b>0.88%</b>				

As of September 30, 2015, we have established a marketing infrastructure with dedicated team of employees which focus on enhancing business in South East Asia, Africa, Middle East and Latin America. We are further venturing into new markets such as Europe. In addition to contract manufacturing, we also market and sell our products and have about 35 distributors across 20 countries.

## PRODUCTS

Set out below is a brief description of our main product areas:

### *Antibiotics*

Antibiotics or antibacterials are a type of antimicrobial used specifically against bacteria, and are often used in medical treatment of bacterial infections. They may either kill or inhibit the growth of bacteria.

Our products in this therapy area are Amoxicillin, Clavulanic Acid, Cefixime, Cefuroxime, Cefpodoxime and Cefalexin.

### *Antimalarial*

Antimalarial medications, also known as antimalarials, are designed to prevent or cure malaria. Such drugs may be used for treatment of malaria in individuals with suspected or confirmed infection, prevention of infection in individuals visiting a malaria-endemic region and routine intermittent treatment of certain groups in endemic regions.

Our products in this therapy area are Alpha Beta Arteether, Artemether and Quinine.

### ***Analgesic***

An analgesic, or painkiller, is any member of the group of drugs used to achieve analgesia — relief from pain. Analgesic drugs act in various ways on the peripheral and central nervous systems. They are distinct from anesthetics, which reversibly eliminate sensation.

Our products in this therapy area are Diclofenec, Pentazocine and Tramadol.

### ***Anti-histamines***

Antihistamines are drugs that inhibit the action of histamine in the body by blocking the receptors of histamine. There are two types of histamine receptors H1 and H2. When H1 receptors are stimulated by histamine it may produce allergic reactions such as itching, hay fever and rash or hives.

Our product in this therapy area is Cetirizine Hydrochloride.

### ***Anthelmintic***

Anthelmintics or antihelminthics are drugs that expel parasitic worms (helminths) and other internal parasites from the body by either stunning or killing them and without causing significant damage to the host.

Our product in this therapy area is Albendazole.

### ***History of Product Registration***

We believe that the growth of our business depends on registration of new products in the international market and making them successful. We have 123 product registrations as on November 30, 2015.

Table set forth below reflects major product registrations in the last five fiscal years.

<b>Before 2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Cadex Cough Syrup	OMARA D	SKYCIP 500	Diclofenac Sodium Injection	REDAMOX 156
Zyntus – D Cough Syrup	FLOMIN 200	KFC – P	FRUDIS	GENTACIN
ONACOF Syrup	NOVOFLAM – Plus	SKYMOX 625	SAROVIT SYRUP	CEFAX 250
RIDAMOL	SEPY – o- 100	CEFROTIL Suspension	GENTACIN	CESART 200
	RIDADEX	CEFROTIL – 500	Gentamycin Sulphate Injection	KEEF Suspension

## **PRODUCTION PROCESS**

We endeavor to follow well-founded procedures in our production operations, in order to comply with the principles of good manufacturing practice and to be in accordance with the relevant manufacturing certifications.

Handling of materials and products, such as receipt and quarantine, sampling, storage, labeling, dispensing, processing, packaging, and distribution are done in accordance with procedures or instructions. Raw

material and packing material after unloading are verified with ordered quantity. Containers are cleaned where necessary and labeled with the prescribed data. Any discrepancy reported to the Quality Control Department (“QC”) of our Company.

Storage of the material is in accordance with written procedures and under the appropriate conditions established by the manufacturer which assure the integrity of the material. The materials are quarantined, then sufficient sample is collected for testing as per the sampling procedure and they are labeled with details including material name, quantity and date of sampling. After approval by QC, the materials are ready for issue to manufacturing and packing.

The Plant head of production department formulates the production plan, which is followed by the production department. Raw Material is taken to the Dispensing Room and weighed accurately as per the batch job card and material is transferred to the Raw material day store or mixing room for manufacturing process. During the manufacturing process, key process parameters, derived based on process validation, are checked and the results are recorded on the batch documentation to ensure that there are no discrepancies outside acceptable limits. When working with dry materials and products, special precautions are taken to prevent the generation and dissemination of dust.

At every stage of processing, products and materials are protected from contamination. After the batch has been prepared, sample is given to the Quality Control department for testing. Based on the test results, the QC gives the release order. After the approval of finished product, the product is approved for packing. Packaging is carried out using approved packing materials. Finished Goods packing is done according to established procedure so that their identity, integrity and segregation are maintained.

The packed product is transferred to finished goods store and stored as per the specifications of the product. Where contractually specified, this assurance is extended until delivery to the final destination. Labels applied to containers, equipment, or premises are clear, unambiguous, and in the company’s agreed format.

## MANUFACTURING FACILITIES

Our manufacturing facilities are located at Changodar, Ahmedabad, Gujarat. Our facilities have been approved by various international regulatory authorities and certified by ISO 9001:2008 (BVQI), WHO-GMP, CGMP & National Drug Authority, and we have also obtained certain drug specific registrations from the relevant authorities in countries such as Uganda, Kenya, Yemen, Ethiopia, Congo, Ghana, Zimbabwe, Namibia, Nigeria, Cote d’Ivoire. We also cater to Srilanka, Philippines, Vietnam, Cambodia, Sudan, Myanmar, Bolivia, Burkina Faso, Tajikistan, Guinee, Gabon, Costa Rica, El-salvador, etc. in Latin America.

Our manufacturing facilities are spread across total area of 10,022 square meters with four units having different product manufacturing capabilities and process. We believe that each of our facilities is designed, equipped and operated to deliver high quality products within defined cost and delivery schedules.

Our Company has manufacturing facilities, built on stringent standards prescribed and approved regulatory authorities such as cGMP and WHO. The facilities have four production units which manufacture a wide range of pharmaceutical products. Production at the plant is ISO 9001 certified.

Set forth below in the table below are the principal details with respect to each of our manufacturing facilities including the products manufactured at such unit and the capacity of each unit:

Facility	Product manufactured	Year of establishment	Annual Capacity* (in Units)	Capacity Utilisation for the year ended					
				March 31, 2013		March 31, 2014		March 31, 2015	
Plant – 1	Liquid Orals	2005	1,38,24,000	86,27,735	62.41%	86,39,281	62.49%	1,17,50,400	85.00%
Plant – 2	Tablet and Capsules	2008	5,76,00,000	3,52,29,813	61.16%	2,66,42,256	46.25%	2,01,60,000	35.00%
	Dry Syrup / Sachet		46,08,000	1,82,134	3.95%	3,85,878	8.37%	6,91,200	15.00%

Plant – 3	Liquid Injectibles (SVP) Ampoules	2008	6,91,20,000	2,00,10,164	28.95%	5,16,04,323	74.66%	4,90,75,200	71.00%
	Liquid Injectibles (SVP) - Vials		3,45,60,000	2,29,92,238	66.53%	2,18,65,970	63.27%	2,07,36,000	60.00%
Plant – 4	Dry Powder Injection	2012	1,38,24,000	34,06,010	24.64%	11,31,980	8.19%	26,26,560	19.00%
<b>Overall Capacity Utilisation</b>				<b>46.73%</b>		<b>56.98%</b>		<b>54.27%</b>	

Proposed Capacity Utilisation (as per the Company's estimates) for the following three F.Y. are as set out in the tabulation below:

Facility	Product manufactured	Annual Capacity* (in Units)	Estimated Capacity Utilisation for the year ended					
			March 31, 2016		March 31, 2017		March 31, 2018	
Plant – 1	Liquid Orals	1,38,24,000	1,31,32,800	95.00%	1,31,32,800	95.00%	1,31,32,800	95.00%
Plant – 2	Tablet and Capsules	5,76,00,000	2,88,00,000	50.00%	2,88,00,000	50.00%	3,45,60,000	60.00%
	Dry Syrup / Sachet	46,08,000	11,52,000	25.00%	11,52,000	25.00%	18,43,200	40.00%
Plant – 3	Liquid Injectibles (SVP) Ampoules	6,91,20,000	5,87,52,000	85.00%	5,87,52,000	85.00%	5,87,52,000	85.00%
	Liquid Injectibles (SVP) - Vials	3,45,60,000	2,41,92,000	70.00%	2,41,92,000	70.00%	2,76,48,000	80.00%
Plant – 4	Dry Powder Injection	1,38,24,000	41,47,200	30.00%	48,38,400	35.00%	62,20,800	45.00%
	Lyophilisation	66,00,000	-	-	26,40,000	40.00%	36,30,000	55.00%
<b>Overall Capacity Utilisation</b>			<b>67.26%</b>		<b>66.71%</b>		<b>66.71%</b>	

\* 80% of the machinery suppliers' capacity.

Table set forth below represents plant wise sales for last five years and for six months ended September 30, 2015.

Plant	For the six months period ended September 30, 2015		For the Year Ended March 31,									
			2015		2014		2013		2012		2011	
	Rs. in Lacs	% of Revenue	Rs. in Lacs	% of Revenue	Rs. in Lacs	% of Revenue	Rs. in Lacs	% of Revenue	Rs. in Lacs	% of Revenue	Rs. in Lacs	% of Revenue
Plant 1	241.50	12.47%	523.00	14.93%	472.57	15.92%	345.55	15.77%	399.40	24.67%	1,249.68	62.09%
Plant 2	454.65	23.48%	1,390.51	39.70%	1,389.09	46.80%	571.68	26.09%	638.84	39.46%	214.25	10.64%
Plant 3	853.29	44.08%	1,304.88	37.25%	1066.42	35.92%	923.99	42.18%	580.92	35.88%	548.91	27.27%
Plant 4	386.50	19.96%	284.34	8.12%	40.16	1.35%	349.48	15.95%	0.00	0.00%	0.00	0.00%
<b>Total</b>	<b>1,935.94</b>	<b>100.00%</b>	<b>3,502.73</b>	<b>100.00%</b>	<b>2,968.64</b>	<b>100.00%</b>	<b>2,190.70</b>	<b>100.00%</b>	<b>1,619.16</b>	<b>100.00%</b>	<b>2,012.84</b>	<b>100.00%</b>

*Salient features of the manufacturing facility*

- Plant 1 :

The dedicated Oral Liquid Products are manufactured, matching International Standards in a controlled air environment under strict hygienic conditions, by highly qualified, expert and efficient personnel on Fully Automatic Line. It is a fully automatic line from initial bottle washing up to the final packaging of the products. We have made efforts to secure a no contamination in order to achieve high standard of quality of the products. Further, we are having in-house facilities for manufacturing Pet Bottles on Fully Automatic Blowing Machine. The production process in this plant is suitable for both pet and glass bottles.

- Plant 2 :

We have installed dedicated facility as per the norms of WHO, GMP & MHRA and started manufacturing Cephalosporin Oral Products. The facility at Changodar is with the latest technology, fully automatic operations from well-known Companies, has been approved by FDA & WHO. The procedure in this plant is suitable for different shapes, sizes and volumes for tablets as well as capsules which provides various options to the customers. We have separate lines for man and material movement and the entire production area is covered with High Efficiency Particulate (HEPA) filters which ensures filtered (dust free) air across the plant.

- Plant 3 :

We have installed high tech visual inspection machine which has been imported from Italy. We have installed dedicated facility to manufacture Liquid Injectables in vials & ampoules. The company has installed two lines of 300 / minute in ampoule & one line of 300 / minute in vial. The facility has been designed as per the 'MHRA'. It holds the capacity of inspecting 18000 Ampoules per hour. Moreover, we have created separate air conditioned storage facilities for finished goods and raw material.

- Plant 4 :

In order to further expand of our business, we have installed dedicated facility to manufacture Dry Powder Injectables in vials. The company has installed a line of 240 / minute. The facility has been designed as per the 'MHRA'. The procedure in this plant is suitable for different size for vials which provides various options to the customers. Process of this unit is suitable for 250 mg to 5 mg and can be filled in various quantity vials. The plant has separate air conditioned storage facilities for finished goods and raw materials with humidity control also.

### ***Air Handling Unit***

The Air Handling System installed to maintain the temperature within the premises which includes climatic conditions, humidity controlled by dehumidifier, air flow etc. Clean Room AHU's are provided with appropriate pre-filters and terminal High Efficiency Particulate (HEPA) Air Filters. The clean rooms are maintained at appropriate air pressures to avoid contaminations and relative humidity.

### **POWER AND WATER SUPPLY**

We have arrangements for regular power and water supply at our factory premises. The total existing power requirement of our Company is around 650 kva. The requirement of power is met by supply from Uttar Gujarat Viji Company Ltd. In addition we have installed a total of three DG sets of 1,020 kva for providing standby power backup.

Our Company's current water requirement for process requirement, human consumption and general needs of the employees is fulfilled through bore well which is the main source of water supply at the unit. As high purity water is used in the pharmaceutical industry, our Company has installed water purification / processing system which ensures required purity of the water.

### **MARKETING**

We have a strong marketing network for sales and marketing initiatives which helps us maintain and develop our relationships with our existing customers and procure orders from new customers. Our Company has an experienced marketing team and we regularly participate in various pharmaceutical

conferences and exhibitions. Our Company has endeavored to create an image of reliability and trustworthiness in the pharmaceutical industry.

#### *Contract Manufacturing*

Our Company has been involved in the business of Contract Manufacturing of some of the leading pharmaceutical companies in India. In order to maintain and enhance this business, our promoter and marketing team regularly liaise with the customers and adhere to their requirements.

#### *International Marketing*

In recent past years, we have expanded our business to international market. In our international business, We started our export business in the year 2007 and we have crossed Rs. 503.09 lacs in export sales in the Financial Year ended March 31, 2015 and Rs. 527.64 lacs in export sales during the six months period ended September 30, 2015.

Our Company has also appointed managers who are managing four regions covering over 20 countries. They plan shipment for entire year based on budget and getting it approved by convincing the counterparts.

### **RAW MATERIALS**

Raw materials essential to our business are procured in the ordinary course of business from numerous suppliers. Our manufacturing processes require a wide variety of raw materials including APIs, excipients, essences, pharma-grade sugar, colorants, packaging materials (such as primary, printed and other materials) and approved rectified spirit. We purchase these raw materials from a list of sources that we maintain, which has been approved by our internal quality control department following set standards as well as by our customers.

We carefully assess the reliability of all materials purchased to ensure that they comply with the rigorous quality and safety standards required for our products. We obtain most of our raw materials from Ahmedabad, Mumbai, Hyderabad and Chennai.

In an effort to manage risks associated with raw materials supply, we work closely with our suppliers to help ensure availability and continuity of supply while maintaining quality and reliability. Our raw material sourcing is not dependent on a single source of supply and we have access to alternate sources for our procurement of raw materials.

### **INTELLECTUAL PROPERTY**

We have applied for registration of the mark reflected herein in the name of our Company bearing registration number 2069102. Pursuant to the advertisement of our application 2069102 in the Trademark, the same was opposed by the Swiss Federal Institute of Intellectual Property, Stauffa Cherstrasse, Bern, Switzerland (“Opponent”) stating that one of the internationally recognized and acknowledged State emblem is the coat of arms of the Swiss Confederation (Swiss cross), which is used in the trademark. In response thereto, our Company has filed Form TM-6, being the form of counter statement, stating that it is ready to remove the Cross used in the trademark and is in process of amending the trademark before the trademark registry, Ahmedabad. In support whereof, our Company has also filed Form TM 16, being the form for correction of clerical error, or for amendment which has been filed with the trademark registry on December 23, 2015. The status of the trademark at the website of the trademark registry is currently reflected as ‘opposed’ and further procedure is awaited.

### **COMPETITION**

Our Company operates in the pharmaceutical sector which faces competition from domestic as well as international players. Competition emerges not only from the organized and unorganized sector but also from small and big players. Its competitiveness depends on several factors including quality, price and customer service. Internationally, competition typically comes from low-cost operations in other emerging countries.

## INSURANCE

All our assets including buildings, including compound walls, plant and machinery, electric installations, furniture and fittings and stocks are insured for perils such as fire, earthquakes, floods and storm depending on our risk assessment.

Policy No.	Issued by	Premium paid and insured amount	Risk covered	Place of Coverage	Expiry Date
141103/11/2015/479 read with 141103/11/2016/499	The Oriental Insurance Company Ltd.	Rs.4.66 Lacs and Rs. 3971.00 Lacs	Storm, Tempest, Flood, Inundation, Hurricane, Cyclone, Typhoon and Tornado, Fire Basic, Earth Quake	Plot No. 10/13, Nr. M N. Desai Petrol Pump, Sarkhej Bawla Highway, Changodar, Ahmedabad – 382 213, Gujarat, India.	October 21, 2016

## QUALITY CONTROL

We believe that quality control is critical to our continued success. Across various manufacturing processes, we have put in place quality systems that ensure consistent quality, efficacy and safety of products. Regular audit programs measure and validate our attempts to deliver consistent quality. These quality audits are regularly updated and reviewed to comply with international regulatory requirements. Our manufacturing facilities have received approvals from various prominent international regulatory bodies.

We have adopted a quality policy, which describes the philosophy, structure and key elements of our quality systems. We endeavor to adapt various quality guidelines and procedures that are implemented at all operational levels to assure product quality.

## HUMAN RESOURCES

As of November 30, 2015, we had 241 permanent employees, which included corporate and managerial staff, production staff, sales and marketing staff, finance staff and other administrative staff. The total number of our full-time employees has grown from 189 as of April 1, 2010 to 241 as of November 30, 2015.

In addition to our own employees, our operations also involve additional workers who are hired on contract labor basis through registered contractors.

## INFORMATION TECHNOLOGY

We have implemented information technology initiatives that improve efficiencies. Our Enterprise Resource Planning System assists across various functions, including finance and accounting, materials management, quality control/assurance, sales and distribution and production planning.

## ENVIRONMENTAL MATTERS

We are subject to Indian national and state environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environment protection and hazardous waste management. We believe that we are in compliance with all applicable environmental standards

## PROPERTIES

***Registered office and Factory Premise***

Our registered office and factory premise are located at our freehold premises situated at Plot Nos. 9 AB, 10 and 13 of village: Changodar, taluka: Sanand, registration district and sub-district Ahmedabad.

We do not own or rent any property except as stated above.



## KEY INDUSTRY REGULATIONS AND POLICIES

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to applicants and is neither designed nor intended to be a substitute for professional legal advice.*

*The statements below are based on 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 Statutory Approvals” beginning on page 168 of this Draft Prospectus.*

### **The Drugs and Cosmetics Act, 1940 (the “DCA”)**

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics in India as well as aspects relating to labeling, packing and testing. The DCA also provides the procedure for testing and licensing of new drugs. The DCA also prohibits the import of certain categories of drugs and cosmetics. 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. Under the DCA, the Government may, by notification in the official gazette, regulate or prohibit the manufacture, sale or distribution of a drug, if it is satisfied that in the public interest, it is necessary or expedient to do so or that the use of such drug is likely to involve any risk to human beings or animals or that it does not have the therapeutic value claimed or purported to be claimed for it or contains ingredients and in such quantity for which there is no therapeutic justification. Penalties in terms of fine and imprisonment are prescribed under the DCA for contravention of its provisions. The Central Government has also notified the Drugs and Cosmetics Rules in 1945 (the “DC Rules”) to give effect to the provisions of the DCA. The DC Rules lay down the process for obtaining various approvals and licenses as required under the DCA, including licenses required for new drugs and imported drugs. It also lays down guidelines for good manufacturing practices and requirements of premises, plants and equipment for pharmaceutical products. It provides for general requirements for, including, location and surrounding of the factory building, maintenance of water systems, waste disposal mechanisms, warehousing, sanitation in manufacturing premises, health, clothing and sanitation of workers etc.

### **The Essential Commodities Act, 1955 (the “ECA”)**

The ECA gives powers to the Central Government, to control production, supply and distribution of, trade and commerce in certain essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices or for securing any essential commodity for the defence of India or the efficient conduct of military operations. Using the powers under it, various ministries/departments of the Central Government have issued control orders for regulating production, distribution, quality aspects, movement and prices pertaining to the commodities which are essential and administered by them. The State Governments have also issued various control orders to regulate various aspects of trading in essential commodities such as food grains, edible oils, pulses kerosene, sugar and drugs. Penalties in terms of fine and imprisonment are prescribed under the ECA for contravention of its provisions.

### **National Pharmaceuticals Pricing Policy, 2012 (the “2012 Policy”)**

The 2012 Policy replaces the drug policy of 1994 and presently seeks to lay down the principles for pricing of essential drugs specified in the National List of Essential Medicines – 2011 (“NLEM”) declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time, so as to ensure the availability of such medicines at reasonable price, while providing sufficient opportunity for innovation and competition to support the growth of the Industry. The prices would be regulated based on the essential nature of the drugs rather than the economic criteria/market share principle adopted in the drug policy of 1994. Further, the 2012 Policy will regulate the price of formulations only, through market based pricing which is different from the earlier principle of cost based pricing. Accordingly, the formulations will be priced by fixing a ceiling price and the manufacturers of such drugs will be free to fix any price equal to or below the ceiling price.

### **The Drugs (Price Control) Order, 2013 (the “DPCO”)**

The DPCO was issued by the Central Government under section 3 of the ECA and in supersession of the Drugs (Prices Control) Order, 1995, thereby giving effect to the 2012 Policy. The DPCO, inter alia, provides that the Central Government may issue directions to the manufacturers of active pharmaceutical ingredients or bulk drugs and formulations to increase production or sell such active pharmaceutical ingredient or bulk drug to such manufacturer of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency, procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, method of implementation of prices fixed by Government and penalties for contravention of its provisions. The Government has the power under the DPCO to recover amounts charged in excess of the notified price from the manufacturer, importer or distributor and the said amounts are to be deposited in the Drugs Prices Equalization Account. The DPCO prescribes certain instances in which case the provision of the DPCO will not be applicable. These provisions are applicable to all scheduled formulations irrespective of whether they are imported or patented, unless they are exempted. However, the prices of other drugs can be regulated, if warranted in public interest. Recently, the National Pharmaceutical Pricing Authority (“NPPA”) has notified the ceiling price for 151 drugs under the DPCO.

### **The Narcotic Drugs and Psychotropic Substances Act, 1985 (the “Narcotic Act”)**

The Narcotic Act sets out the statutory framework for drug law enforcement in India. It prohibits cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transshipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates selected chemicals, commonly known as precursors, which can be used in the illicit manufacture of narcotic drugs and psychotropic substances. Offences under the Narcotic Act are essentially related to violations of the various prohibitions imposed under it, punishable by both imprisonment and monetary fines. The Narcotic Act was amended in 1989 to mandate death penalty for second offences relating to contraventions involving more than certain quantities of specified narcotic drugs and psychotropic substances. Further, an amendment in 2001 was made to ensure that while punishment awarded for drug trafficking was deterrent, sentences awarded to drug addicts were commensurate to the offences committed by them. A subsequent amendment in 2014 has now made it difficult for drug traffickers to acquire property from the income generated by their illegal activities. It has also made enabling provisions for the introduction of an alternate method of obtaining alkaloids of opium through production of concentrate of poppy straw instead of production and processing of opium in the country.

### **The Poisons Act, 1919 (the “Poisons Act”)**

The Poisons Act regulates the import, possession and sale of poisons. It empowers the State Government to frame rules for regulation of possession for sale and sale of poisons. It also empowers the Central Government to prohibit the import of any specified poison into India across any customs frontier defined by the Central Government and also regulates the grant of license. Any contravention of the provisions of the Poisons Act may be punished with imprisonment or fine or both.

### **The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 (the “DMRA”)**

The DMRA seeks to control advertisements of drugs in certain cases and prohibits advertisement of remedies that claim to possess magic qualities. In terms of the DMRA, advertisements include any notice, circular, label, wrapper or other document or announcement. It also specifies the ailments for which no advertisement is allowed and prohibits advertisements that misrepresent, make false claims or mislead. Further, the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955 have been framed for effective implementation of the provisions of the DMRA.

### **The Sales Promotion Employees (Conditions of Service) Act, 1976 (the “Sales Promotion Act”)**

The Sales Promotion Act regulates the conditions of service of sales promotion employees and applies to pharmaceutical industry. It provides the conditions of appointment, leave and maintenance of registers and other documents of such employees. It provides enabling provision for application of the provisions of labour laws including The Workmen’s Compensation Act, 1923, The Industrial Disputes Act, 1947, The Minimum Wages Act, 1948, The Maternity Benefit Act, 1961, The Payment of Bonus Act 1965 and The Payment of Gratuity Act, 1972 to sales promotion employees. The Sales Promotion Act provides monetary penalties for breach of its provisions. The Sales Promotion Employees (Conditions of Service) Rules, 1976 have been framed by the Central Government of India for the effective implementation of the Sales Promotion Act.

## Intellectual Property Legislations

Intellectual property in India enjoys protection under both common law and statute. Under statute, India provides for the patent protection under the Patents Act, 1970 (the “**Patents Act**”). The Patents Act governs the patent regime in India and recognises process patents as well as product patents. The form and manner of application for patents is set out under Chapter III and Chapter VIII deals with the grant of patents. Patents obtained in India are valid for a period of 20 years from the date of filing the application. The Patents Act also provides for grant of compulsory license on patents after expiry of three years of its grant in certain circumstances such as reasonable requirements of the public, non-availability of patented invention to public at affordable price or failure to work the patented invention.

Separately, trademark protection is provided under the Trade Marks Act, 1999 (the “**Trade Marks Act**”). The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. It prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

In addition to the domestic laws, India is a party to several international intellectual property related instruments including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, and as a member of the World Trade Organisation, India is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995. Our Company’s intellectual property rights primarily include patents and trademarks for its various products and process. Our Company spends considerable time and effort on developing new products and rely upon various forms of intellectual property legislation to protect the process as well as the products. For details of the intellectual property we seek to protect, see “Our Business” on page 88.

## Environmental Laws

The major statutes in India, which seek to regulate and protect the environment against pollution in India are the Environment Protection Act, 1986, the Water (Prevention and Control of Pollution) Act 1974 and the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCBs**”), which are vested with diverse powers to deal with water and air pollution, have been established at the Central level and in each State. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms laid down. These are required to be renewed annually.

## Other Laws

Our Company must also comply at all times with the provisions of various other laws, rules and regulations including the Legal Metrology Act, 2009, Importer Exporter Code along with the Foreign Trade (Development & Regulation) Act, 1992, the Factories Act, 1948, the Boilers Act, 1923, Indian Boiler Regulations, 1950, the Bombay Prohibition Act, 1949, the Gujarat State Tax on Profession, Trades, Callings and Employment Act, 1975, labour laws including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Employee State Insurance Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Employees Provident Fund and Miscellaneous Provisions Act, 1952, electricity and other revenue and tax legislations.

## OUR HISTORY AND CORPORATE STRUCTURE

Our Company was incorporated as Sakar Healthcare Private Limited on March 26, 2004 under the Companies Act, 1956 *vide* Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Further, our Company was converted into a Public Limited Company *vide* Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated March 27, 2015 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli and the name of our Company was changed to Sakar Healthcare Limited. The Corporate Identification Number of our Company is U24231GJ2004PLC043861.

For information on our Company's activities, market, growth, technology and managerial competence, please see the chapters "Our Management", "Our Business" and "Our Industry" beginning on pages 107, 88 and 78 respectively of this Draft Prospectus.

### Changes in Registered Office of our Company

The Registered Office of our Company is currently situated at Plot No. 10/13, Nr. M N. Desai Petrol Pump, Sarkhej Bawla Highway, Changodar, Ahmedabad – 382 213, Gujarat.

The details of change in the address of our Registered Office are set forth below:

From	To	Date of Meeting	Reason
406, Silver Oaks, Mahalaxmi Cross Roads, Paldi, Ahmedabad – 380 007, Gujarat	Plot No. 10/13, Nr. M N. Desai Petrol Pump, Sarkhej Bawla Highway, Changodar, Ahmedabad – 382 213, Gujarat	EGM dated February 25, 2015	The Registered Office was shifted for administrative convenience w.e.f. March 01, 2015.

### Main Objects of our Company

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The main objects of our Company are:

- To carry in India or elsewhere the business to manufacture, produce, process, prepare, treat, disinfect, compound, formulate, mix, concentrate, pack, repack, refine, add, remove, pure, preserve, grade, freeze, distillate, boil, sterilize, improve, extract, buy, sell, resell, import, export, barter, transport, store, forward, distribute, dispose, develop, research, discover, manipulate, market, supply and to act middlemen, jobworker or otherwise to deal in all types, descriptions, specifications, strengths and applications of ayurvedic, confectionery products, pharmacy and chemical products of medicaments in all its branches such as allopathic, ayurvedic, homeopathic, herbal, unani, siddha, bio-chemic etc., used for treatment, cure and healthcare of human beings and animals including, basic drugs, intermediates, tonics, antibiotics, enzymes, steroids, vitamins, hormones, biological and immunological chemicals, contraceptives, surgical plaster of Paris, surgical dressings, belladonna plasters, dressings, bandages, waddings, gauzes, adhesives, belts, sutures, ligatures, rubber goods, vaccines, toxins, ferments, yeasts, medical gases, oils and tinctures, medicinal products in all forms such as capsules, tablets, powders, ointments, syrups, injectibles, pills, fluids, granules, sprayers, inhalers, mineral waters, droppers, removers, veterinary medicines, poultry medicines, their by-products, residues, mixtures, and compounds.*
- To carry on business of running nursing homes, clinics, pharmacies, indoor or outdoor hospitals, medical, anatomical, orthopedic, surgical and 'X' Ray units, laboratories, research establishments, nature cure centers and hospitals for eye, throat and nose diseases and to acquire land, building plants, equipments, accessories, instruments, gadgets, furniture and fittings, and other facilities for treatment and nursing of patients, of various types of diseases, ailments, sickness, illness and other body or mental troubles and to act as consultants in any and all branches of medical science.*

3. *To carry on business as producers, manufacturers, processors, converters, refiners, bottlers, stockists, dealers, importers, exporters, traders, retailers, agents, buyers, sellers of oxygen, acetylene, ammonia, carbon dioxide, nitrogen, hydrogen, helium and other types and kinds of gases required for or used in industries, agriculture, clinics, hospitals, refrigeration, aviation, transport vehicles, spare rockets and crafts communication, objects and media, power plants, domestic or public lighting, heating, cooling or cooking purposes, lighters, plants producing water, chemicals or fuels, pesticide, defence or warfare establishments, horticulture, forest or plant protection and growth and other allied purposes and to service, repair, manufacture, market or deal in machineries, plants, spare, cylinders, containers, gadgets, appliances and accessories required for, working on, using or producing any of such gases and products.*

#### **Amendments to the Memorandum of Association**

Since incorporation, the following changes have been made to our Memorandum of Association:

<b>Date of AGM/ EGM</b>	<b>Amendment</b>
<b>Alteration in Name Clause</b>	
EGM – March 9, 2015	On conversion from Private to Public, the name of the Company was changed from Sakar Healthcare Private Limited to Sakar Healthcare Limited
<b>Alteration in Objects Clause</b>	
EGM – March 9, 2015	In order to bring in line with the existing activities being undertaken by the Company and to comply with the provisions of MOA under Companies Act, 2013
<b>Alteration in Capital Clause</b>	
EGM – August 3, 2004	Authorised Share Capital increased from Rs. 1.00 Lacs divided into 10,000 Equity Shares of Rs. 10/- each to Rs. 70.00 Lacs divided into 7,00,000 Equity Shares of Rs. 10/- each
EGM – March 23, 2006	Authorised Share Capital increased from Rs. 70.00 Lacs divided into 7,00,000 Equity Shares of Rs. 10/- each to Rs. 200.00 Lacs divided into 20,00,000 Equity Shares of Rs. 10/- each
EGM – March 17, 2007	Authorised Share Capital increased from Rs. 200.00 Lacs divided into 20,00,000 Equity Shares of Rs. 10/- each to Rs. 300.00 Lacs divided into 30,00,000 Equity Shares of Rs. 10/- each
EGM – March 15, 2008	Authorised Share Capital increased from Rs. 300.00 Lacs divided into 30,00,000 Equity Shares of Rs. 10/- each to Rs. 500.00 Lacs divided into 50,00,000 Equity Shares of Rs. 10/- each
EGM – March 28, 2009	Authorised Share Capital increased from Rs. 500.00 Lacs divided into 50,00,000 Equity Shares of Rs. 10/- each to Rs. 700.00 Lacs divided into 70,00,000 Equity Shares of Rs. 10/- each
EGM – August 18, 2009	Authorised Share Capital increased from Rs. 700.00 Lacs divided into 70,00,000 Equity Shares of Rs. 10/- each to Rs. 800.00 Lacs divided into 80,00,000 Equity Shares of Rs. 10/- each
EGM – February 25, 2015	Authorised Share Capital increased from Rs. 800.00 Lacs divided into 80,00,000 Equity Shares of Rs. 10/- each to Rs. 1200.00 Lacs divided into 1,20,00,000 Equity Shares of Rs. 10/- each

#### **Key Events and Milestones**

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

<b>Year</b>	<b>Event</b>
2004	Incorporation of our Company.
2005	Our Company received ISO Certification.
2005	Our Company started commercial production for Plant – 1 which was established for production of Liquid Orals.
2005	Our Company started commercially selling its products.
2007	Our Company started exporting its products overseas.
2008	Our Company started commercial production for Plant – 2 which was established for

	production of Beta Lactum Tablet and Capsules and Dry Syrup B-lactum. / Sachet.
2008	Our Company started commercial production for Plant – 3 which was established for production of Liquid Injectibles (SVP) - Ampoules and Liquid Injectibles (SVP) - Vials.
2012	Our Company started commercial production for Plant – 4 which was established for production of Dry Powder Injection.
2015	Conversion of our Company to a public limited company.

#### **Holding Company of our Company**

Our Company has no holding company as on the date of filing of this Draft Prospectus.

#### **Subsidiary Company of our Company**

Our Company has no subsidiary company as on the date of filing of this Draft Prospectus.

#### **Injunctions or Restraining Orders:**

Our Company is not operating under any injunction or restraining order.

#### **Details of Past Performance:**

For details in relation to our financial performance in the previous five financial years, including details of nonrecurring items of income, refer to section titled “Financial Information” beginning on page 128 of this Draft Prospectus.

#### **Shareholders Agreements:**

Our Company has not entered into any shareholders agreement as on date of filing of this Draft Prospectus.

#### **Other Agreements:**

Our Company has not entered into any agreements except under normal course of business of the Company, as on the date of filing of this Draft Prospectus.

#### **Restrictive Covenants in Loan Agreements**

Our Company has entered into an Agreement of Loan for Overall Limit with the State Bank of India, Law Garden branch (“SBI”) dated April 11, 2012 for an aggregate amount of Rs. 2830 Lacs. As per clause 42 of the said agreement, the consent of SBI is required for making any change in the capital structure of our Company. Accordingly, our Company has duly applied with its Bankers and Lenders for their consents and application for granting No Objection Certificate with respect to the Issue has been made to them.

#### **Strategic/ Financial Partners:**

Our Company does not have any strategic/financial partner as on the date of filing of this Draft Prospectus.

#### **Defaults or Rescheduling of Borrowings with Financial Institutions or Banks:**

There have been no defaults in context of borrowings with financial institutions or banks as on the date of this Draft Prospectus. There has been reschedulement of our credit facilities in FY 2011-12 with State Bank of India whereby our Company had offered to replace certain securities vide letter dated November 05, 2011.

#### **Number of Shareholders:**

Our Company has 10 shareholders on date of this Draft Prospectus.

#### **Withdrawal of Draft Prospectus:**

We had earlier filed the Draft Prospectus dated April 30, 2015 to for the listing of 33,06,000 Equity Shares having face value of Rs. 10 each at the Premium of Rs. 35 each on the Emerge Platform of NSE on May 04, 2015. Due to change in the Objects of the Issue and updation in Financial Statements, we have withdrawn the Draft Prospectus vide our letter dated September 02, 2015.

## OUR MANAGEMENT

### OUR MANAGEMENT

Under our Articles, our Company is required to have not less than 3 Directors and not more than 15 Directors. Our Company currently has 6 Directors on its Board (including 1 woman Director). The Managing Director of our Company is an Executive Director. Further, in compliance with the requirements of clause 52 of the SME Listing Agreement, our Company has 3 Independent Directors.

The following table sets forth details regarding our Board as on the date of this Draft Prospectus other than Directorship in our Company:

Sr. No.	Name, Designation, Nationality, Term and DIN	Father's/Husband's Name, Address, Occupation, Nationality, Term and DIN	Date of Appointment	Other Directorships
1	Name: Mr. Sanjay S. Shah son of Surendra T. Shah Designation: Managing Director  Address: 7, Arun Society, Paldi, Ahmedabad – 380 007 Occupation: Business Nationality: Indian Terms of Office: appointed as Managing Director for 5 years w.e.f. February 01, 2015 DIN: 01515296		March 26, 2004 (as First Director)	1. Bisil Plast Limited 2. Sanjay Corporation Limited
2	Name: Ms. Rita S. Shah wife of Sanjay S. Shah Designation : Executive Director  Address: 7, Arun Society, Paldi, Ahmedabad – 380 007 Occupation: Business Nationality: Indian Terms of Office: appointed as Executive Director for 5 years w.e.f. February 01, 2015 (Liable to retire by rotation) DIN – 01515340		March 26, 2004 (as First Director)	1. Bisil Plast Limited 2. Sanjay Corporation Limited
3	Name: Mr. Aarsh S. Shah son of Sanjay S. Shah Designation: Joint Managing Director  Address: 7, Arun Society, Paldi, Ahmedabad – 380 007 Occupation: Business Nationality: Indian Terms of Office: appointed as Joint Managing Director for 5 years w.e.f. February 01, 2015 (Liable to retire by rotation) DIN – 05294294		June 1, 2012 (as Joint Managing Director)	N.A.
4	Name: Mr. Prashant C. Srivastav son of Chandraprakash Srivastav Designation: Independent Director  Address: 16, Hem Appts, Nehru Park Lad Soc Road, Vastrapur, Ahmedabad – 380 015 Occupation: Professional Nationality: Indian Terms of Office: appointed w.e.f. April 01,		April 01, 2015 ( as Independent Director)	Flatrox Technosolutions (India) Private Limited

	2015 DIN – 02257146		
5	<p>Name: Mr. Shailesh B. Patel son of Bhanubhai Patel Designation: Independent Director</p> <p>Address: “Shreejikrupa” 12, Swastik Society, 2nd Road (N.S), JVPD Scheme, Ville Parle, (W), Mumbai – 56 Occupation: Business Nationality: Indian Terms of Office: appointed w.e.f. 01-04- 2015 DIN - 01835567</p>	April 01, 2015 ( as Independent Director)	N.A.
6	<p>Name: Hardik P. Mehta son of Pratik Mehta Designation: Independent Director</p> <p>Address: Near Shrinivas Society, Behind Samkit Flats, Vikas Gruh Road, Paldi, Ahmedabad – 380007 Occupation: Professional Nationality: Indian Terms of Office: appointed w.e.f. 10-10- 2015 DIN – 07153485</p>	October 10, 2015 (as Independent Director)	N.A.

#### BRIEF BIOGRAPHIES OF OUR DIRECTORS

1. **Mr. Sanjay S. Shah:** Mr. Sanjay S. Shah, aged 56 years, is the Managing Director of our Company. He has been a Promoter Director of our Company since its inception. He holds a degree of Master of Business Administration from Vikram University, Ujjain, Madhya Pradesh. Apart from that, he is also qualified in plastic technology. He has more than a decade of experience in pharmaceutical, mineral water and plastic industry. Prior to our Company, he promoted Bisil Plast Ltd., the bottler of mineral water since 1986. He is presently instrumental in managing the entire affairs and functioning of our Company including production, sales, marketing and finance. He is the guiding force behind the strategic decisions of our Company and has been prominent in planning and formulating the overall business strategy and developing business relations for our Company.
2. **Ms. Rita S. Shah:** Ms. Rita S. Shah, aged 50 years, is the Director of our Company. She has been a Promoter Director of our Company since its inception. She is a science graduate from Gujarat University and an experienced business woman. She manages the day to day administrative operations of the Company. She also assists Mr. Sanjay Shah in procurement of materials, production and controlling of quality products.
3. **Mr. Aarsh S. Shah:** Mr. Aarsh S. Shah, aged 24 years, is the Joint Managing Director of our Company. He has been the Promoter Director of the Company. He is a Pharmacist from L.J. College Ahmedabad and holds a degree of Master of Business Administration from University of Cardiff, UK. He currently lends his professional acumen as a Pharmacist in the company and is actively involved in production, sales & marketing and developing business relations for our Company.
4. **Mr. Prashant C. Srivastav:** Mr. Prashant C. Srivastav, aged 36 years, is the Independent Director of our Company. He holds professional qualification of Chartered Accountant from Institute of Chartered Accountants of India and Company Secretary from Institute of Company Secretaries of India. He has more than a decade of experience in varied industry segments ranging from manufacturing to trading and services sector. He is also a partner with M/s Prashant Srivastav & Associates.
5. **Mr. Shailesh B. Patel:** Mr. Shailesh B. Patel, aged 54 years, is the Independent Director of our Company. He holds a degree of Electrical Engineering from Mumbai University. He is a successful businessman



having more than 25 years of experience with Elacmach Group. He is a maestro in handling existing and new clients, meeting specifications and developing new business.

6. **Mr. Hardik P. Mehta:** Mr. Hardik P. Mehta, aged 27 years, is the Non-Executive, Independent Director of our Company. He holds a Bachelor's degree in Law from the Gujarat University. He has been practising law and corporate consultant since last 5 years.

## CONFIRMATIONS

1. Apart from Mr. Sanjay S. Shah, Ms. Rita S. Shah and Mr. Aarsh S. Shah, none of the Directors of our Company are related to each other. Mr. Sanjay S. Shah is the husband of Ms. Rita S. Shah and Mr. Aarsh S. Shah is the son of Mr. Sanjay S. Shah and Ms. Rita S. Shah.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of our mentioned Directors are on the RBI List of willful defaulters.
5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing this Draft Prospectus or (b) delisted from the stock exchanges.
6. None of the Promoter, persons forming part of our Promoter Group, Directors or persons in control of our Company, 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. For further details refer Chapter titled "Outstanding Litigation and Material Developments" beginning on page 166 of this Draft Prospectus.

## INTERESTS OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable, if any to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable, if any to them under our Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

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. All of 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, if any. None of our Directors has been appointed on our Company's Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Except as stated in the chapter "Our Management" and "Related Party Transactions" beginning on pages 107 and 126 respectively of this Draft Prospectus and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Draft Prospectus.

Our Directors are not interested in the appointment of or acting as Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

## PROPERTY INTEREST

Our Directors have not entered into any contract, agreement or arrangements during the preceding two years from the date of this Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

## Interest in Business of the Company

Save and except as stated otherwise in the chapter titled “Related Party Transactions” in the Section titled “Financial Information” beginning on page 128 of this Draft Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Prospectus.

### **Changes in Board of Directors during last three years**

Following are the change in directors of our Company in last three years prior to the date of this Draft Prospectus:

<b>Name</b>	<b>Date of Event</b>	<b>Nature of Event</b>	<b>Reason</b>
Mr. Aarsh S. Shah	1 <sup>st</sup> June, 2012	Appointment	Appointment as Joint Managing Director
Mr. Prashant C. Srivastav	1 <sup>st</sup> April, 2015	Appointment	Appointment as Independent Director
Mr. Shailesh B. Patel	1 <sup>st</sup> April, 2015	Appointment	Appointment as Independent Director
Dr. Aniruddha B. Rathod	1 <sup>st</sup> April, 2015	Appointment	Appointment as Independent Director
Dr. Aniruddha B. Rathod	10 <sup>th</sup> October, 2015	Resignation	Resigned from Independent Director
Mr. Hardik Mehta	10 <sup>th</sup> October, 2015	Appointment	Appointment as Independent Director

### **BORROWING POWERS OF THE BOARD**

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 16<sup>th</sup> December, 2013 consent of the members of our Company was accorded to the Board of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company’s bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed shall not at any time exceed Rs. 100.00 Crores.

### **CORPORATE GOVERNANCE**

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. The provisions of the Listing Agreement, to be entered into by our Company with the Stock Exchange, will be applicable to our Company immediately upon the listing of our Equity Shares with NSE-Emerge Platform. We have complied with the corporate governance code in accordance with Clause 52 (as applicable) of the Listing Agreement, particularly in relation to appointment of Independent Directors to our Board and constitution of the audit committee and shareholders’/ investors’ grievance committee. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 52 of the Listing Agreement.

We are in compliance with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, the Board’s supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has six Directors (including one woman director). We have three Executive and Non Independent Director and three Independent and Non-Executive Directors.

The following committees have been formed in compliance with the corporate governance norms:

- A) Audit Committee**
- B) Stakeholder Relationships Committee**
- C) Nomination and Remuneration Committee**

#### **A) Audit Committee**

Our Company has constituted an audit committee (“**Audit Committee**”), as per the provisions of Section 177 of the Companies Act, 2013 and Clause 52 of the Listing Agreement to be entered with Stock Exchange, vide resolution passed in the meeting of the Board of Directors held on 1<sup>st</sup> April, 2015.

The terms of reference of Audit Committee complies with the requirements of Clause 52 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following 3 directors.

Composition of the Audit Committee

S.NO.	NAME OF THE DIRECTOR	STATUS	NATURE OF DIRECTORSHIP
1.	Mr. Prashant C. Srivastav	Chairman	Non-Executive Independent Director
2.	Mr. Sanjay S. Shah	Member	Managing Director
3.	Mr. Shailesh B. Patel	Member	Non-Executive Independent Director

#### **Role of the Audit Committee:**

1. Overseeing our Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required being included in the Directors Responsibility Statement to be included in the Board’s report in terms of section 134 of the Companies Act.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors on any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

To overview the Vigil Mechanism of our Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.

#### **Powers of the Audit Committee:**

1. Investigating any activity within its terms of reference;
2. Seeking information from any employee;
3. Obtaining outside legal or other professional advice; and
4. Securing attendance of outsiders with relevant expertise, if it considers necessary.

#### **Meeting of Audit Committee and relevant Quorum**

The audit committee shall meet at least 4 times in a year and not more than 4 months shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of 2 Independent Directors, who are members, present.

#### **B) Stakeholder Relationships Committee**

In compliance with section 178 of the Companies Act, 2013, our Company has constituted a stakeholder relationships committee ("**stakeholder relationships Committee**") to redress the complaints of the shareholders. The stakeholder relationships committee was constituted vide resolution passed at the meeting of the Board held on 1<sup>st</sup> April, 2015.

#### **Composition of Stakeholder Relationships Committee**

S.NO.	NAME OF THE DIRECTOR	STATUS	NATURE OF DIRECTORSHIP
1.	Mr. Prashant C. Srivastav	Chairman	Non-Executive Independent Director
2.	Mr. Shailesh B. Patel	Member	Non-Executive Independent Director
3.	Mr. Aarsh S. Shah	Member	Jt. Managing Director

The Stakeholder Relationships Committee shall oversee all matters pertaining to investors of our Company. The terms of reference of the Investor Grievance Committee include the following:

1. Redressal of shareholders'/investors' complaints;
2. Reviewing on a periodic basis the Approval of transfer or transmission of shares, debentures or any other securities made by the Registrar and Share Transfer Agent;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
4. Non-receipt of declared dividends, balance sheets of our Company; and
5. Carrying out any other function as prescribed under the Listing Agreement.

### **Quorum for Stakeholders Relationship Committee**

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be 2 members or one third of the members, whichever is greater.

### **C) Nomination and Remuneration Committee**

In compliance with section 178 of the Companies Act, 2013, our Company has constituted a Nomination and Remuneration Committee. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board held on 1<sup>st</sup> April, 2015 and the same was reconstituted through a Meeting of the Board held on October 10, 2015.

Composition of Nomination and Remuneration Committee

S.NO.	NAME OF THE DIRECTOR	STATUS	NATURE OF DIRECTORSHIP
1.	Mr. Shailesh B. Patel	Chairman	Non-Executive Independent Director
2.	Mr. Hardik P. Mehta	Member	Non-Executive Independent Director
3.	Mr. Prashant C. Srivastav	Member	Non-Executive Independent Director

Company Secretary is the Secretary to the Nomination and Remuneration Committee.

### **The terms of reference of the Nomination and Remuneration Committee are:**

- a) To recommend to the Board, the remuneration packages of our Company's Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- b) To be authorized at its duly constituted meeting to determine on behalf the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/Executive Directors, including pension rights and any compensation payment;
- c) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

### **Quorum for Nomination and Remuneration Committee**

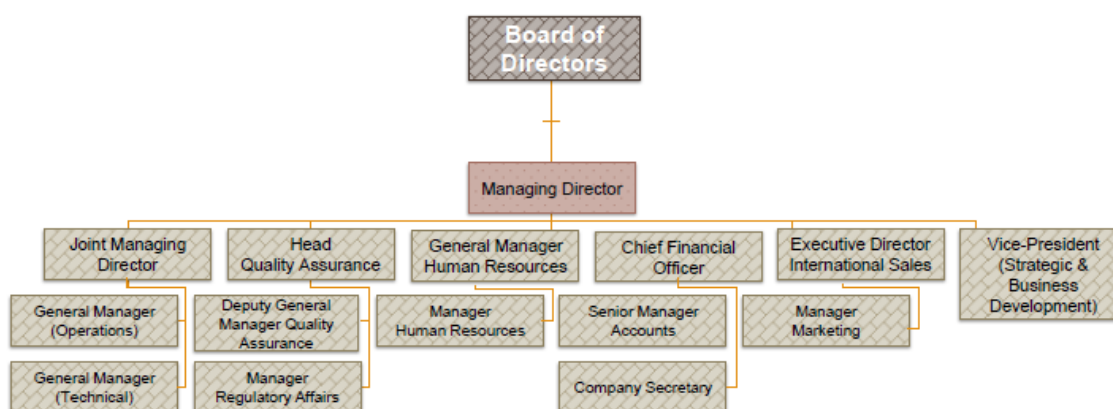
The quorum necessary for a meeting of the Remuneration Committee shall be 2 members or one third of the members, whichever is greater.

### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 or SEBI (Prohibition of Insider Trading) Regulations, 2015 after listing of our Company's shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Ms. Pratixa S. Seju is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

## **ORGANIZATIONAL STRUCTURE**

The organizational structure of our Company is as under:



## KEY MANAGERIAL PERSONNEL

1. **Mr. Sanjay S. Shah:** Mr. Sanjay S. Shah, aged 56 years, is the Managing Director of our Company. He has been a Promoter Director of our Company since its inception. He holds a degree of Master of Business Administration from Vikram University, Ujjain. He is also qualified in plastic technology. He has more than a decade of experience in pharmaceutical, mineral water and plastic industry. He presently supervises and manages the entire affairs and functioning of our Company including production, sales, marketing and finance. He is the key strategist behind all policy decisions of our Company and has been prominent in planning and formulating the overall business strategy of our Company and developing and fostering business relations for our Company. For Fiscal 2015, he has been paid gross remuneration of approx. Rs. 10.50 Lacs and for the six months period ended September 30, 2015, he has been paid gross remuneration of approx. Rs. 5.10 Lacs.
2. **Ms. Rita S. Shah:** Ms. Rita S. Shah, aged 50 years, is the Director of our Company. She has been a Promoter Director of our Company since its inception. She is a science graduate from Gujarat University and an experienced business woman. She manages the day to day administrative operations of the Company. She also provides her valuable assistance in procurement of materials, production and controlling of quality products. For Fiscal 2015, she has been paid gross remuneration of approx. Rs. 5 Lacs and for the six months period ended September 30, 2015, she has been paid gross remuneration of approx. Rs. 2.40 Lacs.
3. **Mr. Aarsh S. Shah:** Mr. Aarsh S. Shah, aged 24 years, is the Joint Managing Director of our Company holds a degree of Master of Business Administration from University of Cardiff, UK and is a pharmacist. He currently renders expertise as a Pharmacist in the company and is actively involved in production, sales & marketing and developing business relations for our Company. For Fiscal 2015, he has been paid gross remuneration of approx. Rs. 9.89 Lacs and for the six months period ended September 30, 2015, he has been paid gross remuneration of approx. Rs. 4.80 Lacs.
4. **Mr. Johnny George Kudilil:** Mr. Johnny George Kudilil, aged 54 years, is the Chief Financial Officer of our Company. He holds a degree of Masters in Commerce from University of Kerala. He has also completed his Articleship for Chartered Accountancy for two groups. He has 28 years of experience in the field of finance. His major role includes supervising of finance and accounts related matters, checking of sales bills / cash vouchers, supervising purchase order related matters, etc. For Fiscal 2015, he has been paid gross remuneration of approx. Rs. 4.20 Lacs and for the six months period ended September 30, 2015, he has been paid gross remuneration of approx. Rs. 2.10 Lacs.
5. **Ms. Pratixa S. Seju:** Ms. Pratixa S. Seju is the Company Secretary of our Company. She has obtained her membership with the Institute of Companies Secretaries of India in the year 2015. She has been working with our Company since December 28, 2015.

## FAMILY RELATIONSHIPS OF DIRECTORS WITH KEY MANAGERIAL PERSONNEL



Apart from Mr. Sanjay S. Shah, Ms. Rita S. Shah and Mr. Aarsh S. Shah, there is no family relationship between any of the key managerial personnel and Directors of our Company. All of Key Managerial Personnel are permanent employees of our Company.

#### **ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS**

None of our Directors has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

#### **SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL**

Save and except the following, none of our key managerial personnel has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

<b>Name of KMP</b>	<b>Number of Equity Shares</b>	<b>Percentage of Pre-Issue Shareholding</b>
Mr. Sanjay S. Shah	44,67,500	55.84%
Ms. Rita S. Shah	2,45,000	3.06%
Mr. Aarsh S. Shah	13,07,500	16.34%
Mr. Johnny George	20,000	0.25%

#### **BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL**

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

#### **LOANS TO KEY MANAGERIAL PERSONNEL**

Except as disclosed below, none of our Key Managerial Personnel have availed any loans as on the date of this Draft Prospectus.

Details of Loans and Advances to Key Managerial Personnel as on September 30, 2015

<b>Name</b>	<b>Designation</b>	<b>Loan Amount (Rs.)</b>
Mr. Johnny George	Chief Financial Officer	2,10,000

#### **INTEREST OF KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel 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 and to the extent of Equity Shares held by them in our Company, if any.

#### **CHANGES IN KEY MANAGERIAL PERSONNEL DURING LAST THREE (3) YEARS**

<b>Name of KMP</b>	<b>Designation</b>	<b>Event</b>	<b>Date of Event</b>
Aarsh S. Shah	Joint Managing Director	Appointment	June 01, 2012
Sanjay S. Shah	Managing Director	Appointment / Elevation	February 01, 2015
Rita S. Shah	Executive Director	Appointment / Elevation	February 01, 2015
Johnny George Kudilil	Chief Financial Officer	Appointment	April 01, 2015
Kinjal K. Sheth	Company Secretary and Compliance Officer	Appointment	April 01, 2015
Kinjal K. Sheth	Company Secretary and Compliance Officer	Resignation	December 28, 2015
Ms. Pratixa S. Seju	Company Secretary and Compliance Officer	Appointment	December 28, 2015

Other than the above changes, there have been no changes to the key managerial personnel of our Company that are not in the normal course of employment.

#### **ESOP/ESPS SCHEME TO EMPLOYEES**

Presently, we do not have any ESOP/ESPS Scheme for employees.

#### **PAYMENT OR BENEFIT TO OUR OFFICERS**


Except as disclosed in the heading titled “Related Party Disclosure” in the Section titled “Financial Information” beginning on page 128 of this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years from the date of this Draft Prospectus or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.




## OUR PROMOTERS

1. **Mr. Sanjay S. Shah**
2. **Ms. Rita S. Shah**
3. **Mr. Aarsh S. Shah**


**Mr. Sanjay S. Shah:** Mr. Sanjay S. Shah, aged 56 years, is the Managing Director of our Company. He has been a Promoter Director of our Company since its inception. He holds a degree of Master of Business Administration from Vikram University, Ujjain, Madhya Pradesh. Apart from that, he is also qualified in plastic technology. He has more than a decade of experience in pharmaceutical, mineral water and plastic industry. Prior to our Company, he promoted Bisil Plast Ltd., the bottler of mineral water since 1986. He is presently instrumental in managing the entire affairs and functioning of our Company including production, sales, marketing and finance. He is the guiding force behind the strategic decisions of our company and has been prominent in planning and formulating the overall business strategy and developing business relations for our company

	Particulars	Details
	<b>Occupation</b>	Business
	<b>DIN</b>	01515296
	<b>PAN</b>	AIGPS0083H
	<b>Passport No.</b>	F3075785
	<b>Driving Lic. No.</b>	GJ01R 2009-007.1034
	<b>Voter ID No.</b>	GJ/11/068/418704
	<b>Bank Details</b>	A/c. No. 54910010004679 Bank Name: IDBI Bank Ltd. Branch: Paldi Address: Ahmedabad

**Ms. Rita S. Shah:** Ms. Rita .S. Shah, aged 50 years, is the Director of our Company. She has been a Promoter Director of our Company since its inception. She is a science graduate from Gujarat University and an experienced business woman. She manages the day to day administrative operations of the Company. She also assists in procurement of materials, production and controlling of quality products.

	Particulars	Details
	<b>Occupation</b>	Business
	<b>DIN</b>	01515340
	<b>PAN</b>	APDPS9115E
	<b>Passport No.</b>	F3075834
	<b>Driving Lic. No.</b>	GJ012009705581
	<b>Voter ID No.</b>	GJ/11/068/418709
	<b>Bank Details</b>	A/c. No. 549910010004678 Bank Name: IDBI Bank Ltd. Branch: Paldi Address: Ahmedabad

**Mr. Aarsh S. Shah:** Mr. Aarsh S. Shah, aged 24 years, is the Joint Managing Director of our Company. He is a Pharmacist and holds a degree of Master of Business Administration from University of Cardiff, UK. He currently lends his professional acumen as a Pharmacist in the company and is actively involved in production, sales & marketing and developing business relations for our company

	Particulars	Details
	<b>Occupation</b>	Business
	<b>DIN</b>	0594295
	<b>PAN</b>	CHOPS2839C
	<b>Passport No.</b>	Z2931925
	<b>Driving Lic. No.</b>	GJ0107141509
	<b>Voter ID No.</b>	11-E 2585172
	<b>Bank Details</b>	A/c. No. 005005234664 Bank Name: CITI Bank Branch: C.G. Road Address: Ahmedabad

#### **Promoter Group:**

Our Promoter Group in terms of regulation 2(1) (zb) of SEBI (ICDR) Regulations includes the following persons:

#### **Individual Promoter Group**

The natural persons who are part of our Promoter Group (due to the relationship with our Promoter), other than the Promoter named above are as follows:

1. **Mr. Surendra T. Shah:** Mr. Surendra T. Shah is the father of Mr. Sanjay S. Shah.
2. **Ms. Ayushi S. Shah:** Ms. Ayushi S. Shah is the daughter of Mr. Sanjay S. Shah and Ms. Rita S. Shah and sister of Mr. Aarsh S. Shah.

There are no corporate entities that form a part of our Promoter Group.

#### **OTHER UNDERTAKINGS AND CONFIRMATIONS**

Our Company undertakes that the details of Permanent Account Number, Bank Account Number and Passport Number of the Promoters (PAN and Bank Account Number in case of Corporate Promoter) will be submitted to the Stock Exchange, where the securities of our Company are proposed to be listed, at the time of submission of Draft Prospectus.

#### **COMMON PURSUITS OF OUR PROMOTERS**

None of the Promoter Group Company is having business objects similar to our business as mentioned in the Chapter "Our Group Entities" beginning on page 120 of this Draft Prospectus.

#### **INTEREST OF OUR PROMOTERS**

##### ***Interest in the promotion of Our Company***

Our Promoters may be deemed to be interested in the promotion of our Company to the extent of the Equity Shares held by them as well as their relatives and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, Our Promoter may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which they are interested as a director, member or partner.

### ***Interest in the property of Our Company***

Our Promoters do not have, and did not have, any interest in any property acquired by our Company in last two years or proposed to be acquired by our Company.

### ***Interest as Member of our Company***

As on the date of this Draft Prospectus, our Promoters hold 60,20,000 Equity Shares of our Company and are 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 Promoters in our Company, our Promoters do not hold any other interest in our Company.

### ***Payment Amounts or Benefit to Our Promoters during the Last Two Years***

No payment has been made or benefit given to our Promoter in the two years preceding the date of this Draft Prospectus except as mentioned / referred to in this chapter and in the section titled “Financial Statements” at page 128 and in the chapters titled “Our Management”, and “Capital Structure” on pages 107 and 45 respectively of this Draft Prospectus. Further as on the date of this Draft Prospectus, there is no bonus or profit sharing plan for our Promoters.

## **CONFIRMATIONS**

There are no litigations and disputes pending against our Promoters or defaults made by them including violations of securities laws, other than those referred to in the chapter titled “Outstanding Litigation and Material Developments” on page 166 of this Draft Prospectus. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority.

## **RELATED PARTY TRANSACTIONS**

Except as disclosed in the “Related Party Transactions” beginning on page 126 of this Draft Prospectus, our Company has not entered into any related party transactions with our Promoter.

## OUR GROUP ENTITIES

Following are our Group Entities:

1. Bisil Plast Limited
2. Sanjay Corporation Limited

### 1. Bisil Plast Limited (“Bisil”)

#### *Corporate Information:*

Bisil Plast Limited was incorporated as Bisil Plast Private Limited on September 25, 1986 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Further, the company was converted into a Public Limited Company vide Fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company dated May 13, 1992 issued by RoC and the name of the company was changed to Bisil Plast Limited. The name of the company again got changed vide fresh Certificate of Incorporation consequent upon change of name dated March 17, 2006 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli to Bisleri Gujarat Limited. The name of the company again got changed vide fresh Certificate of Incorporation consequent upon change of name dated April 07, 2008 issued by the RoC to its current name i.e. Bisil Plast Limited. The Corporate Identification Number of Bisil is L17119GJ1986PLC009009.

Bisil is engaged into the business of dealers, distributors and merchants of mineral water, plastic bottles, jars and containers and other plastic goods, articles or things capable of being manufactured from all types of plastic materials as well as of injection moulded caps, closures, sealants, bottles, vials and other industrial and household articles etc.

Bisil made its initial public offer in the year 1996. The initial promoters of Bisil as mentioned in its prospectus were Mr. Surendra T. Shah, Mr. Sanjay S. Shah, Ms. Shilaben S. Shah and Ms. Rita S. Shah. The Equity Shares of the Company are currently listed on the BSE, the Ahmedabad Stock Exchange Limited and the Delhi Stock Exchange Association Limited.

#### *Registered Office:*

The Registered Office of Bisil is situated at Silver Oaks Commercial Complex, 406, Opp. Arun Society, Paldi, Ahmedabad – 380 007, Gujarat.

#### *Board of Directors:*

The Board of Directors of Bisil as on the date of this Draft Prospectus is as follows:

Name	Designation
Mr. Sanjay S. Shah	Executive Director
Ms. Rita S. Shah	Non-Executive Director
Mr. Sanjay V. Karkare	Non-Executive Independent Director
Mr. Amrish V. Pandya	Non-Executive Independent Director

#### *Interest of our Promoters:*

Our Promoters, Mr. Sanjay S. Shah and Ms. Rita S. Shah are holding 3,040 and 4,000 Equity Shares respectively, which constitute 0.01% each in aggregate of the total Issued and Paid up Capital of Bisil. Our Promoter, Mr. Aarsh S. Shah holds 763638 Equity Shares, which constitutes 1.41% of the aggregate of the total Issued and Paid up Capital of Bisil.

#### *Shareholding Pattern:*

The Shareholding Pattern of Bisil as on September 30, 2015 is as follows:

(I) (a)	Statement showing shareholding pattern	Total No. of Shares						
	Category of shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					% of (A+B)	% of (A+B+C)	No. of shares	%
(A)	<b>Promoter and Promoter Group</b>							
(1)	<b>Indian</b>							
(a)	Individuals/ Hindu Undivided Family	4	23040	23040	0.04	0.04	--	--
(b)	Central Government/ State Government(s)	--	--	--	--	--	--	--
(c)	Bodies Corporate	--	--	--	--	--	--	--
(d)	Financial Institutions/ Banks	--	--	--	--	--	--	--
(e)	Any Other:	--	--	--	--	--	--	--
	<b>Sub-Total (A)(1)</b>	<b>4</b>	<b>23040</b>	<b>23040</b>	<b>0.04</b>	<b>0.04</b>	<b>--</b>	<b>--</b>
(2)	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	--	--	--	--	--	--	--
(b)	Bodies Corporate	--	--	--	--	--	--	--
(c)	Institutions	--	--	--	--	--	--	--
(d)	Any Other (specify)	--	--	--	--	--	--	--
	<b>Sub-Total (A)(2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>4</b>	<b>23040</b>	<b>23040</b>	<b>0.04</b>	<b>0.04</b>	<b>--</b>	<b>--</b>
(B)	<b>Public shareholding</b>						N.A.	N.A.
(1)	<b>Institutions</b>							
(a)	Mutual Funds/UTI	--	--	--	--	--		
(b)	Financial Institutions/ Banks	--	--	--	--	--		
(c)	Central Government/ State Government(s)	--	--	--	--	--		
(d)	Venture Capital Funds	--	--	--	--	--		
(e)	Insurance Companies	--	--	--	--	--		
(f)	Foreign Institutional Investors	--	--	--	--	--		
(g)	Foreign Venture Capital Investors	--	--	--	--	--		
(h)	Any Other	--	--	--	--	--		
	<b>Sub-Total (B)(1)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>N.A.</b>	<b>N.A.</b>
(2)	<b>Non-institutions</b>						N.A.	N.A.
(a)	Bodies Corporate	156	2046776	2046776	3.79	3.79		
(b)	Individuals							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	17745	45125932	41145236	83.52	83.52	4490	0.01
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	44	5969751	5868751	11.05	11.05		
(c)	Any Other							
	i. Non-resident Indians	56	865501	790501	1.60	1.60		

	Sub-Total (B)(2)	18001	54007960	49851264	99.96	99.96	4490	0.01
	Total Public Shareholding (B)= (B)(1)+(B)(2)	18001	54007960	49851264	99.96	99.96	4490	0.01
	TOTAL (A)+(B)	18005	54031000	49874304	100	100	4490	0.01
(c)	Shares held by Custodians and against which Depository Receipts have been issued	--	--	--	--	--	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	18005	54031000	49874304	100	100	4490	0.01

**Financial Information:**

(Rs. In Lacs)

Particulars	March 31, 2015	March 31, 2014	March 31, 2013
Equity Share Capital (F.V. Rs. 1 per equity share)	525.51	525.51	525.51
Reserves and Surplus (excluding revaluation reserve if any)	(431.98)	(423.34)	(414.58)
Total Income	NIL	NIL	NIL
Profit / (Loss) after Tax (PAT)	(8.64)	(8.76)	(31.03)
Earnings Per Share (EPS) (Basic) (in Rs.)	(0.02)	(0.02)	(0.07)
Earnings Per Share (EPS) (Diluted) (in Rs.)	(0.02)	(0.02)	(0.07)
Misc. Expenditure (to the extent not written off)	NIL	NIL	NIL
Net worth	93.54	102.18	110.94
Net Asset Value (NAV) per share (in Rs.)	0.17	0.19	0.21

**Share price Information:**

The details of monthly high and low of the closing prices on BSE during the preceding six months are as follows:

(In Rs.)

Month, Year	Monthly Low	Monthly High
November, 2015	0.18	0.20
October, 2015	0.16	0.19
September, 2015	0.15	0.18
August, 2015	0.18	0.22
July, 2015	0.19	0.29
June, 2015	0.29	0.32

(Source: [www.bseindia.com](http://www.bseindia.com))

**Promise vis-à-vis Objects of public offer**

Bisil made an initial public offer in 1996. It has utilized all the funds raised from its initial public offer for the purposes stated as under:

(Rs. In Lacs)

Sr. No.	Particulars	Projections in Offer Document	Actual utilized Funds
1	<ul style="list-style-type: none"> <li>To part finance the cost of setting of the proposed project.</li> <li>To augment the working capital requirements of the company</li> <li>To meet the expenses of the present issue</li> <li>To list the equity shares of the company on the Recognised Stock Exchange</li> </ul>	199.50	199.50
	<b>TOTAL</b>	<b>199.50</b>	<b>199.50</b>

Bisil has utilised the amount raised in its initial public offering within time frame as envisaged in its prospectus.

Bisil has not made any public or right issue since its initial public offering in the year 1996.

**Interest in our Company**

Bisil does not have any interest, including any business or other interest, in our Company. Further, it has no interest in the promotion of our Company, in acquisition of land, construction of building and supply of machinery undertaken by our Company.

Bisil is not, and was not, interested in any property acquired by our Company within the last two years or proposed to be acquired by our Company.

Except as stated in “Standalone Statement of Related Party Transactions” at Annexure U at page 153 of this Draft Prospectus, Bisil had no transactions with our Company in last three years.

No part of the Issue Proceeds is payable to Bisil.

#### ***Loans granted or taken from our Company***

As on the date of this Draft Prospectus, BISIL has neither granted any unsecured loan to our Company nor taken any unsecured loan from our Company.

#### **Other confirmations**

- Bisil is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up;
- No application has been made to RoC for striking off the name of Bisil;
- There are no common pursuits among Bisil and our Company;
- Bisil is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities;
- Bisil has not failed to meet the listing requirements of any recognized stock exchange in India or abroad and no penalty, if any including suspension of trading, has been imposed on Bisil;
- There are no adverse findings, as regards compliance with the securities laws against Bisil.

## **2. Sanjay Corporation Limited (“SCL”)**

SCL was incorporated on April 21, 1999 under the Companies Act, 1956 *vide* Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli dated April 21, 1999 and received certificate for commencement of business on April 23, 1999. The Corporate Identification Number of SCL is U16009GJ1999PLC035814.

The Registered Office of SCL is situated at 406/A, Silver Oaks Commercial Complex, Opp. Arun Society, Paldi, Ahmedabad – 380 007, Gujarat.

SCL was earlier engaged into the business of manufacture, sell, supply of mineral water bottles, jars and other businesses related to it. Presently, no business is being undertaken by SCL.

Equity shares of SCL are not listed on any stock exchange.

#### ***Board of Directors:***

The Board of Directors of SCL as on the date of this Draft Prospectus is as follows:

<b>Name</b>	<b>Designation</b>
Mr. Sanjay S. Shah	Director
Ms. Rita S. Shah	Director
Mr. Amrish V. Pandya	Director

#### ***Shareholding Pattern:***

The Shareholding Pattern of SCL as on the date of this Draft Prospectus is as follows:

<b>Sr. No.</b>	<b>Name of Shareholders</b>	<b>No. of Shares</b>	<b>% of Holding</b>
1.	Mr. Sanjay S. Shah	1,63,600	43.60
2.	Ms. Rita S. Shah	86,600	23.08
3.	Mr. Surendra T. Shah	72,600	19.35

4.	Ms. Ayushi S. Shah	40,100	10.69
5.	Mr. Vasantlal Khakharia	4,600	1.23
6.	Mr. Chetan V. Khakharia	4,100	1.10
7.	Mr. Ishwarlal J. Panchal	3,600	0.95
	<b>TOTAL</b>	<b>3,75,200</b>	<b>100.00</b>

***Interest of Promoters:***

Mr. Sanjay S. Shah and Ms. Rita S. Shah are holding 1,63,000 and 86,600 Equity Shares respectively, which constitute aggregate of 66.68 % of the total Issued and Paid up Capital of SCL.

***Financial Information:***

**(Rs. in Lacs)**

<b>Particulars</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
Equity Share Capital (F.V. Rs. 10 per equity share)	37.52	37.52	37.52
Reserves and Surplus (excluding revaluation reserve if any)	(189.12)	(188.60)	(188.14)
Total Income	NIL	NIL	NIL
Profit / (Loss) after Tax (PAT)	(0.52)	(0.46)	(0.34)
Earnings Per Share (EPS) (Basic) (in Rs.)	(0.14)	(0.12)	(0.09)
Earnings Per Share (EPS) (Diluted) (in Rs.)	(0.14)	(0.12)	(0.09)
Misc. Expenditure (to the extent not written off)	NIL	NIL	NIL
Net worth	(151.60)	(151.08)	(150.62)
Net Asset Value (NAV) per share (in Rs.)	(40.40)	(40.27)	(40.14)

***Interest in our Company***

SCL does not have any interest, including any business or other interest, in our Company. Further, SCL has no interest in the promotion of our Company, in acquisition of land, construction of building and supply of machinery undertaken by our Company. SCL is not, and was not, interested in any property acquired by our Company within the last two years or proposed to be acquired by our Company.

Except as stated in “Standalone Statement of Related Party Transactions” at Annexure V at page 153 of this Draft Prospectus, SCL had no transactions with our Company in last three years.

No part of the Issue Proceeds is payable to SCL.

***Other confirmations:***

- SCL is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up;
- No application has been made to RoC for striking off the name of SCL;
- SCL is not prohibited from accessing the capital markets for any reasons by the SEBI or any other authorities;

**Other Confirmations**

**Defunct / Struck-off Companies**

Unless otherwise stated, none of our Promoter Group or Group Entities have become defunct or struck – off since incorporation or is a sick company under the meaning of The Sick Industrial Companies (Special Provisions) Act, 1985 and none of them are under winding up. Further, all the Group Entities are unlisted companies except Bisil Plast Limited and they have not made any public issue of securities (including rights) in the preceding three years. SCL has a negative net worth as on the date of this Draft Prospectus, details whereof have been reflected at “Financial Information” above.

**Sales between Group Entities and Associate Companies**

There have been no sales and purchases between our Company and its Group Entities, Subsidiaries and associate companies during the Financial Year 2014-15.



## **Interests of our Promoter and Group Entities and Associate Companies**

Our Promoter and Group Entities and Associate Companies are interested to the extent of their shareholding of Equity Shares from time to time, and in case of our Promoter, also to the extent of shares held by their relatives from time to time, for which they are entitled to receive the dividend declared, if any, declared by our Company. Our Promoter may also benefit from holding directorship in our Company. Our Promoter may also be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them under the Articles/ terms of appointment. As on the date of this Draft Prospectus, our Promoter holds 60,20,000 Equity Shares of our Company.

Except as stated hereinabove and as stated in “Annexure U - Related Party Transactions” beginning on page 153 under section titled “Financial Information” of this Draft Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the Promoter is directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

Further, except as stated above and as stated otherwise in the chapter titled “Our Management” beginning on page 107 of this Draft Prospectus; in “Annexure U - Related Party Transactions” beginning on page 153 under section titled “Financial Information” of this Draft Prospectus and paragraph titled “Properties” in the chapter titled “Our Business” beginning on page 88, our Promoter do not have any other interests in our Company as on the date of this Draft Prospectus.

Further, except as disclosed above and in the audited restated consolidated and standalone financial statements of our Company under “Annexure U - Related Party Transactions” beginning on page 153 under section titled “Financial Information” of this Draft Prospectus, our Group Entities and associates have no business interest in our Company.

## **Related Party Transactions**

There are no related party transactions with our Group Entities as on the date of this Draft Prospectus.

## **Common Pursuits/Conflict of interest**

Our Promoters are also interested in our Group Entities, Bisil Plast Limited and Sanjay Corporation Limited; however, there are no common pursuits or conflict of interest between our Promoters and these entities.

## **Undertaking /Confirmations**

Our Promoters, Promoter Group and Group entities confirm that they have not been declared as a willful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them. None of the Promoters or Promoter Group or Group Entities or persons in control of the Promoters has been

- (i) Prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority or
- (ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of the Promoter is or has ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

## **Litigation**

There are no legal proceedings involving our Promoters and our Group Entities as on date of this Draft Prospectus other than those referred to in the chapter titled “Outstanding Litigation and Material Developments” on page 166 of this Draft Prospectus.

## **Payment or Benefit to our Group Entities**

There has been no payment of benefits to our Group Entities during the 2 years.

## **RELATED PARTY TRANSACTIONS**

For details on Related Party Transactions of our Company, please refer to Annexure U of Restated Financial Statement beginning on page 153 of this Draft Prospectus. Save and except the related party transactions disclosed at Annexure U of Restated Financial Statement mentioned above, our Company has not entered into any related party transactions with our Promoter.

## **DIVIDEND POLICY**

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Company does not have a formal dividend policy. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors. Our Company has not paid any dividend in the past.

## SECTION – V FINANCIAL INFORMATION

### FINANCIAL STATEMENTS, AS RESTATED

#### AUDITOR'S REPORT ON STANDALONE RESTATED FINANCIAL STATEMENTS

To,  
The Board of Directors,  
SAKAR HEALTHCARE LIMITED  
Plot No. 10/13, Nr. M N. Desai Petrol Pump,  
Sarkhej Bawla Highway,  
Changodar, Ahmedabad – 382 213,  
Gujarat, India

Dear Sir,

We have examined the restated financial information of Sakar Healthcare Limited (the 'Company') for the for the six months period ended September 30, 2015 and for the years ended on March 31, 2015, 2014, 2013, 2012 and 2011 annexed to this report for the purpose of inclusion in the offer document. This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the Draft Prospectus being issued by the Company in connection with the proposed Initial Public Offering ('IPO') of equity shares.

This financial information has been prepared in accordance with the requirement of:

- i) Part I of Chapter III to the Companies Act, 2013 ("Act");
- ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
- iii) The terms of reference to our engagements with the Company letter dated March 14, 2015 requesting us to carry out the assignment, in connection with the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of NSE Limited ("IPO" or "SME IPO"); and
- iv) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("Guidance Note").

This Financial information has been compiled by the management from the audited financial statement of the Company for the six months period ended September 30, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011.

#### A. Financial information as per the Restated Summary Statements of the Company:

1. We have examined the attached Summary Statement of Assets and Liabilities, As Restated (refer **Annexure I**) of the Company as at September 30, 2015, March 31, 2015, 2014, 2013, 2012 and 2011, the attached Summary Statement of Profits and Losses, As Restated (refer **Annexure II**) of the Company for the six months period ended September 30, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 and also the Statement of Cash flows, As Restated (refer **Annexure III**) for the six months period ended September 30, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 collectively referred to as 'Restated Summary Statements of the Company'. These Restated Summary Statements of the Company have been arrived at after making such adjustments and regroupings to the audited financial statements of the Company which are appropriate and are more fully described in the Statement of Notes to Restated Summary Statements of the Company in **Annexure IV**.
2. The Restated Summary Statements of the Company for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 including the adjustments and regroupings discussed above, have

been extracted from the audited financial statements of the Company as at and for the years / period ended September 30, 2015, March 31, 2013, 2012 and 2011 which have been audited by M/s A. L. Thakkar & Co., Chartered Accountant and accordingly reliance has been placed on the financial information examined by him for the said years and audited financial statements of the Company as at and for the years ended on March 31, 2012 and 2011 which have been audited by us. The financial report included for these years is based solely on the reports submitted by him. We make no representation / opinion regarding those audited financial statements.

3. Based on the above and also as per the reliance placed by us on the Audited Financial Statements of the Company which were audited by us and M/s A L Thakkar & Company, Chartered Accountants, , as referred in Para 2 above, we state that:
  - a) The Restated Summary Statements of the Company have to be read in conjunction with the Statement of Notes to Restated Summary Statements of the Company in **Annexure IV**;
  - b) The Restated Summary Statements of the Company have been restated with retrospective effect to reflect the accounting policies being adopted by the Company as at September 30, 2015, as stated in the Statement of Notes to Restated Summary Statements of the Company in **Annexure IV**;
  - c) The Restated profits have been arrived at after making such material adjustments and regroupings as, in our opinion, are appropriate in the period/year to which they relate as described in the Statement of Notes to Restated Summary Statements of the Company in **Annexure IV**;
  - d) There were no qualification in the Audit Reports for the financial year / period ended on September 30, 2015, March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 which would require adjustments in this Restated Financial Statements of the Company.
  - e) Emphasis of the matter, in respect of which our opinion is not qualified included in the Auditor's Report for the six month period ended September 30, 2015 and for the year ended March 31, 2015, which does not require adjustments to the Restated Financial Information.
  - f) There are no extra-ordinary items which need to be disclosed separately in the Restated Summary Statements of the Company.
4. We have not audited any financial statement of the company as of any date or for any period subsequent to September 30, 2015. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the company as of any date or for any period subsequent to September 30, 2015.

**B. Other financial information:**

5. We have examined the following 'Other financial information' as prepared by the management and approved by the Board of Directors and annexed to this report in respect of six months period ended September 30, 2015, and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 of the Company, proposed to be included in the offer document. In respect of the year ended March 31, 2015 and March 31, 2014 this information has been included based on the Audited Financial Statements of the Company which were audited by M/s A L Thakkar & Company, Chartered Accountants, and whose Auditor's Reports have been relied upon by us for the said years.

**Annexure of Restated Financial Statements of the Company:**

- i) Standalone Statement of Share capital, reserves and surplus (**Annexure A**)
- ii) Standalone Statement of Long Term And Short Term Borrowings (**Annexure B**);
- iii) Standalone Statement of Deferred tax asset/liabilities (**Annexure C**)
- iv) Standalone Statement of Trade Payables and Other Current Liabilities (**Annexure D**);

- v) Standalone Statement of Short-Term Provisions (**Annexure E**);
- v) Standalone Statement of Fixed Assets (**Annexure F**);
- vi) Standalone Statement of Long-Term Loans And Advances (**Annexure G**)
- vii) Standalone Statement of Inventory (**Annexure H**)
- viii) Standalone Statement of Trade Receivables (**Annexure I**)
- ix) Standalone Statement of Cash and Bank Balances (**Annexure J**)
- x) Standalone Statement of Short-Term Loans And Advances (**Annexure K**);;
- xii) Standalone Statement of Other Income (**Annexure L**);
- xiii) Standalone Statement of Cost of Material Consumed (**Annexure M**);
- xiv) Standalone Statement of Changes in inventories of finished goods, WIP and Stock-in Trade (**Annexure N**);
- xv) Standalone Statement of Employee Benefit Expenses (**Annexure O**);
- xvi) Standalone Statement of Financial Expenses (**Annexure P**);
- xvii) Standalone Statement of Other Expenses (**Annexure Q**);
- xviii) Standalone Statement of Capitalization as at 30th September 2015 (pre-issue) and as adjusted for this issue (post issue) subject to reliance being placed on management representation in respect of post issue figures contained in the Statement of Capitalization (**Annexure R**)
- xix) Standalone Summary of Mandatory accounting ratios based on adjusted profits/losses, relating to earnings per share, net assets value per share and return on net worth (**Annexure S**)
- xx) Standalone Statement of Tax Shelter (**Annexure T**)
- xxi) Standalone Statement of Related Party Transactions (**Annexure U**)

6. In our opinion, the 'Financial information as per the Restated Summary Statements of the Company' and 'Other financial information' mentioned above (read with respective Significant Accounting Policies and Statement of Notes to Restated Summary Statements in **Annexure IV**) and also as per reliance placed by us on the Audited Financial Statements of the Company which were audited by M/s Shah and Dalal, Chartered Accountants., as referred to in Paragraph 2 above and prepared after making the adjustments and regrouping as considered appropriate have been prepared in accordance with Part II of Schedule II to the Act and the relevant provisions of the SEBI Regulations. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
7. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by M/s A L Thakkar & Company, Chartered Accountants, or by us nor should it be construed as a new opinion on any of the financial statements referred to therein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
9. This report is intended solely for your information and for inclusion in the Draft Prospectus in connection with the proposed IPO of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For, Shah & Dalal**  
**Chartered Accountants**  
**Firm Registration Number: 109432W**

**MALAY J DALAL**  
**Partner**  
**Membership No. 036776**

**Date: October 31, 2015**  
**Place: Ahmedabad**

**SAKAR HEALTHCARE LIMITED**

**ANNEXURE-I**

**STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)**

(Rs. in Lacs)

Sr No.	Particulars	Annex Ure	As at 30th September 2015	As at 31 <sup>st</sup> March				
				2015	2014	2013	2012	2011
<b>1</b>	<b>Equity Liabilities</b>							
	<b>Share Holder's Fund</b>							
	(a) Share Capital	A	800.00	800.00	800.00	800.00	800.00	800.00
	(b) Reserve & Surplus	A	857.45	682.89	499.12	323.93	179.42	80.26
<b>2</b>	<b>Share Application Money Pending Allotment</b>		-	-	88.00	88.00	88.00	88.00
<b>3</b>	<b>Non Current Liabilities</b>							
	(a) Long Term borrowings	B	1,749.44	1,878.18	1,760.63	1,980.63	2,338.24	2,344.24
	(b) Deferred Tax Liabilities	C	695.81	633.32	626.37	602.68	571.05	525.67
	(c) Long Term Provisions							
<b>4</b>	<b>Current Liabilities</b>							
	(a) Short Term borrowings	B	645.72	596.83	671.99	719.83	900.28	658.26
	(b) Trade Payables	D	151.06	96.09	352.21	252.40	142.91	300.72
	(c) Advance from Debtors		43.56	40.71	183.53	-	-	-
	(d) Other Current Liabilities	D	300.24	251.39	230.13	228.69	50.46	95.02
	(e) Short Term Provisions	E	67.85	38.09	21.69	13.21	17.85	28.50
	<b>Total Liabilities</b>		<b>5,311.13</b>	<b>5,017.50</b>	<b>5,233.67</b>	<b>5,009.37</b>	<b>5,088.21</b>	<b>4,920.67</b>
<b>5</b>	<b>Non Current Assets</b>							
	(a) Fixed Assets	F	3,670.59	3,618.32	3,801.14	3,740.95	3,657.82	3,411.12
	(b) Non Current Investment							
	(C) Deferred Tax Assets							
	(d) Long Term Loans and Advances	G	28.26	28.26	28.26	28.26	28.26	28.26
	(e) Other Non Current Assets							
<b>6</b>	<b>Current Assets</b>							
	(a) Current Investment		-	-	-	-	-	-
	(b) Inventories	H	683.84	673.81	687.42	650.73	483.34	527.27
	(c) Trade Receivable	I	469.98	200.53	224.99	134.45	110.76	276.88
	(d) Cash and Bank Balances	J	55.15	93.32	8.99	16.60	370.65	42.38
	(e) Short Term Loans and	K	403.31	403.26	482.87	438.38	437.38	396.51
	(f) Other Current Assets		-	-	-	-	-	238.25
	<b>Total Assets</b>		<b>5,311.13</b>	<b>5,017.50</b>	<b>5,233.67</b>	<b>5,009.37</b>	<b>5,088.21</b>	<b>4,920.67</b>

Note:

The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures II, III and IV.

This is the Summary Statement of Assets and Liabilities, As Restated, referred to in our report of even date.

**For, SHAH & DALAL**  
**Chartered Accountants**  
**Firm Registration number: 109432W**

**MALAY J DALAL**

**For and on behalf of the Board**

**(SANJAY S. SHAH) (RITA S. SHAH)**  
**DIRECTOR DIRECTOR**

**Partner**  
**Membership No. 036776**  
**Place: AHMEDABAD**  
**Date: 31.10.2015**

**Place: AHMEDABAD**  
**Date: 31.10.2015**

**ANNEXURE-II**

**STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT (AS RESTATED)**

(Rs. In Lacs)

Sr. No.	Particulars	Annexure	For the period 1st April 2015 to 30th September 2015	For the year ended				
				31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>A</b>	<b>INCOME</b>							
	Revenue from operations		1935.94	3,502.73	2,968.64	2,190.71	1,619.16	2,012.84
	Other income	L	1.25	2.54	2.39	6.36	7.57	7.72
	<b>Total Revenue</b>		<b>1,937.19</b>	<b>3,505.27</b>	<b>2,971.03</b>	<b>2,197.07</b>	<b>1,626.73</b>	<b>2,020.56</b>
<b>B</b>	<b>EXPENSES</b>							
	Cost of Material Consumed	M	815.10	1,824.14	1,273.90	925.66	472.41	1,104.61
	Changes in inventories of finished goods, WIP and Stock-in-Trade	N	14.16	(90.86)	49.00	(79.64)	(29.36)	(23.47)
	Employee benefits expense	O	218.87	400.21	332.15	247.54	174.15	132.46
	Finance costs	P	150.55	298.52	374.58	384.28	377.53	246.48
	Depreciation and amortization Expense	F	132.12	249.63	211.90	197.66	185.65	146.88
	Other expenses	Q	306.34	581.91	529.12	343.58	300.41	284.24
	<b>Total Expenses</b>		<b>1,637.14</b>	<b>3,263.55</b>	<b>2,770.65</b>	<b>2,019.08</b>	<b>1,480.79</b>	<b>1,891.20</b>
	<b>Profit before extraordinary items and tax</b>		<b>300.05</b>	<b>241.72</b>	<b>200.38</b>	<b>177.99</b>	<b>145.94</b>	<b>129.36</b>
	Extraordinary item							
	<b>Profit Before Tax</b>		<b>300.05</b>	<b>241.72</b>	<b>200.38</b>	<b>177.99</b>	<b>145.94</b>	<b>129.36</b>
	<b>Provision for Tax:</b>							
	- Current Tax		63.00	51.00	41.60	36.75	35.91	26.00
	- Deferred Tax Liability / (Asset)		62.49	6.95	23.69	31.63	45.38	211.35
	- MAT Credit		0.00	0.00	(40.10)	(34.90)	(34.51)	(26.02)
	<b>Restated profit after tax from continuing operations</b>		<b>174.56</b>	<b>183.77</b>	<b>175.19</b>	<b>144.51</b>	<b>99.16</b>	<b>-81.97</b>
	<b>Restated profit for the year</b>							
	Balance Brought forward from previous year		522.89	339.12	163.93	19.42	(79.74)	2.23
	<b>Accumulated Profit/(Loss) carried to Balance Sheet</b>		<b>697.45</b>	<b>522.89</b>	<b>339.12</b>	<b>163.93</b>	<b>19.42</b>	<b>-79.74</b>

Note:

The above statement should be read with the significant accounting policies and notes to restated summary statement of assets and liabilities, and cash flows statement as appearing in Annexures I, III and IV.

This is the Summary Statement of Profits and Losses, as restated, referred to in our report of even date.

**For, SHAH & DALAL**

**Chartered Accountants**

**Firm Registration number: 109432W**

**For and on behalf of the Board**

**MALAY J DALAL**

**Partner**

**Membership No. 036776**

**Place: AHMEDABAD**

**Date: 31.10.2015**

**(SANJAY S. SHAH)  
DIRECTOR**

**(RITA S. SHAH)  
DIRECTOR**

**Place: AHMEDABAD**

**Date: 31.10.2015**



## ANNEXURE III

## STANDALONE SUMMARY STATEMENT OF CASH FLOW (AS RESTATED)

(Rs. in Lacs)

Particulars	For the period 1st April 2015 to 30th September 2015	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>1.Cash Flow From Operating Activities:</b>						
Net Profit before tax and extraordinary item	300.05	241.72	200.38	177.99	145.94	129.36
<i>Adjustments for:</i>						
Depreciation and amortization expense	132.12	249.63	211.90	197.66	185.65	146.88
MAT Credit			40.10	34.90	34.51	26.02
Interest Paid	150.55	298.52	374.58	384.28	377.53	246.48
Provision for Gratuity						
(Profit)/Loss on sale of Fixed Assets						
Interest Received/ Other Non Operative Receipts	1.25	2.54	2.39	6.36	7.57	7.72
<b>Operating Profit before Working Capital Changes</b>	<b>581.47</b>	<b>787.33</b>	<b>824.57</b>	<b>788.47</b>	<b>736.06</b>	<b>541.02</b>
<i>Adjustments for:</i>						
Inventories	10.03	(13.61)	36.69	167.39	(43.93)	1.45
Trade Receivables	269.45	(24.46)	90.54	23.69	(166.12)	(27.85)
Short term loans and advances and other current Assets	0.05	-79.61	44.49	1.00	-197.38	157.41
Short term borrowings	48.89	(75.16)	(47.84)	(180.45)	242.02	(94.68)
Trade Payables	54.97	-256.12	99.81	109.49	-157.81	-3.62
Other Current Liabilities	81.46	-105.16	193.45	173.59	-55.21	96.18
<b>Cash Generated from Operation</b>	<b>487.26</b>	<b>468.57</b>	<b>898.27</b>	<b>699.02</b>	<b>1,172.49</b>	<b>407.89</b>
Taxes Paid	63.00	51.00	41.60	36.75	35.91	26.00
<b>Net Cash from Operating Activities</b>	<b>424.26</b>	<b>417.57</b>	<b>856.67</b>	<b>662.27</b>	<b>1,136.58</b>	<b>381.89</b>
<b>2. Cash Flow From Investing Activities:</b>						
Fixed Assets Purchased	184.39	66.81	272.09	280.79	432.35	499.67
Increase Capital Work In Progress						
Sale of Fixed Assets						
Interest Received	1.25	2.54	2.39	6.36	7.57	7.72
Long/Short Term Loans and Advance	0.00	0.00	0.00	0.00	0.00	-5.91
Long Term Provisions						
Interest on Fixed Deposit						
<b>Net Cash from Investing Activities</b>	<b>-183.14</b>	<b>-64.27</b>	<b>-269.70</b>	<b>-274.43</b>	<b>-424.78</b>	<b>-486.04</b>
<b>3. Cash Flow From Financing Activities:</b>						
Payments of short term borrowings						
Interest Paid	150.55	298.51	374.58	384.28	377.53	246.48
Interest received						

Particulars	For the period 1st April 2015 to 30th September 2015	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Proceeds from issue of shares	0.00	-88.00	0.00	0.00	0.00	0.00
Proceeds from Long term borrowings	-128.74	117.54	-219.99	-357.61	-6.00	310.53
Short Term Loans & Advances given						
Preliminary Expenses incurred						
Security premium received						
Transfer of Share Application Money						
<b>Net Cash from Financing Activities</b>	<b>-279.29</b>	<b>-268.97</b>	<b>-594.57</b>	<b>-741.89</b>	<b>-383.53</b>	<b>64.05</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>-38.17</b>	<b>84.33</b>	<b>-7.60</b>	<b>-354.05</b>	<b>328.27</b>	<b>-40.10</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	93.32	9.00	16.60	370.65	42.38	82.49
<b>Cash &amp; Cash Equivalents at the end of the Year</b>	55.15	93.32	9.00	16.60	370.65	42.39

**Note:**

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard- 3 on Cash Flow Statements issued by ICAI.
2. Figures in Brackets represents outflow.
3. The above statement should be read with the significant accounting policies and notes to restated summary statement of assets and liabilities and statement of profit and loss as appearing in Annexures I, II and IV.

This is the Summary Statement of Cash Flows, As Restated, referred to in our report of even date.

**For, SHAH & DALAL**  
**Chartered Accountants**  
**Firm Registration number: 109432W**

**For and on behalf of the Board**

**MALAY J DALAL**  
**Partner**  
**Membership No. 036776**  
**Place: AHMEDABAD**  
**Date: 31.10.2015**

**(SANJAY S. SHAH)**  
**DIRECTOR**

**(RITA S. SHAH)**  
**DIRECTOR**

**Place: AHMEDABAD**  
**Date: 31.10.2015**

## ANNEXURE IV

### NOTES TO RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES, STATEMENT OF PROFIT AND LOSS AND STATEMENT OF CASH FLOWS

#### 1. Corporate information

Sakar Healthcare Limited ("the Company") is primarily engaged in the manufacture of pharmaceuticals formulations.

#### 2. Basis of preparation

The Restated Standalone Summary Statement of Assets and Liabilities of the Company as at September 30, 2015, March 31, 2015, 2014, 2013, 2012, and 2011 and the related Restated Standalone Summary Statements of Profits and Losses and Cash Flows for the six months ended September 30, 2015 and for the years ended March 31, 2015, 2014, 2013, 2012, and 2011 [hereinafter collectively referred to as ('Restated Standalone Summary Statements')] have been compiled by the management from the interim condensed standalone financial statements for the nine months ended December 31, 2014 and from the standalone financial statements of the Company for the years ended March 31, 2015, 2014, 2013, 2012, and 2011.

The standalone financial statements of the Company for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 have been prepared in accordance with accounting principles generally accepted in India (Indian GAAP). The Company has prepared these Standalone Financial Statements to comply in all material respects with the accounting standards. The Standalone Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years. The Restated Standalone Summary Statement have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering of its equity shares. These Restated Standalone Summary Statements have been prepared to comply with the Accounting Standards as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013, as applicable.

#### 3. Summary of significant accounting policies

##### (i) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### (ii) Change in accounting estimate

Pursuant to the Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised the depreciation rates on its fixed assets as per the useful lives specified in Part C of the Schedule II of the Act.

##### (iii) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses and net of taxes, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on

existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

From 1 April 2011, the Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 9 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

#### **(iv) Depreciation on tangible fixed assets and amortization of intangible assets**

Depreciation is provided using the straight-line method as per the useful lives of assets estimated by the management, or at the rates as per the useful life prescribed under Schedule II of the Act (from April 1, 2014) and at the rates prescribed under Schedule XIV of the Companies Act, 1956 (from April 1, 2010 to March 31, 2014), whichever is higher.

#### **(v) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

#### **(vi) Leases**

*Where the Company is lessee*

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### **(vii) Borrowing costs**

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. Ancillary costs incurred in connection with arrangement of long term borrowings. All other borrowing costs are expensed in the period they occur.

#### **(viii) Impairment of tangible and intangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to

their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

#### **(ix) Investments**

Investments, which are readily realisable 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.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### **(x) Inventories**

Raw materials, components, stores and spares and packing materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components, stores and spares and packing material is determined on a weighted average basis.

Semi-finished goods and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods is determined on actual cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### **(xi) Revenue recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sale of goods*

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

### *Interest*

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

### *Dividends*

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

## **xii) Foreign currency translation**

Foreign currency transactions and balances

### *Initial recognition*

Foreign currency transactions are recorded 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.

### *Conversion*

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

### *Exchange differences*

From April 1, 2011, the Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- 1) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.
- 2) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the —Foreign Currency Monetary Item Translation Difference Account and amortized over the remaining life of the concerned monetary item.
- 3) All other exchange differences are recognised as income or as expenses in the period in which they arise.

For the purpose of 1 and 2 above, the Company treats a foreign currency monetary item as long-term foreign currency monetary item, if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

## **xiii) Retirement and other employee benefits**

Retirement benefit in the form of provident fund and superannuation fund are defined contribution schemes. The contributions to the provident fund and superannuation fund are charged to the statement of profit and loss for the year when the employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund.

The Company provides gratuity expenses on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses for the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

## **xiv) Income Tax**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Company is entitled to a tax holiday, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

#### **xv) Earning Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **xvi) Provisions**

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss, net of any reimbursement.

#### xvii) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

#### xviii) **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

### **4. NOTES TO RESTATED SUMMARY STATEMENT:**

The financial statements for the years ended March 31, 2011 were prepared as per the then-applicable Schedule VI of the Companies Act 1956. Consequent to the notification of the revised schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012, March 31, 2013, March 31, 2014 and March 31, 2015 and for the period from 1st April 2015 to 30th September 2015 are prepared as per the revised schedule VI. Accordingly, the figures of the previous years have also been re-classified to conform to classification as per the revised schedule VI. The adoption of revised schedule VI for the figures of the previous years does not impact recognition and measurement principles followed for the preparation of these financial statements. The figures for the year ended March 31, 2011, March 31, 2012, March 31, 2013, March, 2014 and March 31, 2015 are as per Audit reports available for respective years.

1. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure V of the enclosed financial statements.
2. Figures have been rearranged and regrouped wherever practicable and considered necessary.

#### **3. Material Adjustments:**

Appropriate adjustments have been made in the standalone restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

Statement of Adjustments in the financial statements:

<b>Particulars</b>	<b>For the period 1st April 2015 to 30th September 2015</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments: (A)	135.42	186.71	116.53	102.72	79.63	70.00
<b>Adjustment on Account of :</b>						
Less:						
Expenses on Account of Prior Period Adjustments	1.63	(1.48)	0.07	3.55	(2.56)	(1.20)



Expenses on Account of Taxes	37.51	(1.46)	58.59	38.24	22.09	(150.77)
<b>Total (B)</b>	<b>39.14</b>	<b>(2.94)</b>	<b>58.66</b>	<b>41.79</b>	<b>19.53</b>	<b>(151.97)</b>
<b>Net Profit as Restated (A+B)</b>	<b>174.56</b>	<b>183.77</b>	<b>175.19</b>	<b>144.51</b>	<b>99.16</b>	<b>(81.97)</b>

#### 4. Provision for change in accounting policy

No accounting Policies has been changes during the period from 1<sup>st</sup> April 2009 to 30<sup>th</sup> September, 2015.

**For, SHAH & DALAL**  
**Chartered Accountants**  
**Firm Registration number: 109432W**

**For and on behalf of the Board**

**MALAY J DALAL**  
**Partner**  
**Membership No. 036776**  
**Place: AHMEDABAD**  
**Date: 31.10.2015**

**(SANJAY S. SHAH)**  
**DIRECTOR**  
  
**Place: AHMEDABAD**  
**Date: 31.10.2015**

**(RITA S. SHAH)**  
**DIRECTOR**

**ANNEXURE – A**  
**STANDALONE STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**

(Rs. In Lacs)

Particulars	As at	As at				
	30-Sep -15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Share Capital						
<b>Authorised Share Capital</b>	800.00	800.00	800.00	800.00	800.00	800.00
80,000 Equity shares of Rs.10 Each						
<b>Issued, Subscribed and Paid up Share Capital</b>						
Share Capital (in Rs.)	800.00	800.00	800.00	800.00	800.00	800.00
Share Application Money			88.00	88.00	88.00	88.00
<b>Total</b>	<b>800.00</b>	<b>800.00</b>	<b>888.00</b>	<b>888.00</b>	<b>888.00</b>	<b>888.00</b>
<b>Reserves and Surplus</b>						
<b>Profit and Loss account</b>						
Opening Balance	522.89	339.12	163.93	19.42	(79.74)	2.23
<b>Add : Profit During the Year</b>	174.56	183.77	175.19	144.51	99.16	(81.97)
Closing Balance	697.45	522.89	339.12	163.93	19.42	(79.74)
<b>Share Premium Account</b>	160.00	160.00	160.00	160.00	160.00	160.00
<b>Total</b>	<b>857.45</b>	<b>682.89</b>	<b>499.12</b>	<b>323.93</b>	<b>179.42</b>	<b>80.26</b>

Note: Number of Equity Shares held by each shareholder holding more than 5% shares in the company are as follows:

Particulars	No of shares as at 30th Sep, 2015	% of shares held	No of shares as at 31st Mar, 2015	% of shares held	No of shares as at 31st Mar, 2014	% of shares held	No of shares as at 31st Mar, 2013	% of shares held	No of shares as at 31st Mar, 2012	% of shares held	No of shares as at 31st Mar, 2011	% of shares held
SANJAY SHAH S.	4467500	55.84%	4467500	55.84%	3387500	42.34%	3387500	42.34%	3387500	42.34%	3387500	42.34%
RITABEN SHAH S.	245000	3.06%	245000	3.06%	612500	7.66%	1872500	23.40%	1872500	23.40%	1872500	23.40%
SURENDRA T. SHAH	1400000	17.50%	1400000	17.50%	1400000	17.50%	1400000	17.50%	1400000	17.50%	1400000	17.50%
AARSH SHAH	1307500	16.34%	1307500	16.34%	700000	8.75%						
SHEELABEN SHAH							700000	8.75%	700000	8.75%	700000	8.75%
AIRMAX (GUJ) PVT.LTD.	400000	5.00%	400000	5.00%	400000	5.00%	400000	5.00%	400000	5.00%	400000	5.00%

**ANNEXURE-B**  
**STANDALONE STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS**

(Rs. In Lacs)

Particulars	As at	As at				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>Long Term Borrowings</b>						
<b>Term Loans</b>						
Term Loan From State Bank of India	978.44	1,101.94	1,350.27	1,520.18	1,782.58	1,767.84
<b>Loans and advances from related parties (Unsecured)</b>						
From Shareholders	771.00	776.24	410.36	460.45	555.66	576.40
<b>TOTAL of Long Term Borrowing (A)</b>	<b>1,749.44</b>	<b>1,878.18</b>	<b>1,760.63</b>	<b>1,980.63</b>	<b>2,338.24</b>	<b>2,344.24</b>
<b>Current portion of long-term borrowings, included under Other current liabilities</b>						
<b>Short Term Borrowings</b>						
From Banks- Cash Credit (Secured)	645.72	596.83	671.99	719.83	900.28	658.26
<b>TOTAL Of Short Term Borrowing (B)</b>	<b>645.72</b>	<b>596.83</b>	<b>671.99</b>	<b>719.83</b>	<b>900.28</b>	<b>658.26</b>
<b>The above amount includes:</b>						
secured borrowings	1,624.16	1,698.77	2,022.26	2,240.01	2,682.86	2,426.10
Unsecured Borrowings	771.00	776.24	410.36	460.45	555.66	576.40
<b>Total (A+B)</b>	<b>2,395.16</b>	<b>2,475.01</b>	<b>2,432.62</b>	<b>2,700.46</b>	<b>3,238.52</b>	<b>3,002.50</b>

**ANNEXURE- C**  
**STANDALONE STATEMENT OF DEFERRED TAX ASSETS / (LIABILITIES)**

(Rs. In Lacs)

Particulars	As at	As at				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Opening Balance of Deferred Tax Asset / (Liability)	633.32	626.37	602.68	571.05	525.67	314.32
DTA / (DTL) on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	62.49	6.95	23.69	31.63	45.38	211.35
Closing Balance of Deferred Tax Asset / (Liability)	695.81	633.32	626.37	602.68	571.05	525.67

**ANNEXURE –D**  
**STANDALONE STATEMENT OF TRADE PAYABLES AND OTHER CURRENT LIABILITIES**

(Rs. In Lacs)

Particulars	As at					
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>TRADE PAYABLES</b>						
Creditors for Goods	151.06	96.09	352.21	252.40	142.91	300.72
Creditors for Others						
<b>TOTAL OF TRADE PAYABLES (A)</b>	<b>151.06</b>	<b>96.09</b>	<b>352.21</b>	<b>252.40</b>	<b>142.91</b>	<b>300.72</b>
<b>OTHER CURRENT LIABILITIES</b>						
Other Liabilities	87.24	38.39	29.13	27.69	14.46	95.02
Secured Loan Repayable within Twelve Months	213.00	213.00	201.00	201.00	36.00	
Advance from customers	43.56	40.71	183.53			
<b>TOTAL OF OTHER CURRENT LIABILITIES(B)</b>	<b>343.80</b>	<b>292.10</b>	<b>413.66</b>	<b>228.69</b>	<b>50.46</b>	<b>95.02</b>
<b>TOTAL OF (A+B)</b>	<b>494.86</b>	<b>388.19</b>	<b>765.87</b>	<b>481.09</b>	<b>193.37</b>	<b>395.74</b>

**ANNEXURE -E**  
**STANDALONE STATEMENT OF SHORT-TERM PROVISIONS**

(Rs. In Lacs)

Particulars	As at	As at				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Provision for Gratuity	12.91	11.77	9.47	6.68	4.35	2.50
Provision for Taxation (Net of Adv. Tax)	54.94	26.32	12.22	6.53	13.50	26.00
<b>Total</b>	<b>67.85</b>	<b>38.09</b>	<b>21.69</b>	<b>13.21</b>	<b>17.85</b>	<b>28.50</b>

**ANNEXURE -F**  
**STANDALONE STATEMENT OF FIXED ASSETS**

(Rs. In Lacs)

Particulars	As at	As at				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>Gross Block</b>						
Air conditioner	56.62	56.31	53.27	15.76	13.93	10.86
Boiler	19.03	19.03	19.03	19.03	19.03	19.03
Computer	50.01	43.14	38.99	24.67	21.33	19.02
D.G. Set	39.64	39.64	39.64	39.64	39.64	39.64
Electrification	0	0	0.02	0.02	0.02	0.02
Building	274.01	269.53	267.60	252.95	239.99	236.50
Factory land	1125.59	1097	1087.10	994.77	860.20	813.07
Furniture	55.49	55.48	55.48	55.48	55.48	55.48
Others Equipment	119.12	105.87	94.77	62.39	56.38	52.24
Telephone Instruments	80.35	69.75	53.62	50.73	43.45	29.88
Laboratory Instruments	2.35	1.7	0.71	0.71	0.60	0.60
Plant & Machinery	150.15	109.15	100.08	86.58	82.33	70.99
Scale	3013.48	2934.96	2934.80	2901.77	2799.16	2477.35
Trolley	2.15	2.04	2.04	1.64	1.64	1.64
Vehicles	21.64	21.64	21.64	0.91	0.91	0.91
<b>(A) Total</b>	<b>5063.66</b>	<b>4879.27</b>	<b>4812.47</b>	<b>4540.39</b>	<b>4259.58</b>	<b>3827.23</b>
<b>Accumulated Depreciation</b>						
Air conditioner	10.66	8.87	5.40	3.15	2.43	1.79
Boiler	7.24	6.78	5.88	4.98	4.07	3.17

Particulars	As at	As at				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Computer	35.51	27.59	14.33	9.64	8.52	7.53
D.G. Set	14.01	13.07	11.18	9.3	7.42	5.53
Cycle	0	0	0.02	0.02	0.02	0.02
Electrification	103.44	90.43	64.82	50.62	38.79	27.42
Building	213.37	195.52	160.91	127.04	95.53	67.25
Factory land	0	0	0	0	0	0
Furniture	38.13	32.47	22.59	17.84	14.06	11.45
Others Equipment	15.72	13.81	10.59	8.81	6.44	4.06
Telephone Instruments	0.54	0.42	0.31	0.27	0.22	0.19
Laboratory Instruments	42.3	35.18	24.83	20.34	16.31	12.64
Plant & Machinery	892.55	820.98	681.57	542.78	406.21	274.68
Scale	0.63	0.58	0.48	0.42	0.35	0.27
Trolley	2.27	1.77	0.73	0.20	0.15	0.11
Vehicles	16.71	13.49	7.69	4.03	1.24	
<b>(B) Total</b>	<b>1393.08</b>	<b>1260.96</b>	<b>1011.33</b>	<b>799.44</b>	<b>601.76</b>	<b>416.11</b>
<b>Net Block</b>						
Air conditioner	45.96	47.44	47.87	12.61	11.50	9.07
Boiler	11.79	12.25	13.15	14.05	14.96	15.86
Computer	14.50	15.55	24.66	15.03	12.81	11.49
D.G. Set	25.63	26.57	28.46	30.34	32.22	34.11
Cycle						
Electrification	170.57	179.10	202.78	202.33	201.20	209.08
Building	912.22	901.48	926.19	867.73	764.67	745.82
Factory land	55.49	55.48	55.48	55.48	55.48	55.48
Furniture	81.00	73.41	72.18	44.55	42.32	40.79
Others Equipments	64.63	55.94	43.03	41.92	37.01	25.82
Telephone Instruments	1.81	1.28	0.40	0.44	0.38	0.41
Laboratory Instruments	107.85	73.97	75.25	66.24	66.02	58.35
Plant & Machinery	2,120.93	2,113.98	2,253.23	2,358.99	2,392.95	2,202.67
Scale	1.52	1.46	1.56	1.22	1.29	1.37
Trolley	19.37	19.87	20.91	0.71	0.76	0.80
Vehicles	37.32	40.54	35.99	29.31	24.25	-
<b>Total</b>	<b>3,670.59</b>	<b>3,618.32</b>	<b>3,801.14</b>	<b>3,740.95</b>	<b>3,657.82</b>	<b>3,411.12</b>

**ANNEXURE -G**  
**STANDALONE STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Rs. In Lacs)

Particulars	As at	As at				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Unsecured, Considered Good unless otherwise stated						

From Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/Subsidiary, Group Company						
From Others						
Security Deposit (GEB & Gas)	28.26	28.26	28.26	28.26	28.26	28.26
<b>Total</b>	<b>28.26</b>	<b>28.26</b>	<b>28.26</b>	<b>28.26</b>	<b>28.26</b>	<b>28.26</b>

**ANNEXURE -H**  
**STANDALONE STATEMENT OF INVENTORY**

(Rs. in Lacs)

Particulars	As at	As at				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Raw Material/Packing Material/ Stores & Consumables	377.73	353.54	458.01	372.32	284.57	357.86
Finished Goods / Stock in process	306.11	320.27	229.41	278.41	198.77	169.41
<b>Total</b>	<b>683.84</b>	<b>673.81</b>	<b>687.42</b>	<b>650.73</b>	<b>483.34</b>	<b>527.27</b>

**ANNEXURE -I**  
**STANDALONE STATEMENT OF TRADE RECEIVABLES**

(Rs. In Lacs)

Particulars	As at	As at				
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>						
Unsecured and considered Good						
From Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/Subsidiary, Group Company						
Others						
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>						
Unsecured and considered Good						
From Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/Subsidiary, Group Company						
<b>Others</b>	469.98	200.53	224.99	134.45	110.76	276.88
<b>Total</b>	<b>469.98</b>	<b>200.53</b>	<b>224.99</b>	<b>134.45</b>	<b>110.76</b>	<b>276.88</b>

**ANNEXURE - J**  
**STANDALONE STATEMENT OF CASH AND BANK BALANCES**

(Rs. In Lacs)

Particulars	As at					
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Cash and Cash Equivalents						
Cash in hand	2.80	3.49	1.10	0.99	0.37	0.53
Balance with Schedule Bank	52.35	89.83	7.89	15.61	370.28	41.85
<b>Total</b>	<b>55.15</b>	<b>93.32</b>	<b>8.99</b>	<b>16.60</b>	<b>370.65</b>	<b>42.38</b>

**ANNEXURE - K**  
**STANDALONE STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Rs. In Lacs)

Particulars	As at					
	30-Sep-15	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Unsecured, Considered Good unless otherwise stated						
Advance recoverable in cash on Kind	17.25	22.87	8.23	4.85	4.29	25.17
Excise Account	116.43	135.29	248.64	255.73	293.56	236.82
TDS Receivable	-	-	-	-	-	33.35
Vat Receivable	97.31	63.57	43.69	37.71	32.97	24.15
Prepaid Expenses	0.05	8.25	7.41	6.28	4.45	4.37
Advance against Capital Goods	3.74	4.75	3.74	2.75	5.95	1.94
Advance FBT Exp.	-	-	-	-	-	-
Advance Income Tax	-	-	-	-	-	9.06
MAT Credit	168.53	168.53	171.16	131.06	96.16	61.65
<b>Total</b>	<b>403.31</b>	<b>403.26</b>	<b>482.87</b>	<b>438.38</b>	<b>437.38</b>	<b>396.51</b>

**ANNEXURE -L**  
**STANDALONE STATEMENT OF OTHER INCOME**

(Rs. In Lacs)

Particulars	For the period 1 <sup>st</sup> April 2015 to 30 <sup>th</sup> September 2015	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
GEB Deposit Interest Income	1.25	2.53	2.39	2.67	1.86	2.81
Interest on Fixed Deposit				3.69	2.88	
Rate Difference					2.83	3.96
Income Tax refund		0.01				
Reimbursement of Expenses						0.95
<b>Total</b>	<b>1.25</b>	<b>2.54</b>	<b>2.39</b>	<b>6.36</b>	<b>7.57</b>	<b>7.72</b>

**ANNEXURE -M**  
**STANDALONE STATEMENT OF COST OF MATERIAL CONSUMED**

(Rs. In Lacs)

Particulars	For the period 1st April 2015 to 30th September 2015	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Opening RM/PM Material Stock	353.54	458.01	372.32	284.57	357.86	379.88
<b>Add : RM/PM Material Purchased during the year</b>	<b>839.29</b>	<b>1719.67</b>	<b>1359.59</b>	<b>1013.41</b>	<b>399.12</b>	<b>1082.59</b>
<b>Total :-</b>	<b>1192.83</b>	<b>2177.68</b>	<b>1731.91</b>	<b>1297.98</b>	<b>756.98</b>	<b>1462.47</b>
<b>Less : Closing Stock</b>	<b>377.73</b>	<b>353.54</b>	<b>458.01</b>	<b>372.32</b>	<b>284.57</b>	<b>357.86</b>
<b>Consumption of Raw Material</b>	<b>815.10</b>	<b>1824.14</b>	<b>1273.9</b>	<b>925.66</b>	<b>472.41</b>	<b>1104.61</b>

**ANNEXURE -N**  
**STANDALONE STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WIP AND STOCK-IN-TRADE**

(Rs. in Lacs)

Particulars	For the period 1st April 2015 to 30th September	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Opening Stock	320.27	229.41	278.41	198.77	169.41	145.94
Closing Stock	306.11	320.27	229.41	278.41	198.77	169.41
Change in Inventory	<b>14.16</b>	<b>-90.86</b>	<b>49.00</b>	<b>-79.64</b>	<b>-29.36</b>	<b>-23.47</b>

**ANNEXURE -O**  
**STANDALONE STATEMENT OF EMPLOYEE BENEFITS EXPENSES**

(Rs. In Lacs)

Particulars	For the period 1st April 2015 to 30th September	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>Employee Benefit Expenses</b>						
Salary & Wages & Bonus	200.15	373.06	296.90	227.70	156.90	118.95
Director Remuneration	14.70	20.50	29.60	11.40	11.52	10.46
Staff Welfare Expenses.	1.26	1.31	0.62	3.04	0.98	0.55
P.F. (Employer's Contribution)	0.93	1.62	1.17	1.61	1.48	1.35
ESIC (Employer's Contribution)	0.69	1.42	1.08	1.45	1.43	
Gratuity Expense	1.14	2.30	2.78	2.34	1.85	1.15
<b>Total Employee Benefit Expenses</b>	<b>218.87</b>	<b>400.21</b>	<b>332.15</b>	<b>247.54</b>	<b>174.15</b>	<b>132.46</b>

**ANNEXURE -P**  
**STANDALONE STATEMENT OF FINANCIAL EXPENSES**

(Rs. In Lacs)

Particulars	For the period 1st April 2015 to 30th September	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>Finance Costs</b>						
Bank Charges	3.19	6.13	5.14	2.18	0.75	0.45
Bank Interest on Cash Credit	23.64	82.73	90.92	86.02	159.62	77.09
Bank Interest on Term Loan	123.72	209.66	278.52	296.08	217.16	168.94
<b>Total Finance Costs</b>	<b>150.55</b>	<b>298.52</b>	<b>374.58</b>	<b>384.28</b>	<b>377.53</b>	<b>246.48</b>



**ANNEXURE -Q**  
**STANDALONE STATEMENT OF OTHER EXPENSES**

(Rs. In Lacs)

Particulars	For the period 1st April 2015 to 30th September	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
<b>Other Expenses</b>						
Electricity Expenses	2.38	3.49	7.55	3.31	3.17	4.04
Stores/ Consumable Expenses	15.82	31.54	28.60	21.50	16.32	11.94
Testing & Analysis/Laboratory exp.	5.02	4.39	21.57	17.87	11.00	11.72
Repairs & Maintenance (Machine)	7.22	23.25	19.60	5.00	4.93	3.16
Power & Fuel Expenses	185.83	323.73	280.09	209.05	171.84	172.38
Advertisement Expense	0.35	0.26		1.19	0.10	0.70
Audit Fees	0.28	0.56	0.56	0.56	0.56	
Business Development Expenses	2.12	3.77	1.57	0.99	0.86	1.72
Computer Expenses	2.93	1.65	1.69	-	-	-
Commission Expenses	2.06	0.02	-	0.30	1.20	-
Courier Expenses	3.41	15.13	16.89	4.39	2.65	0.89
Donation						0.21
General Expenses	2.25	10.96	20.52	12.55	7.48	4.37
Export Expenses	4.85	4.26	7.38	4.27	0.01	-
Excise Expense	-	-	0.12	0.02	0.41	0.02
Food & Refreshments	4.20	7.53	10.07	10.31	3.94	3.51
FBT Expenses	-					0.27
Deferred Revenue & Preliminary Expenses Written Off	-					17.83
Insurance Expenses	3.22	4.93	5.00	4.57	6.11	6.71
Hygienic Maintenance Expenses	4.90	2.88	8.58	4.98	1.73	2.31
ISO Certificate Charges	-	0.73	0.19	0.18	0.78	0.18
Income Tax Written Off	1.24	0.10		0.01	22.09	2.96
License Fees	0.08	0.48	0.40	0.07	1.44	0.56
Loading & Unloading Charges	0.03	0.04	0.14	0.05	0.18	0.13
Legal Expenses	0.12	-	0.95	-	0.34	0.50
Packing Expenses	5.95	8.55	6.39	3.29	3.35	3.23
Product Permission Charges	4.94	4.18	6.45	-		-
Membership & Subscription	0.51	0.58	0.25	0.16	0.12	-
Issue Expenses	9.98	8.79	-	-	-	-
Panchayat Tax	-		0.05	-		-
Product Registration Charges	7.69	53.57	24.23	1.11	0.18	1.01
Printing & Stationary	4.39	6.72	6.11	4.33	4.39	4.09
Professional & Legal Fees	0.64	4.95	3.66	2.75	1.54	1.41
Professional Tax	0.02	0.02	0.03	0.02	0.02	0.05
Repairs & Maintenance Building	7.07	8.54	5.86			
Repairs & Maintenance Other	3.24	1.21	0.59	8.77	7.60	8.62
ROC Expenses	-	4.08				
Rent Expenses	-				1.75	
Service Tax Expenses	0.98	0.09	0.17	0.08	0.06	0.03
Security Expenses	-				6.12	1.54
Travelling Expenses & Conveyance	5.86	16.45	30.05	10.09	4.56	6.33

Telephone /Mobile /Internet Expenses	2.55	7.91	4.37	3.92	2.55	3.51
Freight and Transportation Other	2.00	3.13	8.04	2.79	2.69	1.69
Vehicle Expenses	2.16	3.33	3.31	4.44	4.55	5.41
Interest on TDS	0.11	-	0.08	0.06	0.03	0.01
Miscellaneous Expenses	-	1.64	-	0.22	3.76	1.20
Kasar & Vatav Expenses	-0.06	8.02	(1.99)	0.38	0	0
VAT Expenses	0	0.45	-	-	0	0
<b>Total Other Expenses</b>	<b>306.34</b>	<b>581.91</b>	<b>529.12</b>	<b>343.58</b>	<b>300.41</b>	<b>284.24</b>

**ANNEXURE-R**  
**STANDALONE CAPITALISATION STATEMENT**

(Rs. In Lacs)

Particulars	Pre-Issue	Post-Issue*
	As on 30 <sup>th</sup> Sep, 2015	
<b>Debt</b>		
Short Term Debt	858.72	[●]
Long Term Debt	1,749.44	[●]
<b>Total Debt</b>	<b>2608.16</b>	<b>[●]</b>
<b>Shareholders' Fund (Equity)</b>		
Share Capital	800.00	[●]
Reserves & Surplus	857.45	[●]
Less: Miscellaneous Expenses not w/off	-	[●]
Total Shareholders' Fund (Equity)	1,657.45	[●]
Long Term Debt/Equity	1.06	[●]
<b>Total Debt/Equity</b>	<b>1.78</b>	<b>[●]</b>

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 30.09.2015 and 31.03.15.

**ANNEXURE-S**  
**STANDALONE MANDATORY ACCOUNTING RATIOS**

(Rs. In Lacs)

PARTICULARS	For the period 1st April 2015 to 30th September 2015	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Face Value per equity Share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Earnings/ (losses) Per Share (in Rs.)						
- Basic Earnings/ (losses) Per Share [a/b]	2.18	2.30	2.19	1.81	1.24	(1.11)
- Diluted Earnings/ (losses) Per Share [a/c]	2.18	2.30	2.19	1.81	1.24	(1.11)
(ii) Return on Net Worth (in %) [a/e]	21.06%	12.39%	13.49%	12.86%	10.12%	-9.31%
(iii) Net Assets Value per Share (in Rs.) [e/d]	20.72	18.54	16.24	14.05	12.24	11.00
(a) Net profit available for appropriation (as restated)	174.56	183.77	175.19	144.51	99.16	(81.97)

(b) Weighted average numbers of equity shares for calculating Basic EPS.	80,00,000.00	80,00,000.00	80,00,000.00	80,00,000.00	80,00,000.00	74,03,287.67
(c) Weighted average numbers of equity shares for calculating diluted EPS.	80,00,000.00	80,00,000.00	80,00,000.00	80,00,000.00	80,00,000.00	74,03,287.67
(d) No. of equity shares outstanding at the end of the year/ period.	80,00,000.00	80,00,000.00	80,00,000.00	80,00,000.00	80,00,000.00	80,00,000.00
(e) Net Worth as at the end of the period/year	1,657.45	1,482.89	1,299.12	1,123.93	979.42	880.26

Notes:

1. The above ratios are calculated as under:

a) Basic and Diluted Earning per Share = Net Profit available for appropriation (as restated) / Weighted average number of equity shares outstanding during the year

b) Return on Net Worth (%) = Net Profit available for appropriation (as restated) / Net worth as at the year end

c) Net Asset Value Per Equity Share = Net Worth as at the end of the period/year / Number of equity shares outstanding at the end of the Year

2. Net Worth means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account;

3. Earnings Per Share (EPS) calculation are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.

4. The figures disclosed above are based on the restated financial information of the Company.

5. Basic and Diluted EPS for the period ended 30<sup>th</sup> September 2015 are not annualized.

**ANNEXURE - T**  
**STANDALONE STATEMENT OF TAX SHELTER**

(Rs. in Lacs)

Particulars	For the 6 months ended on 30-Sep-15	For the year ended				
		31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Restated Profit before tax (A)	310	255.26	200.32	174.43	148.51	130.55
Normal Tax rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Tax rate for MAT	18.50%	18.50%	18.50%	18.50%	18.50%	18.00%
Tax Expenses	93.00	76.58	60.10	52.33	44.55	39.16
<b>Adjustments:</b>						
<b>Permanent Differences:</b>						
Expenses Inadmissible u/s. 40(a) / 40(a)(ia)	-	-	0.30	37.67	23.32	-
Other disallowance	-	-	-	-	-	21.28
<b>Total Permanent Difference (B)</b>	-	-	<b>0.30</b>	<b>37.67</b>	<b>23.32</b>	<b>21.28</b>
<b>Temporary Difference</b>						
Sec 40a(ia) (Net off claimed of earlier years)	-	-	2.78	2.34	1.85	-
Difference between book depreciation & tax Depreciation	1.55	(37.22)	(73.00)	(97.50)	(139.86)	(151.73)

<b>Total Temporary Difference (C )</b>	<b>1.55</b>	<b>(37.22)</b>	<b>(70.22)</b>	<b>(95.16)</b>	<b>(138.01)</b>	<b>(151.73)</b>
<b>Other Adjustments:(D)</b>						
Brought Forward Losses adjusted	-	(74.30)	(204.70)	(321.63)	(28.23)	(28.23)
<b>Total Adjustments (B+C+D)</b>	<b>1.55</b>	<b>(111.52)</b>	<b>(274.61)</b>	<b>(379.12)</b>	<b>(142.92)</b>	<b>(158.68)</b>
Tax expense/(saving) thereon	0.47	(33.46)	(82.38)	(113.74)	(42.88)	(47.60)
<b>Total Tax Payable:</b>						
Tax Payable for the current year under normal tax - (a)	93.47	43.12	-	-	1.68	-
Adjustment for MAT		-	-	-	23.97	-
Tax Payable for the current year under MAT - (b)	57.35	47.22	37.06	32.27	31.91	23.50
Maximum of (a) and (b)	93.47	47.22	37.06	32.27	31.91	23.50
Add : Surcharge and Education Cess	9.54	3.85	3.02	2.63	2.60	2.52
<b>Total Tax Payable</b>	<b>103.01</b>	<b>51.07</b>	<b>40.08</b>	<b>34.90</b>	<b>34.51</b>	<b>26.02</b>

**ANNEXURE - U**  
**RELATED PARTY TRANSACTIONS**

**A. Related parties**

<b>Related Party</b>	<b>Designation</b>	<b>Nature of the Relationship</b>
Mr. Sanjay S Shah	Director	Spouse of Mrs. Rita S. Shah, Father of Mr. Aarsh S Shah & Ms. Ayushi S Shah
Mrs. Rita S Shah	Director	Spouse of Mr. Sanjay S Shah, Mother of Mr. Aarsh S Shah & Ms. Ayushi S. Shah
Mr. Aarsh S Shah	Director	Son of Mr. Sanjay S Shah & Mrs. Rita S Shah, Brother of Ms. Ayushi S. Shah
Ms. Ayushi S Shah	-	Daughter of Mr. Sanjay S Shah & Mrs. Rita S Shah, Sister of Mr. Aarsh S Shah

**B. Details of the transactions during the period**

(Rs. In lacs)

<b>Name of the Related Party</b>	<b>Nature of the Transaction</b>	<b>For the year ended on September</b>	<b>For the year ended on March 31, 2015</b>	<b>For the year ended on March 31, 2014</b>	<b>For the year ended on March 31,</b>	<b>For the year ended on March 31, 2012</b>	<b>For the year ended on March 31,</b>
Mr. Sanjay S Shah	Unsecured Loan Received*	24.10	-	-	215.13	-	-
Mr. Sanjay S Shah	Unsecured Loan Repaid*	29.34	-	60.43	-	20.74	-
Mr. Sanjay S Shah	Remuneration	5.10	10.50	10.20	7.20	6.72	6.00
Mrs. Rita S Shah	Remuneration	2.40	5.00	9.34	4.20	4.80	4.46
Mr. Aarsh S Shah	Remuneration	4.80	5.00	10.06	4.80	4.80	4.46
Ms. Ayushi S Shah	Salary	2.40	5.00	8.06	4.91	4.82	4.16

\*The unsecured loans are of non-interest bearing nature and do not have any pre-conditions for repayment.

**C. Details of the transactions outstanding**

(Rs. In lacs)

<b>(Rs. In lacs)Name of the Related Party</b>	<b>Nature of the Transaction</b>	<b>As on September 30, 2015</b>	<b>As on March 31, 2015</b>	<b>As on March 31, 2014</b>	<b>As on March 31, 2013</b>	<b>As on March 31, 2012</b>	<b>As on March 31, 2011</b>
Mr. Sanjay S Shah	Unsecured Loan (Opening Balance)	776.24	710.36	770.79	555.66	576.40	576.40
Mr. Sanjay S Shah	Unsecured Loan (Closing Balance)	771.00	776.24	710.36	770.79	555.66	576.40

## FINANCIAL INDEBTNESS

As on November 30, 2015 our Company has outstanding secured borrowing of approximately ₹ 1,871.63 Lacs. A summary of such significant outstanding secured borrowing together with a brief description of certain significant terms of such financing arrangements is as under:

Name of the Lender and nature and date of the loan Agreement	Documentation	Amount Sanctioned (₹ in Lacs)	Amount Outstanding as on November 30, 2015 (₹ in Lacs)	Rate of Interest	Repayment Schedule	Security
State Bank of India	Loan Agreement dated April 11, 2012	2,830.00	1838.20			<b>Primary Security:</b> First charge on stocks & Receivables and entire current assets of the Company.  Unit II & III of the Company's Factory land & building located at Block No. 10-13, Changodar Industrial area, Near M N Desai Petrol Pump, Sarkhej-Bavala Highway, Changodar, Taluka Sanand, District Ahmedabad.  Unit II [Total land admeasuring 2755 Sq. Mtrs. (Block No. 10 Paiki 325 Sq. Mtrs. + Block No. 13 Paiki 2430 Sq. Mtrs.) bearing survey No. 530 dated 20/03/2004 + Construction thereon with built-up Area of 4785 Sq. Mtrs.]  Unit III [Total land admeasuring 2069 Sq. Mtrs. (Block No. 10 Paiki 1500 Sq. Mtrs. + Block No. 8/AB 569 Sq. Mtrs.) bearing survey No. 2554 dated
Cash Credit			646.76	Base rate + 3.75% p.a.	On demand	
Term Loan			1191.44	(13.75% p.a.)  Base rate + 3.70% p.a. (13.70% p.a.)	TL-I: First 51 installments of ₹ 0.75 lac each, Next 8 installments of ₹ 0.94 lac each, Last installment of ₹ 0.93 lac  TL-II: First 39 installments of ₹ 2.00 lac each, Next 8 installments of ₹ 5.00 lac each Last 33 installments of ₹ 7.37 lac each  TL-III: First 39 installments of ₹ 4.00 lac each, Next 12 installments of ₹ 10.00 lac each, Next 12 installments of ₹ 15.00 lac each, Next 20 installments of ₹ 18.32 lac each, Last installment of ₹ 18.30 lac  TL-IV: First	

Name of the Lender and nature and date of the loan Agreement	Documentation	Amount Sanctioned (₹ in Lacs)	Amount Outstanding as on November 30, 2015 (₹ in Lacs)	Rate of Interest	Repayment Schedule	Security
					<p>3 installments of ₹ 1.55 lac each, Next 12 installments of ₹ 3.00 lac each, Next 24 installments of ₹ 10.00 lac each, Next 12 installments of ₹ 11.00 lac each, Last 9 installments of ₹ 10.00 lac each</p>	<p>28/10/2005 + Construction thereon with built-up Area of 4855 Sq. Mtrs.]</p> <p>Hypothecation charge over the other Fixed Assets including machinery embedded to earth and movables.</p> <p><b>Collateral:</b> Unit I [Total land at Block No. 13 Paiki admeasuring 1248 Sq. Mtrs. bearing survey No. 529 dated 30/03/2004 + Construction thereon with built-up Area of 1725 Sq. Mtrs. Changodar Industrial area, Near M N Desai Petrol Pump, Sarkhej-Bavala Highway, Changodar, Taluka Sanand, District Ahmedabad.</p> <p>Unit IV of the Company i.e. its own factory land at survey No. 9/A &amp; B Paiki (admeasuring 3950 Sq. Mtrs.) located at block No. 10-13 Paiki, Changodar Industrial area, Near M N Desai Petrol Pump, Sarkhej-Bavala Highway, Changodar, Taluka Sanand, District</p>

Name of the Lender and nature and date of the loan Agreement	Documentation	Amount Sanctioned (₹ in Lacs)	Amount Outstanding as on November 30, 2015 (₹ in Lacs)	Rate of Interest	Repayment Schedule	Security
						Ahmedabad.  <b>Personal Guarantees:</b> Shri Sanjay S Shah, Smt Rita S Shah, Shri Surendrabhai T Shah, Shri Pravinbhai T Shah

### Restrictive Covenants

Our financing agreement include various restrictive conditions and covenants restricting certain corporate actions, and our Company is required to take the prior approval of the lender before carrying out such activities. For instance, our Company is required to obtain the prior written consent of the lenders in the following instances:

- Modification in the capital structure of our Company;
- Implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed assets except wherein the scheme has already been approved;
- Formulate any scheme of amalgamation / reconstruction;
- Make any investments by way of share capital or lend or advance funds to or place deposits with any other concern except give normal trade credits or place on security deposits in the normal course of business or make advances to employees;
- Enter into any borrowing arrangements, either secured or unsecured, with any other lender or financial institution;
- Undertake guarantee obligations on behalf of any other company, firm or person, including in certain cases, to the Subsidiaries of our Company;
- Declare dividends except out of profits relating to that year after making all due and necessary provisions and no default having occurred in any repayment obligations
- Any major modification in the management setup
- Any modification in the remuneration payable to the management
- Pay any guarantee commission to any personal guarantors
- Create any charge over the assets and properties of our Company / Guarantors which are charged to the Bank
- Sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the bank.
- Undertake any trading activity other than the sale of produce arising out of our own manufacturing operations
- Open any account with any other bank

- Enter into any contractual obligation of a long term nature affecting the company financially to a significant extent
- Repay the monies brought in by the promoters/directors/principal shareholders and their friends/relatives
- Not to call uncalled capital
- Not to allow receiver to be appointed, distress or execution to be levied or Memorandum & Articles of Association to be altered
- Not to vary the shareholding of directors

Our Company has from time to time, obtained the consent of its lenders to undertake certain corporate actions and enter into various transactions. Our Company has obtained the requisite consents from its lenders in order to undertake the present public issue. For further information on restrictive covenants, please see “Risk Factors” on page 12 of this Draft Prospectus.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF OUR COMPANY**

The following discussion of our financial condition and results of operations should be read in conjunction with our standalone restated financial statements as of and for the six months period ended September 30, 2015 and for years ended March 31, 2011, 2012, 2013, 2014, 2015 prepared in accordance with the Companies Act, 1956 / Companies Act, 2013 and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in "Financial Information" beginning on page 128 of this Draft Prospectus.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.

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 set forth in "Risk Factors" and "Forward-Looking Statements" beginning on pages 12 and 11 respectively, of this Draft Prospectus.

### **BUSINESS OVERVIEW**

We are an Indian pharmaceutical company engaged in contract manufacturing of formulations for pharmaceutical companies based in India as well as in the manufacturing and marketing of our own pharmaceutical formulations for domestic and international markets.

We manufacture and market pharmaceutical formulations relating to analgesics, antielmintics, anti coagulants, anti malarial, anti spasmodics, antianemics, antibiotics, anti-emetics, anti-histamines, bronchodilators, corticosteroids, cough and cold preparations, multivitamins, etc. We focus on quality, delivery schedule and adherence to quality standards. Our efforts have resulted in applications for 142 product registrations and out of which we have obtained 123 product registrations as of November 30, 2015.

Our preliminary business area and key focus is in contract manufacturing in the past years. As a contract manufacturer, our Company undertakes manufacturing on behalf of some of the leading pharmaceutical companies in India, in accordance with the terms of the relevant agreements entered into with these companies. In the last few years, our Company has developed required expertise and infrastructure to enhance the existing product portfolio which in turn resulted in an increase in contract manufacturing business. Our Company has manufactured about 56 products for five major customers (in terms of quantity) for the year ended March 31, 2015 and about 536 products for five major customers (in terms of quantity) for the months ended September 30, 2015.

Our Company is managed by a team of professionals headed by our Managing Director having rich experience in manufacturing and export of quality pharmaceutical and health care products to various countries. In the recent past, we have expanded our business to international markets. We have registered our products in various countries which are marketed through supply, distribution and other arrangements with various dealers / distributors. As of March 31, 2014, we have about 35 distributors in various markets, primarily in 20 emerging countries of Africa, Latin America, South East Asia and Middle East. We commenced our exports in the year 2007 and have achieved export sales of Rs. 503.09 lacs in the Financial Year ended March 31, 2015 and Rs. 527.64 Lacs for the six months ended September 30, 2015.

Our manufacturing facilities are located at Changodar, Ahmedabad, Gujarat. Our facilities have been approved by various international regulatory authorities such as BVQI, WHO, GMP, CGMP and National Drug Authority of various countries including Nigeria, Ethiopia, Ghana, Bolivia, Yemen and Philippines. Our manufacturing facilities are spread across total area of 10,022 square meters with four units having manufacturing capacity of more than 19 crore units per annum in total. We believe that each of our facilities is designed, equipped and operated to deliver high quality products within defined cost and delivery schedules.

Our income and profit after tax, as restated, for the year ended March 31, 2015 were Rs. 3,505.27 lacs and Rs. 183.77 lacs, respectively, representing growth of 5.75% and 20.76%, respectively, as compared to the year ended March 31, 2011. Our income and profit after tax, as restated, for the six months period ended September 30, 2015 were Rs. 1,937.19 lacs and Rs. 174.56 lacs, respectively. Our domestic and international pharmaceutical sales contributed 85.64% and 14.36%, respectively, of our revenue from operations for the year ended March 31, 2015 and 72.75% and 27.25%, respectively, of our revenue from operations for the six months ended September 30, 2015, as restated.

## STRENGTHS

- Well Established Manufacturing Facilities
- Diversified product portfolio
- Registered Products
- Recurring business from existing customers
- Experienced Promoters and Management Team
- Quality processes and products

## STRATEGIES

- Focus on increasing our export business
- Expansion of business activity by tapping potential market in other parts of the Country
- Strengthening marketing capabilities
- Access new markets through obtaining more certifications
- Enhancing our manufacturing facilities by adding new lines of manufacturing for new products

## SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subject to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 12 of this Draft Prospectus.

Among various other factors that affect our financial results and operations for a given financial year, some key factors are as follows:

- General economic and business conditions.
- Company’s inability to successfully implement its growth and expansion plans;
- Increasing competition in the pharmaceutical industry;
- Increase in labour costs, raw material prices, prices of plant and machineries and insurance premiums;
- Delay in recovery of debts from the clients;
- Changes in laws and regulations that apply to Pharmaceutical Industry;
- Any change in the tax laws granting incentives to Pharmaceutical Industry.

## RESULT OF OPERATION

The following is the discussion on the financial operations and performance of the Company for the six months period ended September 30, 2015 and for the year ended March 31, 2015, 2014, 2013 and 2012 and the components:

(Rs. In Lacs)

Particulars	For Six months ended	For The Year Ended March 31,								
	September 30, 2015	% of Total Revenue	2015	% of Total Revenue	2014	% of Total Revenue	2013	% of Total Revenue	2012	% of Total Revenue
Revenue from Operations	1,935.94	99.94%	3,502.73	99.93%	2,968.64	99.92%	2,190.71	99.71%	1,619.16	99.53%
Other Income	1.25	0.06%	2.54	0.07%	2.39	0.08%	6.36	0.29%	7.57	0.47%
<b>Total Revenue</b>	<b>1,937.19</b>	100.0%	<b>3,505.27</b>	100.00%	<b>2,971.03</b>	100.00%	<b>2,197.07</b>	100.00%	<b>1,626.73</b>	100.00%

<b>EXPENDITURE</b>										
Cost of material Consumed	815.10	42.08%	1,824.14	52.04%	1,273.90	42.88%	925.66	42.13%	472.41	29.04%
Changes in inventories of Finished goods, work-in-progress	14.16	0.73%	-90.86	-2.59%	49.00	1.65%	-79.64	-3.62%	-29.36	-1.80%
Employee benefit expenses	218.87	11.30%	400.21	11.42%	332.15	11.18%	247.54	11.27%	174.15	10.71%
Finance costs	150.55	7.77%	298.52	8.52%	374.58	12.61%	384.28	17.49%	377.53	23.21%
Depreciation and amortization expense	132.12	6.82%	249.63	7.12%	211.90	7.13%	197.66	9.00%	185.65	11.41%
Other expenses	306.34	15.81%	581.91	16.55%	529.12	17.81%	343.58	15.64%	300.41	18.47%
<b>Total Expenditure</b>	<b>1637.14</b>	<b>84.51%</b>	<b>3,261.91</b>	<b>93.06%</b>	<b>2,770.65</b>	<b>93.26%</b>	<b>2,019.08</b>	<b>91.90%</b>	<b>1,480.79</b>	<b>91.03%</b>
Profit before prior period items Exceptional Items	300.05	15.49%	241.72	6.94%	200.38	6.74%	177.99	8.10%	145.94	8.97%
Tax expense :										
(i) Current tax	63.00	3.25%	51.00	1.45%	41.60	1.40%	36.75	1.67%	35.91	2.21%
(iv) Deferred Tax										
(v) Deferred Tax Liability / (Asset) for earlier years	62.49		6.95		23.69		31.63		45.38	
(ii) MAT Credit	-		-		(40.10)		(34.90)		(34.51)	
<b>Total</b>	<b>125.49</b>	<b>6.48%</b>	<b>57.95</b>	<b>1.65%</b>	<b>25.19</b>	<b>0.85%</b>	<b>33.48</b>	<b>1.52%</b>	<b>46.78</b>	<b>2.88%</b>
<b>Profit for the year</b>	<b>174.56</b>	<b>9.01%</b>	<b>183.77</b>	<b>5.24%</b>	<b>175.19</b>	<b>5.90%</b>	<b>144.51</b>	<b>6.58%</b>	<b>99.16</b>	<b>6.10%</b>

## Review for the six (6) months period ended September 30, 2015

### *Income*

Our total income for the six months period ended September 30, 2015 was Rs.1937.19 lacs.

### *Revenue from Operations*

Our Revenue from operations for the six months period ended September 30, 2015 was Rs.1935.94 lacs. As a proportion of our total income they were 99.94 %.

### *Other Income*

Our Other Income from operations for the six months period ended September 30, 2015 was Rs.1.25 lacs. As a proportion of our total income they were 0.06 %.

### *Expenditure*

Our Total Expenditure for the six months period ended September 30, 2015 was Rs. 1637.14 lacs. As a proportion of our total income they were 84.51 %.

### *Cost of material consumed*

Our Cost of material consumed for the six months period ended September 30, 2015 was Rs. 815.10 lacs. As a proportion of our total income they were 42.08 %.

### *Employee Benefit Expenses*

Our Employee Benefit Expenses for the six months period ended September 30, 2015 was Rs. 218.87 lacs. As a proportion of our total income they were 11.30%.

#### ***Finance Costs***

Our Finance Costs for the six months period ended September 30, 2015 was Rs. 150.55 lacs. As a proportion of our total income they were 7.77 %.

#### ***Depreciation & Amortization***

Our Depreciation & Amortization for the six months period ended September 30, 2015 was Rs. 132.12 lacs. As a proportion of our total income they were 6.82 %.

#### ***Other Expenses***

Our Other Expenses for the six months period ended September 30, 2015 was Rs. 306.34 lacs. As a proportion of our total income they were 15.81 %.

#### ***Net Profit before Tax and Extraordinary items***

*Net Profit before Tax and Extraordinary items* for six months ended September 30, 2015 was Rs. 300.05 lacs.

#### ***Provision for taxes***

Our provision for taxes for six months ended September 30, 2015 was Rs. 125.49 lacs.

#### ***Profit after taxes, as restated***

Our *Profit after taxes, as restated* for six months ended September 30, 2015 was Rs. 174.56 lacs.

### **FISCAL YEAR ENDED MARCH 31, 2015 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2014.**

#### ***Income***

Total revenue increased by 17.98%, from Rs. 2,971.03 Lacs in the fiscal year ended March 31, 2014 to Rs. 3,505.27 lacs in the fiscal year ended March 31, 2015. The revenue has increased due to increase in domestic as well as export sales.

#### ***Revenue from Operations***

Revenue from operations increased by 17.99%, from Rs. 2,968.64 Lacs in the fiscal year ended March 31, 2014 to Rs. 3,502.73 lacs in the fiscal year ended March 31, 2015. This is due to increase in domestic as well as export sales.

#### ***Other Income***

Other income increased by 6.28%, from Rs. 2.39 Lacs in the fiscal year ended March 31, 2014 to Rs. 2.54 lacs in the fiscal year ended March 31, 2015. This is on account of increase in interest received.

#### ***Expenditure***

Total Expenditure increased by 17.79%, from Rs. 2,770.65 Lacs in the fiscal year ended March 31, 2014 to Rs. 3,263.55 Lacs in the fiscal year ended March 31, 2015. Overall expenditure has increased mainly due to increase in cost of material consumed.

#### ***Cost of material consumed***

Cost of material consumed in terms of value and percentage increased by Rs. 550.24 Lacs and 43.19% from Rs. 1,273.90 Lacs in the fiscal year ended March 31, 2014 to Rs. 1,824.14 Lacs in the fiscal year ended March 31, 2015. It was 42.88% of revenue, as against 52.04% in previous year.

#### ***Employee Benefit Expenses***

Employee benefit expenses in terms of value and percentage increased by Rs. 68.06 Lacs and 20.49% from Rs. 332.15 Lacs in the fiscal year ended March 31, 2014 to Rs. 400.21 Lacs in the fiscal year ended March 31, 2015. Overall employee cost has increased mainly due to increment on salary and wages of employees of our Company.

#### ***Finance Costs***

Finance Costs in terms of value and percentage decreased by Rs. 76.06 Lacs and 20.31%, from Rs. 374.58 Lacs in the fiscal year ended March 31, 2014 to Rs. 298.52 Lacs in the fiscal year ended March 31, 2015. Overall finance cost has decreased mainly due to lower utilization of cash credit facility and repayment of long term loan.

#### ***Depreciation & Amortization***

Depreciation in terms of value increased by Rs. 37.73 lacs or 17.81% from Rs 211.90 Lacs in the fiscal year ended March 31, 2014 to Rs. 249.63 in the fiscal year ended March 31, 2015. Increase in Depreciation was due to increase in fixed assets.

#### ***Other Expenses***

Other Expenses in terms of value and percentage increased by Rs. 52.79 Lacs and 9.98%, from Rs. 529.12 Lacs in the fiscal year ended March 31, 2014 to Rs. 581.91 Lacs in the fiscal year ended March 31, 2015. Other expenses increased mainly due to increase in power consumption and expenses on account of new product registration.

#### ***Net Profit before Tax and Extraordinary items***

*Net Profit before Tax and Extraordinary items* has increased by Rs. 41.34 Lacs and 20.63% from Rs.200.38 Lacs in the fiscal year ended March 31, 2014 to Rs. 241.72 Lacs in the fiscal year ended March 31, 2015.

#### ***Provision for taxes***

Our provision for taxes has increased by Rs. 32.76 Lacs and 130.05% from Rs. 25.19 Lacs in the fiscal year ended March 31, 2014 to Rs. 57.95 Lacs in the fiscal year ended March 31, 2015.

#### ***Profit after taxes, as restated***

*Profit after taxes, as restated* has increased by Rs. 8.58 Lacs and 4.90% from Rs. 175.19 Lacs in the fiscal year ended March 31, 2014 to Rs. 183.77 Lacs in the fiscal year ended March 31, 2015.

### **FISCAL YEAR ENDED MARCH 31, 2014 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2013**

#### ***Income***

Total revenue increased by 35.23%, from Rs. 2,197.07 Lacs in the fiscal year ended March 31, 2013 to Rs. 2,971.03 lacs in the fiscal year ended March 31, 2014. The revenue has increased due to increase in domestic as well as export sales.

#### ***Revenue from Operations***

Revenue from operations increased by 35.51%, from Rs. 2,190.71 Lacs in the fiscal year ended March 31, 2013 to Rs. 2,968.64 lacs in the fiscal year ended March 31, 2014. This is due to increase in domestic as well as export sales.

#### ***Other Income***

Other income decreased by 62.42%, from Rs. 6.36 Lacs in the fiscal year ended March 31, 2013 to Rs. 2.39 lacs in the fiscal year ended March 31, 2014. This is on account of reduction in interest received on fixed deposits.

#### ***Expenditure***

Total Expenditure increased by 37.22%, from Rs. 2,019.08 Lacs in the fiscal year ended March 31, 2013 to Rs. 2,770.65 Lacs in the fiscal year ended March 31, 2014. Overall expenditure has increased mainly due to increase in cost of material consumed.

#### ***Cost of material consumed***

Cost of material consumed in terms of value and percentage increased by Rs. 348.24 Lacs and 37.62%, from Rs. 925.66 Lacs in the fiscal year ended March 31, 2013 to Rs. 1,273.90 Lacs in the fiscal year ended March 31, 2014. It was 42.88% of revenue, as against 42.13% in previous year.

#### ***Employee Benefit Expenses***

Employee benefit expenses in terms of value and percentage increased by Rs. 84.61 Lacs and 34.18% from Rs. 247.54 Lacs in the fiscal year ended March 31, 2013 to Rs. 332.15 Lacs in the fiscal year ended March 31, 2014. Overall employee cost has increased mainly due to increment on salary and wages of employees of our Company.

#### ***Finance Costs***

Finance Costs in terms of value and percentage decreased by Rs. 9.70 Lacs and 2.52%, from Rs. 384.28 Lacs in the fiscal year ended March 31, 2013 to Rs. 374.58 Lacs in the fiscal year ended March 31, 2014. Overall finance cost has decreased mainly due to lower utilization of cash credit facility and repayment of long term loan.

#### ***Depreciation & Amortization***

Depreciation in terms of value increased by Rs. 14.24 lacs or 7.20% from Rs 197.66 Lacs in the fiscal year ended March 31, 2013 to Rs. 211.90 in the fiscal year ended March 31, 2014. Increase in Depreciation was due to increase in fixed assets.

#### ***Other Expenses***

Other Expenses in terms of value and percentage increased by Rs. 185.54 Lacs and 54.00%, from Rs. 343.58 Lacs in the fiscal year ended March 31, 2013 to Rs. 529.12 Lacs in the fiscal year ended March 31, 2014. Other expenses increased mainly due to increase in power consumption and expenses on account of new product registration.

#### ***Net Profit before Tax and Extraordinary items***

*Net Profit before Tax and Extraordinary items* has increased by Rs. 22.39 Lacs and 12.58% from Rs. 177.99 Lacs in the fiscal year ended March 31, 2013 to Rs. 200.38 Lacs in the fiscal year ended March 31, 2014.

#### ***Provision for taxes***

Our provision for taxes has decreased by Rs. 8.29 Lacs and 24.76% from Rs. 33.48 Lacs in the fiscal year ended March 31, 2013 to Rs. 25.19 Lacs in the fiscal year ended March 31, 2014.

#### ***Profit after taxes, as restated***

*Profit after taxes, as restated* has increased by Rs. 30.69 Lacs and 21.24% from Rs. 144.51 Lacs in the fiscal year ended March 31, 2013 to Rs. 175.19 Lacs in the fiscal year ended March 31, 2014.

## **FISCAL YEAR ENDED MARCH 31, 2013 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2012**

### ***Income***

Total revenue increased by 35.06%, from Rs. 1,626.73 Lacs in the fiscal year ended March 31, 2012 to Rs. 2,197.07 lacs in the fiscal year ended March 31, 2013. The revenue has increased due to increase in domestic as well as export sales.

### ***Revenue from Operations***

Revenue from operations increased by 35.30%, from Rs. 1,619.16 Lacs in the fiscal year ended March 31, 2012 to Rs. 2,190.71 lacs in the fiscal year ended March 31, 2013. This is due to increase in domestic as well as export sales.

### ***Other Income***

Other income decreased by 15.98%, from Rs. 7.57 Lacs in the fiscal year ended March 31, 2012 to Rs. 6.36 lacs in the fiscal year ended March 31, 2013. This is mainly due to reduction in income received from customers as rate difference.

### ***Expenditure***

Total Expenditure increased by 36.35%, from Rs. 1,480.79 Lacs in the fiscal year ended March 31, 2012 to Rs. 2,019.08 Lacs in the fiscal year ended March 31, 2013. Overall expenditure has increased mainly due to increase in cost of material consumed.

### ***Cost of material consumed***

Cost of material consumed in terms of value and percentage increased by Rs. 453.25 Lacs and 95.94%, from Rs. 472.41 Lacs in the fiscal year ended March 31, 2012 to Rs. 925.66 Lacs in the fiscal year ended March 31, 2013. It was 42.13% of revenue, as against 29.04% in previous year.

### ***Employee Benefit Expenses***

Employee benefit expenses in terms of value and percentage increased by Rs. 73.39 Lacs and 42.14% from Rs. 174.15 Lacs in the fiscal year ended March 31, 2012 to Rs. 247.54 Lacs in the fiscal year ended March 31, 2013. Overall employee cost has increased mainly due to increment on salary and wages of employees of our Company.

### ***Finance Costs***

Finance Costs in terms of value and percentage increased by Rs. 6.75 Lacs and 1.79%, from Rs. 377.53 Lacs in the fiscal year ended March 31, 2012 to Rs. 384.28 Lacs in the fiscal year ended March 31, 2013. Overall finance cost has increased mainly due to interest on long term loan.

### ***Depreciation & Amortization***

Depreciation in terms of value increased by Rs. 12.01 lacs or 6.47% from Rs 185.65 Lacs in the fiscal year ended March 31, 2012 to Rs. 197.66 in the fiscal year ended March 31, 2013. Increase in Depreciation was due to increase in our fixed assets.

### ***Other Expenses***

Other Expenses in terms of value and percentage increased by Rs. 43.17 Lacs and 14.37%, from Rs. 300.41 Lacs in the fiscal year ended March 31, 2012 to Rs. 343.58 Lacs in the fiscal year ended March 31, 2013.

Other expenses increased mainly due to increase in power consumption and expenses on account of new product registration.

***Net Profit before Tax and Extraordinary items***

*Net Profit before Tax and Extraordinary items* has increased by Rs. 32.05 Lacs and 21.96% from Rs. 145.94 Lacs in the fiscal year ended March 31, 2012 to Rs. 177.99 Lacs in the fiscal year ended March 31, 2013.

***Provision for taxes***

Our provision for taxes has decreased by Rs. 13.30 Lacs and 28.43% from Rs. 46.78 Lacs in the fiscal year ended March 31, 2012 to Rs. 33.48 Lacs in the fiscal year ended March 31, 2013.

***Profit after taxes, as restated***

*Profit after taxes, as restated* has increased by Rs. 45.34 Lacs and 45.72% from Rs. 99.16 Lacs in the fiscal year ended March 31, 2012 to Rs. 144.5 Lacs in the fiscal year ended March 31, 2013.

**OTHER MATTERS**

**Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

**Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in the section titled “Risk Factors” beginning on page 12 of this Draft Prospectus respectively, to our knowledge there are no significant that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the section titled “Risk Factors” beginning on page 12 of this Draft Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**Future changes in relationship between Costs and Income**

Except as described in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Our Company” and the uncertainties described in “Risk Factors” on page 12 of this Draft Prospectus, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

**Extent to which material increases in net revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

Changes in revenue during the last three years are explained under the chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operation of Our Company” on page 157 of this section.

**Total turnover of each major industry segment in which the issuer company operates.**

The Company is operating in pharmaceutical formulations industries in India. Relevant industry data, as available, has been included in the chapter titled “Our Industry” beginning on page 78 of this Draft Prospectus.

**Status of any publicly announced new products or business segments**



Our Company has not announced any new product and segment / scheme, other than through the Draft Prospectus.

**The extent to which the business is seasonal**

Our Company business is not seasonal in nature.

**Any significant dependence on a single or few suppliers or customers**

Our operations are not significantly dependent on a single or a few suppliers or customers.

**Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in chapter titled “Our Business” on page 88 of this Draft Prospectus.

## SECTION – VI LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Group Entities and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded) and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Group Entities.*

#### **CASES FILED BY OUR COMPANY**

##### ***Civil Cases***

There are no civil proceedings filed by our Company.

##### ***Criminal Cases***

There are no criminal proceedings filed by our Company.

#### **CASES FILED AGAINST OUR COMPANY**

##### ***Civil proceedings***

There are no civil proceedings filed against our Company.

##### ***Criminal Proceedings***

There are no criminal proceedings filed against our Company.

##### ***Indirect Tax Proceedings Involving Our Company***

**NIL**

#### **LITIGATIONS INVOLVING OUR PROMOTER AND PROMOTER GROUP COMPANIES**

##### ***Proceedings of Civil nature***

(a) By the promoters & Promoter Group Companies

**NIL**

(b) Against the promoters & Promoter Group Companies

**NIL.**

However, a letter dated August 22, 2015 has been received from Mr. Dhanraj Jain, Mr. Arun D. Jain, Mr. Narendrakumar Jain and Mr. Ravindrakumar that 2,40,000 equity shares held by them have not been transferred to our Promoter, Ms. Rita Shah on October 15, 2014. They have also alleged that they had not executed any transfer deed in favour of Ms. Rita Shah and that they continue to be the owners of the said shares.

As per Form-2 filed with ROC on March 29, 2007, Mr. Dhanraj Jain, Mr. Arun D. Jain, Mr. Narendrakumar Jain and Mr. Ravindrakumar had been allotted 1,20,000, 40,000, 40,000 and 40,000 shares for consideration of 12,00,000/-, Rs. 4,00,000/-, Rs. 4,00,000/- and Rs. 4,00,000/-, respectively. As per the duly stamped and lodged share transfer deed along with the necessary share certificates received by us, the said equity shares have been transferred to Ms. Rita Shah by Mr. Dhanraj Jain, Mr. Arun D. Jain, Mr. Narendrakumar Jain and Mr. Ravindrakumar on October 15, 2014 for consideration of 12,00,000/-, Rs. 4,00,000/-, Rs. 4,00,000/- and Rs. 4,00,000/- respectively which has been duly received and appropriated by them on August 27, 2015.

Accordingly, we have responded to the above letter vide our communication dated August 24, 2015 stating that said shares were duly transferred to Mrs. Rita Shah and refuting all allegations raised by the said letter. On September 10, 2015, we have received letter dated September 08, 2015 from the legal counsel of Mr. Dhanraj Jain, Mr. Arun D. Jain and Mr. Narendrakumar Jain *inter-alia* alleging that Mr. Dhanraj Jain was Director of the Company and without knowledge and consent of Mr. Dhanraj Jain, his directorship in the Company was depicted to have ceased and further alleging that none of the shares held by them have been transferred or agreed to be transferred by any one of them to any other person.

We have responded through our legal counsel to this letter vide our communication dated September 18, 2015 that transfer of shares was duly effected as set out in our correspondence of August 24, 2015 and retirement of Mr. Dhanraj Jain as Director was after following due process and in accordance with the Articles and there is no illegality in the same.

**(ii) Proceedings of a Criminal nature-**

(a) By the promoters & Group Entities

**NIL**

(b) Against the promoters & Group Entities

**NIL**

**LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY**

***Proceedings of Civil nature***

(a) By the Directors of our Company

**NIL**

(b) Against the Directors of our Company

**NIL** except what is set out in respect to Ms. Rita Shah, promoter Director, in the paragraph pertaining to “Litigations involving our Promoters and Promoter Group Entities” above.

***Proceedings of a Criminal nature***

(a) By the Directors of our Company

**NIL**

(b) Against the Directors of our Company

**NIL**

**MATERIAL DEVELOPMENTS**

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last audited financial statements disclosed in this Draft Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as mentioned below, and no further approvals are required for carrying on our present business or to undertake the Issue. Unless otherwise stated, these approvals are all valid as on the date of the Draft Prospectus.

### APPROVALS FOR THE ISSUE

#### Corporate Approvals

1. Our Board has, pursuant to a resolution passed at its meeting held on April 01, 2015 authorized the Issue.
2. Our shareholders have pursuant to a resolution passed at the extraordinary general meeting dated April 04, 2015 under Section 23(1)(a) and 62(1)(c) of the Companies Act 2013, authorized the Issue.

#### Approvals from Lenders

The Company has applied and is in the process of obtaining relevant approvals from Lenders / Bankers.

### INCORPORATION DETAILS

1. Certificate of Incorporation dated March 26, 2004 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing corporate identification no. U24231GJ2004PTC43861.
2. Certificate of Incorporation dated May 27, 2015 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing CIN U24231GJ2004PLC043861 pursuant to the conversion of Sakar from Private Limited into an unlisted public limited company.

### APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Nature of License / Approvals	Authority	Reference/ Registration No.	Date	Expiry Date
1.	Sales Tax registration (deemed to be the Value Added Tax registration) certificate in Form 2 under Rule 9 of the Gujarat Sales Tax Rules, 1969 (now replaced by Gujarat Value Added Tax Rules, 2006)	Sales Tax Officer, Class 1, Ahmedabad	Registration No. 24074501633	July 27, 2004	
2.	Registration certificate dated issued under Rule 5(1) of the CST (Registration and Turnover) Rules, 1957 stating that the Company is registered as a dealer under section 7(1) of the CST Act, 1956 for the purpose of manufacturing and reselling	Not legible	Registration No. 2457401633	July 27, 2004	
3.	Excise registration certificate in Form RC under Rule 9 of the Central Excise Rules, 2002 to operate as a	Deputy Commissioner of Central Excise, Ahmedabad	Registration No. AAICS0759HXM 001	December 17, 2004	

Sr. No.	Nature of License / Approvals	Authority	Reference/ Registration No.	Date	Expiry Date
	manufacturer of excisable goods at Block No. 10-13, Nr. N.M. Desai Petrol Pump, Sarkhej-Bavla Road, Changodar, Sarkhej, Ahmedabad				
4.	Service Tax Registration in Form ST-2 under which the Company is registered as a provider of transportation of goods by road. The registration relates to the location of the manufacturing division of the Company at Block No. 10-13, Nr. N.M. Desai Petrol Pump, Sarkhej-Bavla Road, Changodar, Taluka: Sanand, District: Ahmedabad- 382213.	Superintendent, Service Tax Division	Registration No.: AAICS0759HST001	March 05, 2004	-
5.	<b>Gujarat State Tax on Professions Traders, Callings and Employments:</b> Certificate of enrolment in Form No. 4 certifying that the Company has been registered under section 5(2) of The Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings and Employments Act, 1976.	Office of the professional tax officer, Ahmedabad	EC/07/02/006/0143	June 2008	
6.	<b>Importer-Exporter Code (IEC):</b> Certificate issued in favour of the Company for its registered office situated at 406, Silver Oaks Commercial Complex, Opposite Arun Society, Paldi, Ahmedabad-380007, Gujarat.	Foreign Trade Development Officer	IEC No. allotted to the Company is 0806009772.	October 12, 2006	
7.	Entrepreneur Memorandum Number	Joint Commissioner of Industries and General Manager, Industries Centre	240071200815	March 26, 2007	
8.	<b>Bureau Veritas Certification:</b> ISO	Bureau Veritas, India on behalf of	IND14.8848U/Q	November 14,	Novembe

Sr. No.	Nature of License / Approvals	Authority	Reference/ Registration No.	Date	Expiry Date
	9001:2008 certificate issued to the Company in relation to manufacture and dispatch of pharmaceutical oral liquid products, solid dosage forms (tablets, capsules, dry syrups and dry powder injections) of Beta Lactam and Cephalosporin groups and small volume parenteral liquid injectable	BVCH SAS- UK Branch		2014.	r 13, 2017
9.	<b>Employees Provident Fund:</b> Certificate in favour of the Company under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 setting out the terms and conditions requiring compliance by the Company such as the contribution amounts to be made by the Company as the employer and the employees under the said Act as well as the Employees Provident Fund Scheme 1952.	Regional Provident Fund Commissioner, Ahmedabad	GJ/PFC/AHD/514 95/ENF/36  The code number allotted to the Company under the certificate is 51495.	April 08, 2005	
10.	License to work a factory in Form No. 4 under Rule 5 of Gujarat Factories Rules, 1963. The license has been issued in favour of Mr. Sanjaybhai S. Shah for premises situated at Block No. 10-13, Nr. N.M. Desai Petrol Pump, Sarkhej-Bavla Road, Changodar, Taluka: Sanand, District: Ahmedabad.	Joint Director Industrial Safety and Health, Ahmedabad	Registration no. 2930/24232/2005 and License No. 15800	December 06, 2012	December 31, 2017
11.	Amendment to the original consent to establish granted under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Waste (Management, Handling and Transboundary	Gujarat Pollution Control Board	GPCB/CCA/ABD -GEN-840/ID 13561/1 52716	July 09, 2013	April 30, 2018

Sr. No.	Nature of License / Approvals	Authority	Reference/ Registration No.	Date	Expiry Date
	Movement) Rules, 2008				
12.	A certificate to the Gujarat Pollution Control Board stating that the Company is a member of the TSDF (Treatment Stabilisation Disposal Facilities) Site, Pit No. II at Odhav	Naroda Enviro Projects Limited	-	February 14, 2011	
13.	<b>Employee State Insurance:</b>	Gujarat Regional Office, Employee State Insurance Corporation	37001011440000 305	April 05, 2011	-
14.	A license validity certificate which stipulates that the drug manufacturing licences bearing number G/1686 and G/1195 issued to the Company under the Drugs and Cosmetics Act, 1940 shall continue to be valid until orders are passed on the application seeking extension of the licenses till December 19, 2019	Office of the Commissioner, Food and Drugs Control Administration	FDCA/MFG/CER TI/2014809/B1	January 02, 2015	
15.	Inspection certificate certifying that the manufacturing plant (which is located under the jurisdiction of Western Railway) is recommended for registration.	Additional Chief Medical Director, Western Railways	MD 86/3 (Inspection)	May 23, 2014	
16.	License to use alcoholic compound whereby the Company has been granted the right to buy, use and store methyl alcohol at its manufacturing plant.	Superintendent of the Prohibition and Excise, Ahmedabad	97/2014-15	December 19, 2011	
17.	Boiler registration whereby the Company has been certified to use a boiler with maximum continuous evaporation of 2000kg/hour	Assistant Director of Boiler, Gujarat State	GT- 5816	October 17, 2014	
18.	Certificate of registration certifying that the Company is an Ordinary Member of Indian Drug	Indian Drug Manufactures' Association	Membership number allotted to the Company is	April 18, 2014	

Sr. No.	Nature of License / Approvals	Authority	Reference/ Registration No.	Date	Expiry Date
	Manufactures' Association.		2158/01		
19.	Verification certificate for weights and measurements for various weighing instruments	Junior Inspector, Statutory Measurement Science	Book No. 47	October 14, 2014	
20.	Certificate of stability in Form 1A under Rule 3C of the Gujarat Factories Rules, 1963 certifying that the engineering construction in the factory premises is structurally sound for manufacturing of pharmaceutical liquid.	Ashok P. Shah (qualified as a Competent Person under rule 2A of the Gujarat Factories Rules, 1963)	GUJ/DISH/CPT/A0186/2011	October 12, 2011	
21.	A letter specifying that the Company has been registered as a member of the Gujarat Chamber of Commerce and Industry	Gujarat Chamber of Commerce and Industry	Registration number allotted to the Company is 31055	April 06, 2012	
22.	Membership letter of Pharmaceuticals Export Promotion Council of India.	Pharmaceuticals Export Promotion Council of India	PXL/HO/WEB/SM/2015-16/645	March 16, 2015	Year 2015-16
23.	Certificate granting approval to use 1x100 KVA D.G. Set at Block No. 10-13, Nr. N.M. Desai Petrol Pump, Sarkhej-Bavla Road, Changodar, Taluka: Sanand, District: Ahmedabad.	Assistant Electrical Inspector, Ahmedabad	AEI/ABD/Ins/D. G/2276	March 19, 2007	-
24.	Certificate granting approval to use 1x600 KVA and 1x320KVA D.G. Set at Block No. 10-13, Nr. N.M. Desai Petrol Pump, Sarkhej-Bavla Road, Changodar, Taluka: Sanand, District: Ahmedabad.	Electrical Inspector, Ahmedabad	eia/cert/634/2009	February 19, 2009	-
25.	Good Manufacturing Practice Certificate in relation to Oral Liquid, Tablet, Dry Syrup, Sachet, Dry Powder Injection	Food and Drugs Control Administration, Gujarat State, India	1503494	March 25, 2015	March 24, 2017
26.	Good Manufacturing Practice Certificate in	Food and Drugs Control	1407227	July 19, 2014	July 18,



Sr. No.	Nature of License / Approvals	Authority	Reference/ Registration No.	Date	Expiry Date
	relation to Small Volume Liquid Parental (Ampoule and Vial)	Administration, Gujarat State, India			2016

#### INTELLECTUAL PROPERTY

Our Company had applied for registration of the trademark “Sakar Healthcare Private Limited” in the name of our Company bearing registration number 2069102. Pursuant to the advertisement of our application 2069102 in the Trademark, the same was opposed by the Swiss Federal Institute of Intellectual Property, Stauffa Cherstrasse, Bern, Switzerland (“Opponent”) stating that stating that one of the internationally recognized and acknowledged State emblem is the coat of arms of the Swiss Confederation (Swiss cross) adopted in 1815, which consists of a perpendicular, free-standing, white cross, on a red background and that the same is protected under the Paris Convention for Protection of Industrial Property, 1883 and the Geneva Convention Act, 1960, India being a party to both the aforesaid conventions. In response thereto, our Company has filed Form TM-6, being the form of counter statement, stating that it is ready to remove the Cross used in the Mark and is in process of amending the Mark before the trademark registry, Ahmedabad. In support whereof, our Company has also filed Form TM 16, being the form for correction of clerical error, or for amendment which has been filed with the trademark registry on December 23, 2015. The status of the mark at the website of the trademark registry is currently reflected as ‘opposed’ and further procedure is awaited

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY OF THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on April 01, 2015 and by the shareholders of our Company by a special resolution, pursuant to section 23(1) (a) and 62(1)(c) of the Companies Act 2013, passed at the Extra Ordinary General Meeting of our Company held on April 04, 2015 at the registered office of our Company.

We have also obtained all necessary contractual approvals required for the Issue. For further details, refer to the chapter titled “Government and Other Statutory Approvals” beginning on page 168 of this Draft Prospectus.

We have received approval from NSE *vide* their letter dated [●] to use the name of NSE in this Draft Prospectus for listing of our Equity Shares on NSE EMERGE . For the purpose of this Issue, NSE shall be the Designated Stock Exchange.

### PROHIBITION BY SEBI

Our Company, our Promoters, our Directors, our Promoter Group and our Group Entities, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

The companies with which our Promoters, our Directors or persons in control of our Company are/ were associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

None of our Directors are in any manner associated with the securities market or associated with any entities which are engaged in securities market related business and are registered with SEBI for the same. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as Directors.

### PROHIBITION BY RBI OR ANY GOVERNMENTAL AUTHORITY

Neither our Company, nor our Promoters, or the relatives (as defined under the Companies Act) of our Promoters or Group Entities have been identified as willful defaulters by the RBI or any other governmental authority.

There are no violations of securities laws committed by them in the past or no proceedings thereof are pending against them.

### ELIGIBILITY FOR THIS ISSUE

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(2) and other provisions of Chapter XB of the SEBI ICDR Regulations, as we are an Issuer whose post-issue face value capital is more than ten Crores Rupees but less than twenty five crores rupees and we may hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”), in this case being the NSE EMERGE.

We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be 100% underwritten and that the LM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 38 of this Draft Prospectus.

2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight 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 eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled "General Information" beginning on page 38 of this Draft Prospectus.
5. The Company has Net Tangible assets of at least Rs. 3670.59 Lacs as per the latest audited financial results.
6. The Net worth (excluding revaluation reserves) of the Company is Rs. 1657.45Lacs as per the restated financial statements as on September 30, 2015.
7. The Post-issue paid up capital of the Company shall be at least Rs. 1096.10 Lacs.
8. The Company shall mandatorily facilitate trading in demat securities and is in the process of entering in to an agreement with both the depositories.
9. The Company has not been referred to Board for Industrial and Financial Reconstruction.
10. No petition for winding up is admitted by a court of competent jurisdiction or a liquidator has been appointed against the Company.
11. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
12. The Company has a website: [www.sakarhealthcare.com](http://www.sakarhealthcare.com)
13. There has been no change in the Promoter(s) of the Company in the preceding one year from the date of filling application to NSE-EMERGE Platform.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS**

**FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS.**

**“WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT 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 DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE DRAFT 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, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT 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 PROMOTER 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 DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**

6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 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. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. 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.
8. 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.
9. 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 73 OF THE COMPANIES ACT, 1956\* AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.– NOT APPLICABLE\*\*
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 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 DRAFT 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, 2009 WHILE MAKING THE ISSUE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
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, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT 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 BANKERS AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTION HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.”

*\*Section 40(3) of the Companies Act, 2013 has been notified by the Ministry of Corporate Affairs, Government of India.*

*\*\*Section 29 of the Companies Act, 2013 provides inter alia that every company making public offers shall issue securities only in dematerialised form by complying with the provisions of the Depositories Act, 1996 and the regulations made thereunder.*

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING NSE-EMERGE EXCHANGE**

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT 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 DRAFT 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 OFFERED 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, 2009.
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUB-REGULATION OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS.
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION [106P] AND [106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.”

**Note:**

The filing of this Draft Prospectus does not, however, absolve our Company from any liabilities under section 34, section 35, section 36 OR section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and 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 Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the Registrar of Companies, –Gujarat, Dadra and Nagar Haveli at Ahmedabad in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**DISCLAIMER STATEMENT FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, would be doing so at his or her own risk.

**Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company, the Underwriting Agreement entered into among the Underwriter and our Company.

Our Company and the Lead Manager shall make all information available 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 or at application/ collection centers, etc.

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter 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 and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager 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 Equity Shares.**

**PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to 'Annexure A' to this Draft Prospectus and the website of the Lead Manager at [www.vivro.net/offerdocument.aspx](http://www.vivro.net/offerdocument.aspx).

**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 not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative 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 Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lacs, pension funds with minimum corpus of Rs. 2,500 Lacs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company.

The Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft 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 the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with NSE for its observations and NSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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.

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.

#### **DISCLAIMER CLAUSE OF THE NSE-EMERGE PLATFORM**

As required, a copy of this Draft Prospectus shall be submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to the RoC filing.

#### **FILING**

This Draft Prospectus has not been filed with SEBI, nor will SEBI issue any observation on the Offer Document in term of Regulation 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the SEBI Western Regional Office, Unit No. 002, Ground Floor, Sakar I, Near Gandhigram Railway Station, Opposite Nehru Bridge, Ashram Road, Ahmedabad – 380 009, Gujarat, India. A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad, ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India.

#### **LISTING**

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from NSE-EMERGE Platform. However application will be made to the NSE-EMERGE Platform for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The NSE-EMERGE Platform has given its in-principle approval for using its name in our Draft Prospectus vide its letter dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE-EMERGE Platform, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.



Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE-EMERGE Platform mentioned above are taken within twelve Working Days from the Issue Closing Date.

### **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 for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten 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 up to three times of such amount.

### **CONSENTS**

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary and Compliance Officer, the Statutory Auditors, Peer Review Auditor, the Banker to the Issue; and (b) Lead manager, Market Makers Registrar to the Issue, Legal Advisor to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 32 of Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC. The Peer Review Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Prospectus with NSE.

### **EXPERT OPINION**

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

Our Company has received written consent from the Peer Reviewed Auditor, M/s. Shah & Dalal, Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Prospectus in relation to the report dated October 31, 2015 on the restated audited financial statements of our Company and the statement of tax benefits dated December 05, 2015 included in this Draft Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Prospectus.

### **Issue related Expenses**

The total expenses of the Issue are estimated to be approximately Rs. [•] Lacs. The expenses of the Issue include, among others, underwriting and Issue management fees, Market Making fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees.

The estimated issue expenses are as under:

<b>Particulars</b>	<b>Amount (Rs. In Lacs)</b>	<b>% of Issue Size</b>	<b>% of Issue Expenses</b>
Payment to Merchant Banker, Underwriting, Brokerage, Market Makers, Legal Advisors, Registrar, Bankers and expenses towards advertising, printing, dispatch etc.	[•]	[•]	[•]
Regulatory, marketing and other Misc. Expenses	[•]	[•]	[•]
<b>Total estimated Issue Expenses</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Lead Manager**

The total fees payable to the Lead Manager will be as per the Engagement Letter dated February 7, 2015 issued by our Company to the Lead Manager, the copy of which is available for inspection at our Registered Office.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated, a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

### **Fees Payable to Others**

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters.

## **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and selling commission for this Issue will be as set out in the Underwriting Agreement to be entered into between our Company and the Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

## **PREVIOUS RIGHTS AND PUBLIC ISSUES DURING THE LAST FIVE YEARS**

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

## **PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH**

Our Company has not issued any Equity Shares for consideration otherwise than for cash.

## **COMMISSION AND BROKERAGE ON PREVIOUS ISSUES**

Since this is an initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

## **PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:**

None of the equity shares of our Group Entities are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

## **PROMISE VERSUS PERFORMANCE FOR OUR COMPANY**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY**

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

## **STOCK MARKET DATA FOR OUR EQUITY SHARES**

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationships Committee Shareholders of the Board vide resolution passed at the Board Meeting held on April 01, 2015. For further details, please refer to the chapter titled “Our Management” beginning on page 107 of this Draft Prospectus.

Our Company has appointed Pratixa S. Seju as the Company Secretary and Compliance Officer and she may be contacted at the following address:

### **Sakar Healthcare Limited**

Plot No. 10/13, Nr. M N. Desai Petrol Pump,  
Sarkhej Bawla Highway,  
Changodar, Ahmedabad – 382 213,  
Gujarat, India

**Tel.:** +91 2717 250477

**Fax:** +91 2717 251 621

**E-mail:** [cs@sakarhealthcare.com](mailto:cs@sakarhealthcare.com)

**Website:** [www.sakarhealthcare.com](http://www.sakarhealthcare.com);

Investors can contact the Company Secretary and 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 or refund orders, etc.

## **CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS**

M/s. Shah & Dalal, Chartered Accountants were the statutory auditors of the Company till F.Y. 2012-13. M/s. A. L. Thakkar & Co., Chartered Accountants have been appointed as the Statutory Auditors from F. Y. 2013-14. Further, M/s. Shah & Dalal, Chartered Accountants, were appointed as Peer Review Auditor of our Company.

The said appointment was made in order to comply with Section (IX) of Part A of Schedule VIII of SEBI (ICDR) Regulations and to also ensure compliance with the Clause 43 (I) (c) (i) of the SME Listing Agreement. Therefore, our Company has appointed M/s. Shah & Dalal, Chartered Accountants as the Peer Review Auditors of our Company, who hold the certificate issued by the “*Peer Review Board*” of ICAI dated February 9, 2015.

#### **CAPITALISATION OF RESERVES OR PROFITS**

Save and except as stated in the chapter titled “Capital Structure” beginning on page 45 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

#### **REVALUATION OF ASSETS**

Our Company has not revalued its assets since incorporation.

#### **PURCHASE OF PROPERTY**

Other than as disclosed in this Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Prospectus.

Except as stated elsewhere in this Draft Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made thereunder.

#### **SERVICING BEHAVIOR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## **SECTION – VII ISSUE INFORMATION**

### **TERMS OF ISSUE**

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, SEBI ICDR Regulations, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, ASBA Application Form, the Revision Form, the Confirmation of Allocation Note, the Listing Agreement to be entered into with the Stock Exchange and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in terms of SEBI circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, QIB applicants, Non-Institutional applicants and other Applicants whose Application amount exceeds Rs. 2 Lacs can participate in the Issue only through the ASBA process. The Retail Individual Applicants can participate in the Issue either through the ASBA process or the non ASBA process. ASBA Applicants should note that the ASBA process involves Application procedures that may be different from the procedure applicable to non ASBA process.*

### **AUTHORITY FOR THE ISSUE**

The present Issue of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on April 01, 2015 and was approved by the Shareholders of our Company by passing Special Resolution at the Extraordinary General Meeting held on April 04, 2015 in accordance with the provisions of 23(1)(a) and 62(1)(c) and other relevant provisions of the Companies Act, 2013.

### **RANKING OF EQUITY SHARES**

The Equity Shares being offered / issued shall be subject to the provisions of the Companies Act, 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 in receipt of Allotment of Equity Shares under this Issue will be entitled to the rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act and the Articles. For further details, please refer to the section titled “Main Provisions of Articles of Association” beginning on page 219 of this Draft Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of the Companies Act, the Articles of Association, the provision of the Listing Agreement and recommended by the Board of Directors at their discretion and approved by the shareholders 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 dividend, if declared, to our Shareholders as per provisions of the Companies Act and our Articles of Association. For further details, please refer to the chapter titled “Dividend Policy” on page 127 of this Draft Prospectus.

### **FACE VALUE AND ISSUE PRICE PER SHARE**

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. 40 per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “Basis for Issue Price” beginning on page 61 of this Draft Prospectus. At any given point of time, there shall be only one denomination for 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. 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, 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 offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and preferential claim being satisfied;
- Right of free transferability 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 limited company under the Companies Act the terms of the Listing Agreement with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “Main Provisions of Articles of Association” beginning on page number 219 of this Draft 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. Further, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only.

The trading of the Equity Shares will happen in the minimum contract size of 3,000 Equity Shares and the same may be modified by the SME Platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 3,000 Equity Shares subject to a minimum allotment of 3,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

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 collected shall be refunded within 15 days of closure of Issue.

#### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Ahmedabad, Gujarat, India.

**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 offered or sold within the United States or 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, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales 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.

#### **JOINT HOLDER**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

## **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 of the Companies Act, 2013 the sole applicant, or the 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 Applicant, 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 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 (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.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. 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 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 mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

## **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten and the details of the same have been disclosed on page 41 of the Draft Prospectus.

As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days or such period as prescribed by the SEBI, from the date of the Prospectus, the application money has to be returned within such period as may be prescribed.

However as per Regulation XII (A)(9)(b) of Part A of Schedule VIII of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of 90% of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under the section 40 of the Companies Act, 2013 and applicable law.

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 collected shall be refunded within 15 days of closure of Issue.

In accordance with Regulation 106P(1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Draft Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106(R) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 106(Q) of the SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lacs Only) per application.



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.

Our company may migrate to the Main Board of NSE from the SME Stock Exchange on a later date subject to the following:

- a. If the Paid up Capital of our Company is likely to increase above Rs. 2,500 Lacs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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 and for which our Company has obtained in-principle approval from the Main Board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- b. If the Paid up Capital of our company is more than Rs. 1,000 Lacs and up to Rs. 2,500 Lacs, our Company may still apply for migration to the Main Board if our Company fulfills the eligible criteria for listing laid down by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the 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.

## MARKET MAKING

The shares offered through this Issue are proposed to be listed on the Designated Stock Exchange with compulsory market making through the registered Market Maker of the Designated Stock Exchange for a minimum period of three years or such other time as may be prescribed by the Designated Stock Exchange, from the date of listing of shares offered through the Prospectus. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 38 of this Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto Rs. 20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

## ARRANGEMENT FOR DISPOSAL OF ODD LOTS

The trading of the equity shares will happen in the minimum contract size of 3,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, 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 NSE.

## ALLOTMENT OF EQUITY SHARES IN DEMATERIALISED FORM

The investors have an option either to receive the security certificate or to hold the securities with depository. As per SEBI's circular RMB (compendium) series Circular No. 2 (1999-2000) dated February 16, 2000, it has been



decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

## **NEW FINANCIAL INSTRUMENTS**

Our Company is not issuing any new financial instruments through this Issue.

## **APPLICATION BY ELIGIBLE NRIs, FPIs REGISTERED WITH SEBI, VCFs, AIFs REGISTERED WITH SEBI AND QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## **RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page 45 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 219 of this Draft 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 Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager 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 the 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.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended, whereby, an issuer whose post issue paid up capital is more than Rs. 1,000 lacs and upto Rs. 2,500 lacs, may issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”), in this case being the SME Platform of NSE). For further details regarding the salient features and terms of such an issue please refer to chapter titled “Terms of the Issue” and “Issue Procedure” on page 186 and 193 of this Draft Prospectus.

### Following is the Issue Structure:

Public Issue of 29,61,000 Equity Shares of Face Value of Rs. 10/- each fully paid (the Equity Shares) for cash at a price of Rs. 40 per Equity Share (including a premium of Rs. 30 per Equity Share) aggregating Rs. 1184.40 Lacs (“the Issue”) by our Company.

The Issue is being made by way of Fixed Price Method.

The Issue comprises a Net Issue to public of 28,08,000 Equity Shares (i.e. the Net Issue), a reservation of 1,53,000 Equity Shares for subscription by the designated Market Maker (i.e. the Market Maker Reservation Portion”).

Particulars of the Issue	Net Issue to the Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation</b>	28,08,000 Equity Shares of Face Value Rs. 10 each	1,53,000 Equity Shares of Face Value Rs. 10 each
<b>Percentage of Issue Size available for allocation</b>	94.83% of the Issue Size	5.17% of the Issue Size
<b>Basis of Allotment/Allocation if respective category is oversubscribed</b>	Proportionate subject to minimum allotment of 3,000 Equity Shares and Further allotment in multiples of 3,000 Equity Shares each.  For further details please refer to the heading titled “Basis of Allotment” in the chapter titled “Issue Procedure” on page 203 of the Draft Prospectus.	Firm Allotment
<b>Mode of Application</b>	<b>For Other than Retail Individual Investors Applicants</b> The application must be made compulsorily through the ASBA Process.  <b>For Retail Individuals Applicants</b> Individual Applicants may apply through the ASBA or the Physical Form.	Through ASBA Process Only
<b>Minimum Application Size</b>	<b>For Other than Retail Individual Investors:</b> Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Value exceeds Rs. 2,00,000.  <b>For Retail Individuals Investors :</b> 3,000 Equity Shares	14,04,000 Equity Shares of Face Value Rs. 10 each
<b>Maximum Application Size</b>	<b>For Other than Retail Individual Investors:</b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations as applicable. <b>For Retail Individuals Investors:</b> Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Value does not exceed Rs.2 Lacs.	14,04,000 Equity Shares of Face Value of. Rs 10 each
<b>Mode of Allotment</b>	Compulsorily in dematerialized mode.	Compulsorily in dematerialized mode.
<b>Trading Lot</b>	3,000 Equity Shares	3,000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations
<b>Terms of Payment</b>	The entire Application Amount will be payable at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended. For further details please refer to “Issue Procedure” on page 193 of the Draft Prospectus.

\*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as the Issue is a fixed price issue the allocation in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to Investor Other than retail individual investors; and
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

#### **Withdrawal of the Issue**

Our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time before the Issue Opening Date without assigning any reasons.

In case, the Company wishes to withdraw the Issue after Issue Opening but before our Board meeting for Allotment, it shall provide reasons for not proceeding with the Issue within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchange shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall instruct the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Draft Prospectus, which the Company shall apply for after Allotment and the final RoC approval of the Prospectus.

#### **Issue Programme:**

<b>ISSUE OPENS ON</b>	<b> ● </b>
<b>ISSUE CLOSES ON</b>	<b> ● </b>

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date Applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) or such other extended time as may be permitted by NSE.

Applications will be accepted only on Working Days, i.e. Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (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, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The Investor may request for a copy of the General Information Document from our Company or the Lead Manager. The General Information Document is also available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors (except for Anchor Investors) and it allows the registrar, share transfer agents, depository participants and stock brokers to accept application forms. These changes are applicable for public issues which open on or after January 1, 2016. In the event that the Bid/Issue Opening Date for this Issue is on or after January 1, 2016, we will have to make appropriate changes to the “Issue Procedure” section and other sections of this Draft Prospectus, prior to filing of the Prospectus with the RoC.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and the Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

### FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI ICDR Regulations, via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit the same to the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

In compliance with section 29 of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialization form (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). The Equity Shares on Allotment shall, however, be traded only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

### APPLICATION FORM

Applicants shall only use the specified Application Form for the purpose of making an application in terms of this Draft Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed in demat form.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by the ASBA Applicants.

The prescribed color of the Application Form for various categories is as follows:

Category	Colour Of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA and Non-ASBA)	White
Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA and Non-ASBA)	Blue

In accordance with the SEBI ICDR Regulations in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional Applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

#### WHO CAN APPLY?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines are as under:

- Indian nationals resident in India who are not incompetent to contract, in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families (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". Applications by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares under their respective constitutional or charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs cannot participate in the Issue;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non Institutional Investor category;
- Venture Capital Funds registered with SEBI;
- FVCI registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in Equity Shares;
- Scientific and/or industrial research organizations authorised in India to invest in Equity Shares;
- Insurance companies registered with the Insurance Regulatory development Authority, India;

- Provident Funds with a minimum corpus of Rs. 2,500 lakh and who are authorised under their constitutional documents to hold and invest in Equity Shares;
- Pension Funds with a minimum corpus of Rs. 2,500 lakh and who are authorised under their constitutional documents to hold and invest in Equity Shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Multilateral and Bilateral Development Financial Institutions;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India; and
- Any other person eligible to apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

**Applications not to be made by:**

- Minors (except those having valid demat account, as per Demographic Details provided by Depositories)
- Partnership firms or their nominations
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies (OCBs)

**Please note that, as per the existing regulations, OCBs cannot apply/participate in this Issue.**

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.

#### **PARTICIPATION BY ASSOCIATES OF THE LEAD MANAGER**

The Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling its underwriting obligations or market making obligations. However, associates and affiliates of the Lead Manager may subscribe to or purchase Equity Shares in the Issue on a proportionate basis. Such holding or subscription may also be on behalf of its clients.

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centre's of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- Allotment in this issue will be only in dematerialization form

- The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- A single Application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

#### **APPLICATIONS BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

**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.**

**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.**

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON REPATRIATION**

Application must be made only in the names of individuals, limited companies or Statutory Corporations/institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu undivided families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

#### **APPLICATIONS BY ELIGIBLE NRIS/FPIs ON REPATRIATION BASIS**

**Eligible NRIs may apply through any of the following ways:**

- In case of applications on repatriation basis shall use the Application Form meant for NRIs (Blue in colour) or
- In case of applications on non-repatriation basis shall use the Application Form meant for resident Applicants (White in colour).

Application Forms have been made available for Eligible NRIs at our registered Office. Eligible NRI Applicants may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians. Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis. Allotment of Equity Shares to NRIs shall be subject to the prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws. The Company does not require approvals from FIPB or RBI for the issuance of Equity Shares in the Issue to eligible NRIs, FPIs registered with SEBI and multilateral and bilateral development financial institutions.

As per the current regulations, the following restrictions are applicable for investments by FPIs:

- A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective

investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the RBI from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFCs) by the RBI; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by SEBI from time to time.

- Where a FII or a sub account, prior to commencement of FPI Regulations, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
- In respect of investments in the secondary market, the following additional conditions shall apply:
  - a) A FPI shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b) Nothing contained in clause (a) shall apply to:
    - (i) Any transactions in derivatives on a recognized stock exchange;
    - (ii) Short selling transactions in accordance with the framework specified by SEBI;
    - (iii) Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the SEBI ICDR Regulations;
    - (iv) Any other transaction specified by SEBI.
  - c) No transaction on the stock exchange shall be carried forward;
  - d) The transaction of business in securities by a FPI shall be only through stock brokers registered by SEBI; provided nothing contained in this clause shall apply to:
    - (i) transactions in Government securities and such other securities falling under the purview of the RBI which shall be carried out in the manner specified by the RBI;
    - (ii) sale of securities in response to a letter of offer sent by an acquirer in accordance with the SEBI Takeover Regulations;
    - (iii) sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
    - (iv) sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 1998;
    - (v) divestment of securities in response to an offer by Indian companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by RBI from time to time;
    - (vi) Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;



(vii) Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the SEBI ICDR Regulations;

(viii) Any other transaction specified by SEBI.

e) A FPI shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of these regulations, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by SEBI, securities shall be registered in the name of the FPI as a beneficial owner for the purposes of the Depositories Act, 1996.

- The purchase of equity shares of each company by a single FPI or an investor group shall be below ten percent of the total issued capital of the company.
- The investment by the FPI shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
- In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, SEBI may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
- A FPI may lend or borrow securities in accordance with the framework specified by SEBI in this regard.
- No FPI may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
  - a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
  - b) Such offshore derivative instruments are issued after compliance with “know your client” norms:

Provided that those unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III FPI shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

- A FPI shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
- FPIs shall fully disclose to SEBI any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as SEBI may specify.
- Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of FPI Regulations shall be deemed to have been issued under the corresponding provisions of the FPI Regulations.
- The purchase of equity shares of each company by a single FPI or an investor group shall be below 10% of the total issued capital of the company.

- An FII or its subaccount who holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as an FPI or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
- A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the FPI Regulations, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

#### **APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS, FOREIGN VENTURE CAPITAL INVESTORS**

As per the current regulations, the following restrictions are applicable for SEBI Registered VCFs and FVCI:

The SEBI (Alternative Investment Funds) Regulations, 2012 (“**AIF Regulations**”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual VCF in one company should not exceed 25% of the corpus of the venture capital fund, a FVCI can invest its entire funds committed for investments into India in one company. Further, VCF and FVCI can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

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 VCF 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 AIF Regulations shall continue to be regulated by the SEBI (Venture Capital) Regulations, 1996, provided that such funds shall not launch any new scheme after notification of AIF Regulations (Equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, 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 accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- Equity shares of a company : the least of 10% of the investee company’s subscribed capital (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;
- The entire group of the investee company : the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and
- The industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of ULIPs).

#### **APPLICATIONS MADE BY PROVIDENT FUNDS / PENSION FUNDS**

In case of the applications made by provident funds / pension funds, subject to applicable law, with minimum corpus of Rs. 2,500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be lodged along 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.

#### **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 UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, Mutual Funds, insurance companies and provident funds and pension funds with a minimum corpus of Rs. 2,500 Lacs (subject to applicable law), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the 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 addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to applications by VCFs, AIFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to applications by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged along with the Application Form.
- With respect to applications made by provident funds with a minimum corpus of Rs. 2,500 Lacs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company and the Lead Managers may deem fit.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue, that for the purpose of printing particulars on the refund order and mailing of the refund order/ allotment advice or refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicants). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Application Form instead of those obtained from the Depositories.

***The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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.***

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### **For Retail Individual Applicants:**

The Application must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2 Lacs. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2 Lacs.

### **For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2 Lacs and in multiples of 3,000 Equity Shares thereafter. An Application cannot be submitted for more than the 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 ICDR 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.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

#### **INFORMATION FOR THE APPLICANTS**

- Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the registered office of the LM.
- Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- Applications made in the name of minors and/or their nominees shall not be accepted.
- Applicants are requested to mention the Application Form number on the reverse of the instrument to avoid misuse of instrument submitted along with the Application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the Application Form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.
- The Applicants, or in the case of Application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified for persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.

**The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.**

#### **APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS**

**Please note that providing bank account details 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, the Registrar to the Issue will obtain from the Depository the Demographic Details including address, Applicant's bank account details, MICR code and occupation. These Bank Account details would be used for giving refunds to the Applicants or unblocking the ASBA Accounts. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants or unblocking of ASBA Account at the Applicants sole risk and none of the LM or the Registrar, the Escrow Collection Banks, the SCSB, or the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. 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. It is mandatory that Applicants provide bank account

details in the space provided in the application form and applications that do not contain such details are liable to be rejected.

**Refund orders/allocation advice would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ allocation advice may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicant's sole risk and neither our Company nor the Escrow Collection Banks, the Registrar to the Issue or the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/First Applicant (including the order of names of joint holders), the DP ID and the beneficiary's identity, then such applications are liable to be rejected.

**IT IS MANDATORY FOR ALL THE APPLICANTS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM.**

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the Allotment will be made on a proportionate basis in marketable lots as set forth here:

- The total number of Equity Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Equity Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- The number of Equity Shares to be Allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. total number of Equity Shares applied for into the inverse of the over subscription ratio).
- For applications where the proportionate allotment works out to less than 3,000 equity shares the allotment will be made as follows:
  - Each successful applicant shall be allotted 3,000 Equity Shares; and
  - The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares worked out as per (2) above.
- If the proportionate allotment to an applicant works out to a number that is not a multiple of 3,000 equity shares, the number in excess of the multiple of 3,000 would be rounded off to the higher multiple of 3,000 if that number is 3,000 or higher. If that number is lower than 3,000, it would be rounded off to the lower multiple of 3,000. All Applicants in such categories would be allotted Equity Shares arrived at after such rounding off.
- If the Equity Shares Allotted on a proportionate basis to any category is more than the Equity Shares allotted to the Applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Equity Shares are not sufficient for proportionate Allotment to the successful Applicants in that category, the balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising of Applicants applying for the

minimum number of Equity Shares. If as a result of the process of rounding off to the lower nearest multiple of 3,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.

- The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to Retail Individual Investors as the case may be.
  - The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than Retail Individual Investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - The unsubscribed portion of the net offer to any one of the categories above shall/may be made available for allocation to applicants in the other category, if so required.
  - As per Regulation 43 (4) of SEBI (ICDR) Regulations as amended, if the Retail Individual Investor category is entitled to more than 50% on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 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 Stock Exchange.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

## TERMS OF PAYMENT

The entire Issue Price of Rs. 40 per share is payable on Application. In case of allotment of lesser number of Equity Shares than the number Applied, The Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013; non-CTS cheques are processed in three CTS centres in separate clearing session. This separate clearing session will operate thrice a week up to April 30, 2014, thereafter twice a week up to October 31, 2014 and once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 15 days of the Issue Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Issue Closing Date.

Cash/ Stock Invest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each Application Form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

- The payment instruments for payment into the Escrow Account should be drawn in favour of:
  - Indian Public including eligible NRIs applying on non repatriation basis: **“Sakar –Public Issue - R”**.



- In case of Non Resident Retail Applicants applying on repatriation basis: **“Sakar –Public Issue - NR”**
- In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
- Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares Allocated will be refunded to the Applicant from the Refund Account.
- On the Designated Date and no later than 15 days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

### **PAYMENT BY STOCK INVEST**

In terms of the RBI Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **GENERAL INSTRUCTIONS**

#### ***Do's:***

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity;
- Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- 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.

#### ***Don'ts:***

- Do not apply for lower than the minimum Application size;
- Do not apply at 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 Bankers of the Issue;
- 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 same to the Selected Branches / Offices of the Banker to the Issue;



- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or the 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.

#### **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

Applications must be:

- Made only in the prescribed Application Form;
- Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, in the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Bankers to the Issue and/or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms;
- Information provided by the Applicants will be uploaded in the online IPO system by the Bankers to the Issue and the SCSBs, as the case may be and the electronic data will be used to make allocation/Allotment. The Applicants should ensure that the details are correct and legible;
- For Retail Individual Applicants, the Application must be for a minimum of 3,000 and in multiples of 3,000 thereafter subject to a maximum Application Amount of Rs. 2,00,000.
- For Non Retail Applicants, Applications must be for a minimum of such number of Equity Shares that the Application Amount exceeds or equals to Rs. 2,00,000 and in multiples of 3,000 Equity Shares thereafter.
- Applications cannot be more than the size of the Issue. Applications must be submitted through the ASBA process only.
- In single name or in joint applications, only the name of the First Applicant (which should also be the first name in which the beneficiary account is held) should be provided in the Application Form.
- Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

#### **APPLICATIONS BY NON-RESIDENTS INCLUDING ELIGIBLE NRIS, FPIS, AIFS AND FOREIGN VENTURE CAPITAL INVESTORS ON A REPATRIATION BASIS**

Applications must be made in the following manner:

Application Form should be Blue in colour and completed in full in BLOCK LETTERS in English in accordance with the instructions contained therein.

In a single name or in case of joint applications, only the name of the First Applicant (which should also be the first name in which the beneficiary account is held) should be provided in the Application Form.

Applications on a repatriation basis shall be in the names of individuals, or in the name of FPIs or AIFs, or FVCIs but not in the names persons not competent to contract under the Indian Contract Act, 1872, as amended, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs or Eligible FPIs) or their nominees.

Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and / or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in

the Application Form. Our Company and the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, Eligible FPIs, QFIs, VCFs or AIFs registered with SEBI and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

## **PAYMENT INSTRUCTIONS**

### **Escrow Mechanism for Applicants other than ASBA Applicants**

Our Company, Registrar to the Issue and the Escrow Collection Banks shall enter into an Escrow Agreement pursuant to which Escrow Account(s) with one or more Escrow Collection Bank(s) will be opened in whose favour the Applicants shall make out the cheque or demand draft in respect of his or her application. Cheques or demand drafts received for the full Application Amount from Applicants would be deposited in the Escrow Account. Please note that escrow mechanism is applicable only to Applicants applying by way of non ASBA process. The Escrow Collection Banks will act in terms of the Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Applicants shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Draft Prospectus. The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment mechanism for ASBA Applicants**

The ASBA Applicants shall specify the bank account number in the 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 Amount 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 pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are Non Retail Applicants or are applying in this Issue for Equity Shares for an amount exceeding Rs. 2,00,000 shall mandatorily make use of ASBA facility.

### **Payment into Escrow Account for Applicants other than ASBA Applicants**

Each Applicant shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the application as per the following terms:

All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.

The Applicants (excluding ASBA Applicants) shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Account and submit the same to the Bankers to the Issue. If the payment is not made favouring the Escrow Account along with the Application Form, the application of the Applicant shall be rejected.

The payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of Resident Retail: “**Escrow Account – Sakar – Public Issue - R**”

b. In case of Non-Resident Retail: “**Escrow Account – Sakar – Public Issue - NR**”

In case of Applications by eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on Application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of an NRO Account of Non-Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

In case of Applications by eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Applicant applying on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

In case of applications by FPIs/FVCIs/multilateral and bilateral financial institutions, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

The monies deposited in the Escrow Account will be held for the benefit of the Applicants (other than the ASBA Applicants) till the Designated Date.

On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at and is a member of or sub-member of the bankers’ clearing house located at the centre where the Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stock invest/money orders/postal orders will not be accepted.

Payments made through cheques without the Magnetic Ink Character Recognition (MICR) code will be rejected.

Applicants are advised to provide the number of the Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.

## **SUBMISSION OF APPLICATION FORM**

All Application Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Bankers to the Issue at the time of submission of the application. With respect to the ASBA Applicants, the Application Form shall be submitted to the Designated Branches of the SCSBs. No separate receipts shall be issued for the money payable on the submission of Application Form. However, the collection centre of the Bankers to the Issue will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as a duplicate of the Application Form for the records of the Applicant.

## **OTHER INSTRUCTIONS**

### **Joint applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). However, the Application Form should contain only the name of the First Applicant. In the case of joint applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **Multiple Applications**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. In case of a Mutual Fund, a separate Application may be made in respect of each scheme of the Mutual Fund and such Applications in respect of over 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. After submitting an Application to SCSB using an Application Form either in physical or electronic mode, an ASBA Applicant cannot apply, either in physical or electronic mode, whether on another Application Form, to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected either before entering the Application into the electronic collecting system or at any point of time prior to the Allocation or Allotment of the Equity Shares in the Issue. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account. Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. Our Company, in consultation with the Lead Manager, reserves the right to reject, in its absolute discretion, all (or all except one) multiple Application(s) in any or all categories. In this regard, the procedures which would be followed by the

### **Detection of multiple applications**

All Applications will be checked for common PAN as per the records of Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.

The Applications from Mutual Funds and FII sub-accounts, which were submitted under the same PAN, as well as Applications on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the applications will be scrutinised for DP ID and beneficiary account numbers. In case such applications bear the same DP ID and beneficiary account numbers, these will be treated as multiple Applications and will be rejected.

### **Permanent Account Number or PAN**

Except for Applications on behalf of the Central or State Government and the officials appointed by the courts, the Applicants, or in the case of an application in joint names, each of the Applicants, should mention his/ her Permanent Account Number (PAN) allotted under the Income Tax Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction.

Any Application Form without the PAN is liable to be rejected, except for resident in the State of Sikkim, on behalf of the Central or State Governments and the officials appointed by the courts, may be exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground. However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e. either Sikkim category or exempt category.

Further the beneficiary accounts of the Applicants for whom PAN details have not been verified will be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Applicants.

## REJECTION OF APPLICATIONS

In case of Non-Retail Applicants and Retail Individual Applicants, our Company has a right to reject applications based on technical grounds. Consequent refunds shall be made by RTGS / NEFT / NES / Direct Credit/cheque or pay order or draft and will be sent to the Applicant's address at the Applicant's risk. With respect to applications by ASBA Applicants, the Designated Branches of the SCSBs shall have the right to reject Applications by ASBA Applicants if at the time of blocking the Application Amount in the Applicant's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Applicant's bank account maintained with the SCSB. Subsequent to the acceptance of the applications made by ASBA Applicants by the SCSB, our Company would have a right to reject the applications by ASBA Applicants only on technical grounds.

### Grounds for Technical Rejections

Applicants are advised to note that applications are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the value of Equity Shares applied for. With respect to applications by ASBA Applicants, the amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors (except those having valid demat account, as per Demographic Details provided by Depositories);
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central and State Government and the officials appointed by the courts and by investors residing in the State of Sikkim;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Submission of more than five Application Forms per bank account, in case of applying under the ASBA process;
- Applications by Applicants whose demat accounts have been 'suspended for credit';
- Applications for number of Equity Shares which are not in multiples of 3,000;
- Applications for an Application Amount less than Rs.1,00,000;
- Category not indicated;
- Multiple applications as defined in this Draft Prospectus;
- In case of applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Applications accompanied by stockinvest / money order / postal order/cash;
- Signature of sole Applicant missing;
- Application Forms does not have Applicant's Depository Account details;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;

- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the DP ID and the beneficiary's account number;
- With respect to applications by the ASBA Applicants, if there are inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Applications for amounts greater than the maximum permissible amounts prescribed by the SEBI ICDR Regulations;
- Applications in respect where the Application Forms do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Applications where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Application Forms submitted under the ASBA process not having details of the ASBA Account to be blocked;
- Application Forms not containing the authorizations for blocking the Application Amount in the bank account specified in the Application Form;
- Applications by Non Retail Applicants not submitted through ASBA process;
- Applications by Non Retail Applicants accompanied by cheque(s) or demand draft(s);
- Signature of the Applicant not matching with his signature on record with the SCSB in the event an Application Form is submitted through a Banker to the Issue;
- Applications by any person outside India if not in compliance with applicable foreign and Indian Laws including FEMA and the FEMA Regulations; and
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

**IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC COLLECTING SYSTEM OF THE STOCK EXCHANGE OR THE BANKERS TO THE ISSUE /THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

### **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:***

***i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***

***ii. 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***

***iii. 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 of Companies Act, 2013.”***

### **SIGNING OF UNDERWRITING AGREEMENT**

This issue is 100% Underwritten and the Company has entered into an Underwriting Agreement dated [●], 2015.

#### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli at Ahmedabad in terms of Section 32 of Companies Act, 2013.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation.

#### **DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 15 days of the Issue Closing Date.

In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within two months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account.

Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated / Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL/CDSL**

The Allotment of Equity Shares in this Issue shall be only in a dematerialized form (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

Agreement dated May 19, 2015 between NSDL, our Company and the Registrar to the Issue; and

Agreement dated April 24, 2015 between CDSL, our Company and the Registrar to the Issue.

Our Company's International Securities Identification Number (ISIN) is INE732S01012.

All Applicants can seek Allotment only in dematerialised mode. Applications from any Applicant without relevant details of his or her Depository Account are liable to be rejected.



- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the application.
- The Applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Application Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form should be identical to those appearing in the account details in the Depository.
- In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application-Form vis-à-vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of our Company would be in dematerialized form only for all investors in the demat segment of the respective Stock Exchange.
- Non transferable advice or refund orders will be directly sent to the Applicants by the Registrar to the Issue.

## 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 Bankers to the Issue or the Designated Branch of the SCSBs where the Application was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA applications, bank account number in which the amount equivalent to the Application Amount was blocked.

**Applicants 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 Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted with the Designated Branches of the SCSBs, Applicants can contact the Designated Branches of the SCSBs.**

## PAYMENT OF REFUND

Applicants other than ASBA Applicants must note that on the basis of the names of the Applicant's DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain, from the Depositories, the Applicants' bank account details, including the nine digits MICR code as appearing on a cheque leaf. On the Designated Date and no later than 15 days from the Issue Closing Date, the Escrow Collection Banks shall dispatch refund orders for all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also the excess amount paid on applying, if any, after adjusting for Allocation/Allotment to such Applicants.

### Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through various modes in the following order of preference:

- **NECS** – Payment of refund would be done through NECS for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be



subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for Applicants having a bank account at any of the centres where such facility has been made available, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

- **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Banker(s) for the same would be borne by our Company.
- **RTGS** – Applicants having a bank account at any of the centres where clearing houses are managed by the RBI and whose refund amount exceeds Rs 2,00,000 will be considered to receive refund through RTGS. For such eligible Applicants, Indian Financial System Code (IFSC) will be derived based on the MICR code of the Applicant as per depository records/RBI master. In the event the same is not available as per depository records/RBI master, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
- **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the Applicants through this method. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Investors are requested to note that the Government of India has discontinued the facility of dispatch of refund orders of value up to Rs 1,500 under certificate of posting.

#### **Mode of making refunds for ASBA Applicants**

In case of ASBA Applicants, the Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA applications within 15 days of the Issue Closing Date.

#### **DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

With respect to Applicants other than ASBA Applicants, our Company shall ensure dispatch of allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 15 days from the Issue Closing Date. In case of Applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund. Our Company shall ensure that all the steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed, are taken within 15 days from the Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI ICDR Regulations, our Company further undertakes that:

Allotment of Equity Shares shall be made only in dematerialised form within 15 days of the Issue Closing Date; and

With respect to Applicants other than ASBA Applicants, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 days of the Issue Closing Date would be ensured. With respect to the ASBA Applicants, instructions for unblocking of the ASBA Applicant's Bank Account shall be made within 15 days from the Issue Closing Date. Our Company shall pay interest at 15% per annum for any delay beyond the 15 days' time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 days' time period prescribed above. If such money is not repaid within the aforesaid period of 15 days, then our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

### **Letters of Allotment or Refund Orders**

Our Company shall credit the Allotted Equity Shares to the beneficiary account with Depository Participants within 15 days from the Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the Applicant's sole risk within 15 days of the Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days of the Issue Closing Date. In case of ASBA Applicants, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA applications within 15 days of the Issue Closing Date.

### **Interest in case of delay in dispatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar**

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI ICDR Regulations, our Company agrees that as far as possible Allotment of Equity Shares to the public and credit to the successful Applicants' Depository Accounts will be completed within 15 days from the Issue Closing Date. Our Company further agrees that they shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above. However applications received after the closure of the Issue in fulfillment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest. Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

## **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
- That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed within 12 working days from the Issue Closing Date;
- That funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice 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;
- That the certificates of the securities/ refund orders to the eligible NRIs shall be dispatched within specified time;
- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the application monies are refunded on account of non-listing, under-subscription etc.; and
- That adequate arrangement shall be made to collect all Application Forms and to consider them similar to non- ASBA applications while finalizing the basis of allotment.

Our Company shall not have recourse to the Issue proceeds until the receipt of final listing and trading approval for trading of the Equity Shares from the Stock Exchange where listing is sought.

#### **UTILISATION OF ISSUE PROCEEDS**

Our Board of Directors certifies that:

All monies received out of the Issue shall be 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;

Details of all monies utilised out of Issue shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised; and

Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested.

#### **WITHDRAWAL OF THE ISSUE**

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- The final listing and trading approvals of NSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
- The final RoC approval of the Draft Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

#### **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

**This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft 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 [http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1365051213899.html](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html). For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

#### **ASBA PROCESS**

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. 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 bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### **Who can apply?**

In accordance with the SEBI (ICDR) Regulations in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, , money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI ICDR Regulations, into the Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of 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. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment Policy ("FDI Policy") issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI ("DIPP") by circular 1 of 2015, with effect May 12, 2015 ("Circular 1 of 2015"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Circular 1 of 2015 will be valid until the DIPP issues an updated circular.

RBI has also issued a Master Circular on Foreign investment in India dated July 01, 2015 which is valid till June 30, 2016 ("Master Circular"). In terms of the Master Circular, an Indian company may issue fresh shares to person resident outside India (who are eligible to make investments in India, for eligibility criteria as are prescribed). Such fresh issue of shares shall be subject inter-alia, to the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares as also subject to making certain filings including filing of Form FC-GPR.

Currently, we have no foreign investment in our Company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and the non-resident shareholding is within the sectorial limits under the FDI Policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

**The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. However 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 LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

## SECTION – VIII MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Table F of Schedule I to the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of our Articles relating, inter alia, to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

Clause No.	Sub Clause	Particulars of Articles	Title of Article
<b>CAPITAL</b>			
3.	(a)	The Authorised Share Capital of the Company will be as that specified in Clause V of the Memorandum of Association from time to time in accordance with the regulations of the Company and the legislative provision for the time being in force in this behalf and power to divide the Share Capital into Equity Share Capital or Preference Share Capital and to attach thereto respectively, any preferential, qualified or special rights, privileges or conditions, and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents PROVIDED HOWEVER that where any Government has made an order under sub-section 4 of Section 62 of the Companies Act, 2013 directing that any debenture issued by the Company or loan taken by the Company or any part thereof shall be converted into shares of the Company and no appeal has been preferred to the Tribunal under sub-section (4) of Section 62 of the Companies Act, 2013 or where such appeal has been dismissed, the memorandum of the Company shall, where such order has the effect of increasing the Authorised Share Capital, stand altered and the Authorised Share Capital of the Company shall stand increased by an amount equal to the amount of the value of the shares into which such debentures or loans or part thereof has been converted.	<b>Authorised Share Capital</b>
	(b)	The holders of Preference Shares shall be entitled to be paid out of the profits which the Directors shall determine to distribute by way of dividend, a fixed cumulative preferential dividend at such rates as may be fixed by the Company (free of Company's tax but subject to deduction of tax at source at the prescribed rate), on the amount credited as paid up thereon and to the right, on winding up, to be paid all arrears of preferential dividend, whether earned or declared or not, down to the commencement of winding up, and also to be repaid the amount of capital paid or credited as paid up on the Preference Shares held by them respectively in priority to any payment in respect of Equity Shares, but shall not be entitled to any other rights in the profits or assets of the Company. Subject as aforesaid and to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the Equity Shares, in the event of the winding up of the Company, the holders of the Equity Shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such shares and all surplus assets thereafter shall belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid up on such Equity Shares respectively at the commencement of the winding up.	<b>Preference Shares, Rights of Holders</b>
	(c)	Subject to the provisions of Section 80 of the Companies Act, 1956 (as may be applicable) and Section 55 of the Companies Act, 2013 (as may be applicable) the following provisions shall apply in regards to redemption of Cumulative Preference Shares:	

		(i) The Company may subject to the terms of issue at any time but in any event not later than twenty years from the issue of shares apply any profits or monies of the Company which may be lawfully applied for the purpose in the redemption of the preference shares at par together with a sum equal to arrears of dividend thereon down to the date of redemption.	
		(ii) In the case of any partial redemption under sub-clause (c)(i) of this Article, the Company shall for the purpose of ascertaining the particular shares to be redeemed, cause a drawing to be made at the office or at such other place as the Directors may decide, in the presence of a representative of the Auditors for the time being of the Company.	
		(iii) Forthwith after every such drawing the Company shall give to the holders of the shares drawn for redemption notice in writing of the Company's intention to redeem the same fixing a time (not less than three months thereafter) and the place for the redemption and surrender of the shares to be redeemed.	
		(iv) At the time and place so fixed each holder shall be bound to surrender to the Company the Certificate for his shares to be redeemed and the Company shall pay to him the amount payable in respect of such redemption and where any such Certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh Certificate thereof.	
	(d)	Subject to the provisions of the Articles, the Company shall be entitled to create and issue further Preference Shares ranking in all or any respects pari passu with the said Preference Shares, PROVIDED in the event of its creating and/or issuing Preference Shares in future, ranking pari passu with the Preference Shares proposed to be issued, the Company would do so only with the consent of the holders of not less than three-fourths of the Preference Shares then outstanding.	
	(e)	The Redeemable Cumulative Preference Shares shall not confer on the holders thereof the right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 47(2) of the Companies Act, 2013.	
	(f)	The rights, privileges and conditions for the time being attached to the Redeemable Cumulative Preference Shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.	
4	(a)	The Company in general meeting may, by ordinary resolution from time to time, increase the capital by creation of new shares of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with Sections 47 and 55 of the Companies Act, 2013.	<b>Increase of capital by the Company and how carried into effect</b>
	(b)	Whenever the capital of the Company has been increased under the provisions of this Article the Company shall file with the Registrar notice of the increase of capital as required by Section 64 of the Companies Act, 2013 within thirty days of the passing of the resolution authorising the increase, or of the receipt of the order of the Government or consequent upon an order made by the Government under Section 62 of the Companies Act, 2013.	

5		Neither the original capital nor any increased capital shall be more than two kinds, namely (i) Equity Share Capital and (ii) Preference Share Capital, as defined in Section 43 of the Companies Act, 2013.	<b>Capital of two kinds only.</b>
6		Except in so far as otherwise provided by the conditions of issue or by these Articles any capital raised by creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<b>New Capital same as existing capital</b>
7		Subject to the provisions of Section 55 of the Companies Act, 2013, the Company shall have the power to issue Preference Shares which are or at the option of the Company are to be liable to the redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.	<b>Redeemable Preference Shares</b>
8		On the issue of Redeemable Preference Shares under the provisions of Article 7 hereof and subject to the provisions of the Act, the following provisions shall take effect :	<b>Provisions to apply on Issue of Redeemable Preference Shares</b>
	(a)	No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption.	
	(b)	No such shares shall be redeemed unless they are fully paid.	
	(c)	The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Securities Premium Account, before the shares are redeemed.	
	(d)	Where such shares are proposed to be redeemed out of the profits of the Company, there shall out of such profits, be transferred to a reserve fund to be called 'The Capital Redemption Reserve Account', a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Companies Act, 2013 relating to the reduction of the Share Capital of the Company shall, except as provided in Section 55 of the Companies Act, 2013, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.	
	(e)	Subject to the provisions of Section 55 of the Companies Act, 2013, the redemption of Preference Shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.	
9		The Company may from time to time by special resolution, subject to confirmation by the Court or the Tribunal (as may be applicable) and subject to the provisions of Sections 52, 55 and 66 of the Companies Act, 2013 and other applicable provisions, if any, reduce its share capital in any manner and in particular may –	<b>Reduction of Capital</b>
	(a)	extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or	
	(b)	either with or without extinguishing or reducing the liability on any of its shares, -	
		(i) cancel any paid up share capital which is lost or is unrepresented by available assets;	
		(ii) pay off any paid up share capital which is in excess of the wants of the Company.	
9A		Notwithstanding anything contained in these Articles, the Company may purchase its own shares or other securities, and the Board of Directors may, when and if thought fit, buy back	<b>Buy Back of Shares</b>



		such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted by law.	
<b>10</b>		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.	<b>Increase of Share Capital</b>
<b>10A</b>		Subject to the provisions of Section 61 of the Companies Act, 2013, the Company in general meeting may from time to time by an ordinary resolution alter its Memorandum to:	<b>Consolidation, division, subdivision And cancellation of shares</b>
	<b>(a)</b>	Consolidate and divide all or any of its capital into shares of larger amount than its existing shares;	
	<b>(b)</b>	Sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;	
	<b>(c)</b>	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 and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act. Whenever the Company does any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c), the Company shall, within thirty days thereafter give notice thereof to the Registrar as required by Section 64 of the Companies Act, 2013 specifying, as the case may be, the shares consolidated, divided, sub-divided or cancelled.	
<b>11</b>		Whenever the share capital of the Company, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Companies Act, 2013, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to general meetings shall, mutatis mutandis, apply to every such meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. Provided that if variation by one class of shareholders of the Company affects the rights of any other class of  Shareholders of the Company, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this Article shall apply to such variation. The rights conferred upon the holders of the shares (including Preference Shares, if any) of any class issued with preferred or other rights or privileges shall unless otherwise expressly provided by the terms of the issue of shares of that class be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	<b>Modification of rights</b>
<b>SHARES, DEBENTURES, OTHER SECURITIES AND CERTIFICATES</b>			
<b>12A</b>	<b>(1)</b>	Notwithstanding anything to the contrary contained in these Articles, the Company shall be entitled to dematerialise and rematerialise its existing shares, debentures and other securities	<b>Dematerialisation</b>

		and/or to offer its fresh shares, debentures and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any, and the register and index of beneficial owners maintained by the relevant Depository under section 11 of the Depositories Act, 1996, shall be deemed to be the corresponding register and index maintained by the Company.	
	(2)	Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is a beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed issue to the beneficial owner the required Certificates of Securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in the records the name of the allottee as the beneficial owner of the security.	<b>Options for Investors</b>
	(3)	All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in sections 89 and 112 and such other applicable provisions of the Companies Act, 2013 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.	<b>Securities with Depositories to be in fungible form</b>
	(4)	(a) Notwithstanding anything to the contrary contained in the Companies Act, 1956, the Companies Act, 2013 or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner. (b) Save and otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all liabilities in respect of the securities held by a Depository on behalf of the beneficial owner.	<b>Rights of Depositories and Beneficial Owners</b>
	(5)	Notwithstanding anything contained in the Companies Act, 1956, the Companies Act, 2013 or these Articles to the contrary, where securities are held with a Depository the records of the beneficial ownership may be served by such Depository on the Company by means of registered post or by speed post or by courier service or by leaving it at its Registered Office or by means of such electronic or other mode as may be prescribed.	<b>Service of Documents</b>
	(6)	Nothing contained in Section 56 of the Companies Act, 2013, or these Articles shall apply to transfer of securities issued by the Company, effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.	<b>Transfer of Securities</b>
	(7)	Notwithstanding anything contained in Section 56 of the Companies Act, 2013 or these Articles, where securities issued by the Company are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.	<b>Allotment of Securities dealt with in a Depository</b>
	(8)	Nothing contained in Section 56 of the Companies Act, 2013 or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company, shall apply to securities held with a Depository.	<b>Distinctive numbers of Securities held with a Depository</b>

<b>13</b>		The Board of Directors shall observe the restrictions as to allotment of shares to the public contained in Section 39 of the Companies Act, 2013, as well as any other applicable provisions of the Act, and shall cause to be made the returns as to allotment provided for in Section 39 of the Companies Act, 2013 and/or as may be prescribed under the Act.	<b>Restriction on Allotment and Return of Allotment</b>
<b>14</b>	<b>(1)</b>	Where at any time, it is proposed to increase the subscribed capital of the Company by issue of further shares, such further shares shall be offered;	<b>Further Issue of capital</b>
		<p>(a) to the persons who, at the date of the offer, are holders of the Equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions namely:</p> <p>(i) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined. Such notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue;</p> <p>(ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (i) hereof shall contain a statement of this right, PROVIDED THAT the Directors may decline, without assigning any reason, to allot any shares to any person in whose favour any member may renounce the shares offered to him;</p> <p>(iii) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.</p> <p>(b) to the employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed</p>	
	<b>(2)</b>	Notwithstanding anything contained in sub-clause (1) hereof, the further shares aforesaid may be offered to any persons, if a special resolution to that effect is passed by the Company in general meeting, whether or not those persons include the persons referred to in sub-clause (1) (a) hereof, either for cash or for a consideration other than cash in accordance with the provisions of Section 62 of the Companies Act, 2013 (and the rules made thereunder) and in accordance with applicable rules and regulations prescribed by SEBI in this regard from time to time.	
	<b>(3)</b>	Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or the terms of any loans raised by the Company to convert such debentures or loans into shares in the Company. PROVIDED that the terms of issue of such debentures or terms of such loan containing such an option have been approved before the issue of such debentures or the raising of such loan by a special resolution passed by the Company in a general meeting.	
	<b>(4)</b>	Notwithstanding anything contained in sub-clause (3) above, where any debentures have been issued or loan has been	

		obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion. Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.	
	(5)	In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.	
	(6)	Where the Government has, by an order made under sub-clause (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (4) or where such appeal has been dismissed, the Memorandum of the Company shall, where such order has the effect of increasing the authorised share capital of the Company, be altered and the authorised share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.	
15		Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit subject to the sanction of the Company in a general meeting to give any person the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount subject to the provisions of Sections 52, 53, 54 and 58 of the Companies Act, 2013 and for such time and for such consideration as the Directors think fit.	<b>Share control under of Directors</b>
16	(1)	Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to an account, to be called "THE SECURITIES PREMIUM ACCOUNT" and the provisions of the Companies Act, 2013 relating to reduction of share capital of the Company shall, except as provided in this Article, apply as if the securities premium account were the paid-up share capital of the Company.	<b>Application of premium received on shares</b>
	(2)	Notwithstanding anything contained in clause (1) above but subject to the provisions of Section 52 of the Companies Act, 2013, the securities premium account may be applied by the Company- (a) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus; (b) in writing off the preliminary expenses of the Company; (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; (d) in providing for the premium payable on the redemption of	

		any redeemable preference shares or of any debentures of the Company; or (e) for the purchase of its own shares or other securities under Section 68 of the Companies Act, 2013.	
17		In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 15 and 16, the Company in a General Meeting may, subject to the provisions of Section 62 of the Companies Act, 2013 and 108A of the Companies Act, 1956, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 52, 53 and 54 of the Companies Act, 2013) as such General Meeting shall determine and with full power to give any person whether a member or not the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 52, 53 and 54 of the Companies Act, 2013) such option being exercisable at such time and for such consideration as may be directed by such General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any such shares.	<b>Power also to Company in General Meeting to issue shares</b>
18		Except as provided in Section 54 of the Companies Act, 2013, the Company shall not issue shares at a discount. Any share issued by the Company at a discounted price shall be void.	<b>Shares at a discount</b>
19		If by the conditions of any allotment of any share, the whole or any part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representatives.	<b>Installments on shares to be duly paid</b>
20		Subject to the provisions of the Companies Act, 2013 and these Articles, the Board may allot and issue shares in the capital of the Company as payment of any property sold or transferred or for service rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid up shares.	<b>The Board may issue shares as fully paid up</b>
21		Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles, be a member.	<b>Acceptance of shares</b>
22		The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.	<b>Deposit and Call etc. to be a debt payable</b>
23		Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands shall be liable to pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall from time to time require or fix for the payment thereof.	<b>Liability of Members</b>
24	(a)	Every member or allottee of shares shall be entitled, without	<b>Share</b>

		<p>payment, to receive one Certificate for all the shares of the same class registered in his name. Every Share Certificate shall specify the number and the distinctive number(s) of the shares in respect of which it was issued and the amount paid up thereon. Such certificate shall be issued only in pursuance of a Resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. PROVIDED THAT if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence. The certificate of title to shares shall be issued under the Seal of the Company and shall be signed in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of Share Certificates and maintenance of books and documents relating to issue of Share Certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to shares shall be completed and kept ready for delivery within such time frame as may be prescribed in this regard after the allotment.</p>	<b>Certificates</b>
	<b>(b)</b>	Any two or more joint allottees or holders of shares shall, for the purpose of this Article, be treated as a single member and the certificate of any share, which may be the subject to joint ownership, may be delivered to any one of such joint owners on behalf of all of them.	
<b>25</b>		<p>No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.</p> <p>PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.</p> <p>PROVIDED FURTHER that in case of any Share Certificate being lost or destroyed the Company may issue a duplicate certificate in place of the Certificate so lost or destroyed on such terms as to evidence, out-of-pocket expenses in regard to investigation of such evidence and indemnity as the Board may determine.</p>	
<b>25A</b>		<p>Notwithstanding anything contained in Article 25, the Board of Directors may refuse applications for subdivision of Share Certificate into denominations of less than the marketable lot for the time being in force, except when such sub-division is required to be made to comply with a statutory order or an order of a competent court of law or to remedy a genuine mistake of fact or law.</p> <p>PROVIDED THAT the Directors may, at their discretion, in case of genuine needs, allow sub-division of share certificates in denomination of less than the marketable lots, and may, if necessary, require production of suitable documentary evidence therefore.</p>	<b>Sub-division of shares</b>
<b>26</b>		If any share stands in the names of two or more persons the first named in the Register shall, as regards receipts of dividends or	<b>The first named joint holders</b>

		bonus or service of notice or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall severally as well as jointly be liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to the provisions of the Act.	<b>deemed sole holder</b>
<b>27</b>		Except as ordered by a court / Tribunal of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the beneficial owner thereof and accordingly shall not be bound to recognise any benami trust, or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.	<b>Company not bound to recognise any interest in share other than of Registered Holder</b>
<b>28</b>		When any declaration is filed with the Company under the provisions of Section 89 of the Companies Act, 2013, (i) by any holder of shares who does not hold beneficial interest in such share specifying the particulars of the person holding beneficial interest in such shares, or (ii) by a person who holds or acquires a beneficial interest in any share of the Company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the Company and such other particulars as may be prescribed, the Company, or (iii) by the person referred to in (i) and the beneficial owner referred to in (ii) where any change occurs in the beneficial interest of such shares, the Company shall make a note of such declaration in its concerned register and file, within 30 days from the date of receipt of the declaration by it, a return with the Registrar with regard to such declaration together with the prescribed fees for the same.	Declarations in respect of beneficial interest in any share
<b>29</b>		Save as provided in Section 67 of the Companies Act, 2013, the Company shall not have the power to buy its own shares unless the consequent reduction of share capital is effected under the provisions of the Companies Act, 2013. The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any share in the Company or in its holding Company.	No purchase or giving of loans to purchase Company's shares
<b>UNDERWRITING</b>			
<b>30</b>		Subject to the provisions of Section 40 of the Companies Act, 2013, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures or debenture stock in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture-stock of the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission shall be paid either out of the proceeds of the issue or the profit of the Company or both. Subject to the provisions of the Act, any commission payable as aforesaid may be satisfied by payment of	<b>Commission may be Paid</b>

		cash or by allotment of fully or partly paid shares or debentures as the case may be or partly in one way and partly in the other.	
31		Where the Company has paid any sum by way of commission in respect of any shares or debentures such statement thereof shall be made in the Annual Return as required by Section 92 of the Companies Act, 2013.	<b>Commission to be included in the Annual Return</b>
<b>INTEREST OUT OF CAPITAL</b>			
32		Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by the Act, and may charge the same to Capital as part of the cost of construction of the work or building or the provisions of the plant.	<b>Interest out of Capital</b>
<b>CALLS</b>			
33		Subject to the provisions of Section 49 of the Companies Act, 2013, the Board of Directors may, from time to time, by a Resolution passed at a meeting (and not by a Circular Resolution), make such calls as it thinks fit upon the members in respect of all monies unpaid on the shares held by them (whether on account of the nominal value of the shares or by way of premium), and not by conditions of allotment thereof made payable at fixed time. Each member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.	<b>Directors may make Calls</b>
34		At least fourteen days' notice in writing of any call shall be given by the Company specifying the time or times and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
35		A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.	<b>Call to date from Resolution</b>
36		The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such times as to all or any of the members who on account of residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension; but no member shall be entitled to such extension as of right except as a matter of grace and favour.	<b>Directors may extend Time</b>
37		If by the terms of issue of any share or otherwise any amount is or becomes payable at any fixed time or by installments at fixed times (whether on account of the nominal amount of the shares or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Amount payable at fixed time or by installments to be treated as calls</b>
38		If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rates as may be fixed by the Board of Directors from the day appointed for the	<b>When interest on call or installment payable</b>



		payment thereof to the time of actual payment but the Directors may, in their absolute discretion, waive payment of such interest wholly or in part.	
<b>39</b>		On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives for the recovery of any monies claimed to be due to the Company for any call in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered is entered in the Register of Members as the holder or as one of the holders of the shares at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever and the proof of the matters aforesaid shall be conclusive evidence of the debt.	<b>Evidence in actions By Company against shareholders</b>
<b>40</b>		Neither a judgment nor a decree in favour of the Company for the calls or other monies due in respect of any shares nor the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.	<b>Partial payment not to preclude forfeiture</b>
<b>41</b>		The Board of Directors may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond the sums actually called for and upon the monies so paid in advance or so much thereof from time to time as exceeds the amount of the calls then made upon shares in respect of which such advances are made, the Board of Directors may pay or allow interest, at such rate not exceeding, unless the Company in general meeting shall otherwise direct, nine per cent per annum as the member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such members three months' notice in writing. The member paying any such sum in advance shall not be entitled to dividend or to participate in the profits of the Company or to voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable. Provided however and notwithstanding the aforesaid and subject to applicable law, the Company may pay dividends in proportion to the amount paid up on each share.	<b>Payment in anticipation of calls may carry interest</b>
<b>LIEN</b>			
<b>42</b>		The Company shall have a first and paramount lien upon all shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all monies (whether presently payable or not), called or payable at a fixed time in respect of such shares and no equitable interests in any such share shall be created except upon the footings and condition that this Article is to have full legal effect. Any such lien shall extend to all	<b>Company to have lien on shares</b>

		dividends from time to time declared in respect of shares. <b>PROVIDED THAT</b> the Board of Directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article.	
<b>43</b>		The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same. <b>PROVIDED THAT</b> 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 the notice in writing 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. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such shares and may authorise out of their members to execute a transfer thereof on behalf of and in the name of such members.	<b>As to enforcing lien by sale</b>
<b>44</b>	<b>(1)</b>	To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.	<b>Transfer of shares sold under lien</b>
	<b>(2)</b>	The Purchaser shall be registered as the holder of the shares comprised in any such transfer.	
	<b>(3)</b>	The Purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	
<b>45</b>	<b>(1)</b>	The net proceeds of any such sale shall be received by the Company and applied in or towards such part of the amount in respect of which the lien exists as is presently payable; and	<b>Application of proceeds of sale</b>
	<b>(2)</b>	The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).	
<b>FORFEITURE OF SHARES</b>			
<b>46</b>		If any member fails to pay any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.	<b>If money payable on share not paid notice to be given to member</b>
<b>47</b>		For the purpose of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.	<b>If call or installment not paid, notice may be given</b>
<b>48</b>		The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	<b>Form of notice</b>
<b>49</b>		If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given, may at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a Resolution of the Board of	<b>If default of payment, shares to be forfeited</b>

		Directors to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture.	
50		When any share shall have so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Member, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.	<b>Notice of forfeiture to a member</b>
51		Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit. The Board may decide to cancel such shares.	<b>Forfeited share to be the property of the Company and may be sold etc.</b>
52		Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such monies or any part thereof, if it thinks fit, but shall not be under any obligation so to do.	<b>Member still liable to pay money owing at the time of forfeiture and interest</b>
53		The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture</b>
54		The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.	<b>Power to annul Forfeiture</b>
55	(1)	A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, 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;	<b>Validity of forfeiture</b>
	(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;	
	(3)	The person to whom such share is sold, re-allotted or disposed off shall thereupon be registered as the holder of the shares;	
	(4)	Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment;	
	(5)	Such purchaser or allottee 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, re-allotment or other disposal of the share.	
56		The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of	<b>Provision of these Articles as to</b>

		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.	<b>forfeiture to apply in case of nonpayment of any sum</b>
<b>57</b>		Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the Certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the persons entitled thereto.	<b>Cancellation of share certificates in respect of forfeited shares</b>
<b>58</b>		The Directors may, subject to the provisions of the Companies Act, 2013, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.	<b>Surrender of shares</b>
<b>TRANSFER AND TRANSMISSION OF SHARES</b>			
<b>59</b>		The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share and debenture held in material form.	<b>Register of Transfers</b>
<b>60</b>		In the case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.	<b>Transfer and Transmission of Shares and Securities held in electronic form</b>
<b>60A</b>		The instrument of transfer of any share shall be in the prescribed form and in accordance with the requirements of Section 56 of the Companies Act, 2013.	<b>Form of Transfer</b>
<b>61</b>	<b>(1)</b>	An application for the registration and transfer of the shares in the Company may be made either by the transferor or the transferee.	
	<b>(2)</b>	Whether the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	
	<b>(3)</b>	For the purpose of sub-clause (2), above, notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	
<b>62</b>		Every such instrument of transfer duly stamped shall be executed by or on behalf of both the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof.	<b>To be executed by transferor and transferee</b>
<b>63</b>		A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution to the instrument of transfer.	<b>Transfer by legal Representative</b>
<b>64</b>		The Board of Directors may, after giving not less than seven days' previous notice by advertisement as required by Section 91 of the Companies Act, 2013 or such lesser period as may be specified by the Securities Exchange Board of India close the Transfer Books, the Register of Members or the Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in	<b>Transfer books when Closed</b>

		the aggregate forty-five days in each year as it may seem expedient to the Board.	
65	(a)	Subject to the provisions of Sections 58 of the Companies Act, 2013, or any statutory modification thereof for the time being in force, the Directors may, at any time, in their own absolute and uncontrolled discretion decline to register or acknowledge any transfer of any share for sufficient cause and in particular may so decline in any case in which the Company has a lien upon the shares desired to be transferred or any call or installment regarding any of them remains unpaid. The registration of a transfer shall be conclusive evidence of the approval of the Directors of the transferee. PROVIDED THAT registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except in a lien on shares.	<b>Directors may refuse to register transfers</b>
	(b)	No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind, unless represented by a guardian.	
66		If the Company refuses to register the transfer of any securities or transmission of any right therein, the Company shall within thirty days from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal along with sufficient cause to the transferee and the transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 58 of the Companies Act, 2013, or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee</b>
67		In case of the death of any one or more persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.	<b>Death of one or more joint-holders of shares</b>
68		Except where a deceased member had made a nomination in respect of the shares held (in which case such shares shall be dealt with in the manner prescribed by the Act and the Rules thereunder), the executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the names of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate of the legal representative unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration, or Succession Certificate as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under Article 71 the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased member, as a member.	<b>Titles to shares of deceased member</b>
69		Subject to the provisions of Articles 68 and 69 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by and	<b>Registration of persons entitled to shares</b>

		lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles, or of his title, as the Board of Directors shall require and upon giving such indemnity as the Directors shall require, either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors registered as a member in respect of such shares PROVIDED NEVERTHELESS that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee as instrument of transfer in accordance with the provision herein contained, and until he does so, he shall not be freed from any liability in respect of such shares. This clause is herein referred to as "THE TRANSMISSION CLAUSE".	<b>otherwise than by transfer (Transmission Clause)</b>
<b>70</b>		Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register Nominee</b>
<b>71</b>		The Company shall be entitled to decline to register more than four persons as the holders of any share.	<b>Directors entitled to refuse to register more than four joint holders</b>
<b>72</b>		A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other monies payable in respect of the share.	<b>Persons entitled may receive dividend without being registered as member</b>
<b>73</b>		Prior to the registration of a transfer, the certificate or certificates of the share or shares to be transferred, and if no such certificate is in existence, the Letter of Allotment of the shares, must be delivered to the Company along with (save as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer, with the date of presentation of the instrument to the proper authorities, duly endorsed thereon.	<b>Conditions of registration of transfer</b>
<b>74</b>		No fee shall be charged for registration of transfer, grant of Probate, Succession Certificate and Letters of Administration, Certificates of Death or Marriage, Power of Attorney or similar other documents.	<b>No fee on transfer or Transmission</b>
<b>75</b>		The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the register of members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be give to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book or the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.	<b>The Company not liable for disregard of a notice prohibiting registration of a transfer</b>

<b>COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS</b>		
<b>76</b>	<p>The Company shall subject to the payment of the fee prescribed under Section 17 of the Companies Act, 2013, or its statutory modification for the time being in force, on being so required by a member, send to him with seven days of the requirement, a copy of each of the following documents as in force for the time being.</p> <p>(a) The Memorandum, (b) The Articles, and (c) Every agreement and every resolution referred to in sub-section (1) of Section 117 of the Companies Act, 2013, if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.</p>	<b>Copies of Memorandum and Articles of Association to be sent by the Company to members</b>
<b>BORROWING POWERS</b>		
<b>77</b>	<p>Subject to the provisions of Sections 179 to 180 of the Companies Act, 2013 and of these Articles, the Board of Directors may, from time to time at its discretion, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company from any source. PROVIDED HOWEVER, where the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.</p>	<b>Power to borrow</b>
<b>78</b>	<p>The payment or repayment of monies borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a Resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of debentures of Debenture-Stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its uncalled capital for the time being, and the debentures and the Debenture-Stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.</p>	<b>The payment or repayment of monies borrowed</b>
<b>79</b>	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting.</p>	<b>Terms of issue of Debentures</b>
<b>80</b>	<p>If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.</p>	<b>Mortgage of uncalled Capital</b>
<b>MEETINGS OF MEMBERS</b>		

83	(1)	<p>The Company shall in each year hold, in addition to any other meetings, a general meeting as its Annual General Meeting in accordance with the provisions of Sections 96 and 129 of the Companies Act, 2013 and shall specify the meeting as such in the notice calling it, except in the case where the Registrar, has given an extension of time for holding any annual general meeting and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.</p> <p>PROVIDED THAT the Registrar may, for any special reason, extend the time within which any annual general meeting shall be held, by a period not exceeding three months.</p>	<b>Annual General Meeting</b>
	(2)	Every annual general meeting shall be called for any time during business hours, that is, between 9 a.m. and 6 p.m., on any day that is not a National Holiday (as defined under the Companies Act, 2013) and shall be held either at the registered office of the Company or at some other place within the city or town or village in which the registered office of the Company is situated for the time being.	
	(3)	Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.	
84		At every annual general meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with Proxies, and the Register of Directors and Key Management Personnel maintained under Section 170 of the Companies Act, 2013.	<b>Report, Statement and Registers to be laid before the annual general meeting</b>
85		All general meetings other than annual general meeting shall be called Extra-Ordinary General Meeting.	<b>Extra-Ordinary General Meeting</b>
86	(1)	The Company shall comply with the provisions of Section 92 of the Companies Act, 2013 regarding the filing of Annual Return and as regards the annual return and certificates to be annexed thereto.	<b>Annual Return</b>
	(2)	<p>The Register required to be kept and maintained by the Company under Section 88 of the Companies Act, 2013 and copies of the annual return filed under Sections 92 of the Companies Act, 2013, shall be kept at the registered office of the Company.</p> <p>PROVIDED THAT such registers or copies of return may, also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved for this purpose by a Special Resolution passed in general meeting of the Company and the Registrar has been given a copy of the proposed Special Resolution in advance.</p>	<b>Place of keeping &amp; Inspection of registers &amp; returns</b>
	(3)	<p>(a) The registers and their indices, except when they are closed under the provisions of the Act, and the copies of all the returns shall be open for inspection by any member, debenture holder or other security holder or beneficial owner, during the business hours (subject to such reasonable restrictions as the Company may impose) without fee and by any other person on payment of such fees as may be prescribed under the Act and the rules made thereunder.</p> <p>(b) Any such member, debenture-holder, other security holder or beneficial owner or any other person may take extracts from any register, or index or return without payment of any fee or require</p>	Inspection



		a copy of any such register or entries therein or return on payment of such fees as may be prescribed under the Act not exceeding ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.	
	(4)	The Company shall cause any copy required by any person under Clause (b) of sub-clause (3) to be sent to that person within a period of seven days of the deposit of such fees exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company.	
87	(1)	Subject to the provisions of Section 111 of the Companies Act, 2013, the Directors shall on the requisition in writing of such number of members as required in Section 100 of the Companies Act,;- (a) give notice to the members of the Company of any resolution which may properly be moved and is intended to be moved at a meeting; (b) circulate to members, any statement with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.	<b>Circulation of Members' Resolution</b>
	(2)	Subject to the provisions of Section 100 of the Companies Act, 2013, the number of members necessary for a requisition under clause (1) hereof shall be such number or numbers who hold, on the date of receipt of the requisition, not less than one-tenth of the paid-up share capital of the Company as on that date carried the right of voting.	
	(3)	The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless : (a) a copy of a requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the registered office of the Company- (i) in the case of a requisition requiring notice of resolution, not less than six weeks before the meeting, (ii) in the case of any other requisition not less than two weeks before the meeting, and (b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto. PROVIDED that if after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an annual general meeting is called on a date within six weeks after such copy has been deposited, the copy, although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purpose thereof.	
	(4)	The Company shall not also be bound under this Article to circulate any statement, if, on the application either of the Company or of any other person who claims to be aggrieved, the Central Government by order declares that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter.	
88		The Directors may, whenever they think fit convene an extraordinary general meeting and they shall on requisition of the members as hereinafter provided, call an extraordinary general meeting of the Company within the period specified below.	<b>Extra-ordinary General Meeting by Board and by requisition</b>
89		In case of requisition the following provisions shall have effect : (1) The requisition shall set out the matters for the consideration of which the meeting is to be called, and shall be signed by the	<b>Contents of requisition and number of</b>

		<p>requisitionists and sent to the registered office of the Company.</p> <p>(2) The number of members entitled to requisition an extraordinary general meeting shall be such number of members who hold at the date of the receipt of the requisition, not less than one-tenth of such of the paid up capital of the Company as on that date carries the right of voting.</p> <p>(3) If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of receipt of the requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.</p> <p>(4) A meeting called under clause (3) by requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.</p> <p>(5) Any reasonable expenses incurred by the requisitionists in calling a meeting under sub-clause (3) shall be reimbursed to the requisitionists by the Company, and any sums so paid shall be deducted from any fee or other remuneration under Section 197 of the Companies Act, 2013 payable to such of the Directors who were in default in calling the meeting.</p>	<b>requisitionists required and the conduct of meeting</b>
<b>90</b>		A general meeting of the Company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed by the Act and the rules made thereunder. Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.	<b>Length of notice of Meeting</b>
<b>91</b>	<b>(1)</b>	Every notice of a meeting of the Company shall specify the place, date, day and hour of the meeting and shall contain a statement of the business to be transacted thereat.	<b>Contents and manner of service of notice</b>
	<b>(2)</b>	The notice of every meeting shall be given to: (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member; (b) the Auditor or Auditors for the time being of the Company; and (c) every Director of the Company.	
	<b>(3)</b>	In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote at the meeting is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member of the Company.	
<b>92</b>	<b>(1)</b>	<p>(a) In the case of an annual general meeting, all business to be transacted at the meeting, shall be deemed special with the exception of business relating to:</p> <p>(i) The consideration of financial statements and the reports of the Board of Directors and Auditors;</p> <p>(ii) The declaration of any dividend;</p> <p>(iii) The appointment of Directors in the place of those retiring; and</p> <p>(iv) The appointment of, and the fixing of the remuneration of the Auditors</p> <p>(b) In the case of any other meeting, all business shall be deemed special;</p>	<b>Special and ordinary business and explanatory statement</b>
	<b>(2)</b>	PROVIDED that where any item of special business to be transacted at a meeting of the Company relates to or affects any	

		other Company, the extent of shareholding interest in that other Company of every promoter, Director, manager, if any, and of every other key managerial personnel of the Company shall, if the extent of such shareholding interest is not less than two per cent of the paid-up share capital of that Company, also be set out in the statement.	
	(3)	Where any item of business refers to any document which is to be considered by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.	
93		Any accidental omission to give any such notice as aforesaid to or the non-receipt thereof by any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of any such meeting.	<b>Omission to give notice not to invalidate a resolution passed</b>
94		No general meeting, annual or extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.	<b>Notice of business to be given</b>
95		The number of members prescribed under Section 103 of the Companies Act, 2013 and entitled to vote and present in person shall be a quorum for general meeting and no business shall be transacted at the general meeting unless the quorum requisite be present at the commencement of the meeting. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Companies Act, 2013. The President of India or the Governor of a State, if he is a member of the Company, shall be deemed to be personally present if he is represented in accordance with Section 112 of the Companies Act, 2013.	<b>Quorum</b>
96	(1)	If within half an hour from the time appointed for holding a meeting of the Company the quorum is not present, (a) the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine; or (b) the meeting, if called by requisitionists in accordance with Section 100 of the Companies Act, 2013, shall stand cancelled. Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under sub clause (a), the Company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.	<b>Presence of quorum</b>
	(2)	If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum and may transact the business for which the meeting was called.	
97		Where a resolution is passed at an adjourned meeting of the Company, the resolution shall for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.	<b>Resolution passed at adjourned meeting</b>
98		The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall decline to take the chair, the Directors present shall elect one of them as Chairman and if no Director be present or if the Directors present decline to take the chair, then the members present shall elect one of their members to be a Chairman. If a poll is demanded on the election of the Chairman	<b>Chairman of general Meeting</b>

		it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as a result of the poll he shall be the Chairman for the rest of the meeting. The Chairman may, at the same time, be appointed as Managing Director or Deputy Managing Director or Whole Time Director or Chief Executive Officer of the Company.	
<b>99</b>		No business shall be discussed at any general meeting except the election of a Chairman whilst the chair is vacant.	<b>Business confined to election of Chairman whilst chair vacant</b>
<b>100</b>	<b>(1)</b>	The Chairman 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 from place to place.	<b>Chairman may adjourn Meeting</b>
	<b>(2)</b>	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	
<b>101</b>		At any general meeting, a resolution put to the vote of the meeting shall unless a poll is demanded under Section 109 of the Companies Act, 2013, or the voting is carried out electronically, be decided on a show of hands.	<b>Voting to be by show of hands in the first instance</b>
<b>102</b>		A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceeding of the Company shall be conclusive evidence of the fact of passing of such resolution, or otherwise, without proof of the number or proportion of votes in favour or against such resolution.	<b>Chairman's declaration of result of voting on show of hands</b>
<b>103</b>	<b>(1)</b>	Before or on the declaration of result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than five lakh rupees or such higher amount as may be prescribed has been paid-up.	<b>Demand for poll</b>
	<b>(2)</b>	The demand for a poll may be withdrawn at any time by the person or persons who made the demand.	
<b>104</b>		A poll demanded for adjournment of the meeting or appointment of Chairman of the meeting shall be taken forthwith. A poll demanded on any question other than adjournment of the meeting or appointment of a Chairman shall be taken at such time, not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct.	<b>Time of taking poll</b>
<b>105</b>		In the case of an equality of votes, the Chairman shall, both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.	<b>Chairman's casting vote</b>
<b>106</b>		Where a poll is to be taken, the Chairman of the meeting shall appoint one scrutineer to scrutinise the vote given on the poll and to report thereon to him. Subject to the provisions of Section 109 of the Companies Act, 2013, the Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.	<b>Scrutineers at poll</b>
<b>107</b>		The demand for a poll except on the question of the election of	<b>Demand for poll</b>

		the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.	<b>not to prevent transaction of other business</b>
<b>108</b>		Subject to the provisions of Section 110 of the Companies Act, 2013 and these Articles, and as may be applicable by law, the Company shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting.	<b>Vote by Postal Ballot</b>
<b>109</b>		<p>A copy of each of every resolutions or agreement in respect of the following matters together with the explanatory statement under Section 102 of the Companies Act, 2013, if any, annexed to the notice calling the meeting in which such resolution is proposed, shall be filed with the Registrar within thirty days of the passing or making thereof in such a manner and with such fees as may be prescribed within the time specified under Section 403 of the Companies Act, 2013:</p> <p>(a) Every special resolution.</p> <p>(b) Every resolution which has been agreed to by all members of the Company, but which, if not so agreed to, would not have been effective for the purpose unless it had been passed as a special resolution.</p> <p>(c) Every resolution of the Board of Directors or agreement executed by the Company relating to the appointment, re-appointment or renewal of appointment or variation in the terms of appointment of a Managing Director.</p> <p>(d) Every resolution or agreement which has been agreed to by all the members of any class of shareholders but which, if not so agreed to, would not have been effective for the purpose unless it had been passed by a specified majority or otherwise in some particular manner; and every resolution or agreement which effectively binds all the members or any class of shareholders though not agreed to by all those members.</p> <p>(e) Every resolution passed by the Company according consent to the exercise by the Board of Directors of any of the powers under clause (a), and clause (c) of sub-section (1) of the Section 180 of the Companies Act, 2013.</p> <p>(f) Every resolution requiring the Company to be wound up voluntarily passed in pursuance of Section 304 of the Companies Act, 2013.</p> <p>(g) Every resolution passed in pursuance of sub-section (3) of Section 179 of the Companies Act, 2013; and</p> <p>(h) Any other resolution or agreement as may be prescribed and placed in the public domain. Provided that the copy of every such resolution which has the effect of altering the Articles and the copy of every agreement referred to above shall be embodied in or annexed to, every copy of these Articles issued after the passing of the resolution or the making of the agreement.</p>	<b>Registration of documents with the Registrar</b>
<b>VOTES OF MEMBERS</b>			
<b>110</b>		A member paying the whole or a part of the amount remaining unpaid on any share held by them although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable.	<b>Member paying money in advance not to be entitled to vote in respect thereof</b>
<b>111</b>		No member shall exercise any voting rights in respect of any	<b>Restriction on</b>

		shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.	<b>exercise of voting rights of members who have paid calls</b>
<b>112</b>		Subject to the provisions of Section 43 and sub-section (2) of Section 50 of the Companies Act, 2013, every member of the Company holding any equity share capital shall have a right to vote on every resolution placed before the Company; and his voting rights on a poll shall be in proportion to his share of the paid-up equity share capital of the Company. Every member holding any preference share capital of the Company, shall, in respect of such capital, have the right to vote only on resolutions placed before the Company which directly affect the rights attached to his preference shares and any resolution for the winding up of the Company or for the repayment or reduction of its equity or preference share capital and his voting rights on a poll shall be in proportion to his share in the paid up preference share capital of the Company. Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares: <b>PROVIDED FURTHER</b> that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the Company.	<b>Number of votes to which member entitled</b>
<b>113</b>		A member of unsound mind or in respect of whom 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.	<b>Vote of member of unsound mind</b>
<b>114</b>		If there be joint registered holders of any shares any one of such persons may vote at any meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting, and, if more than one of such joint holders be present at any meeting either personally or by agent or by proxy, that one of the said persons so present who stands higher on the register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holder shall be entitled to be present at the meeting; provided always that a person present at any meeting personally shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register in respect of such shares. Several executors or administrators or a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint holders thereof.	<b>Votes of joint members</b>
<b>115</b>		A body corporate (whether a Company within the meaning of the Act or not) may,	<b>Representation of body Corporate</b>
		(a) if it is member of the Company by a resolution of its board of Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company;	
		(b) if it is a creditor, (including a holder of debentures of the Company) by a resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company	

		held in pursuance of the Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.	
	(2)	A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.	
116		Where the President of India or the Governor of a State is a member of the Company, the President or, as the case may be, the Governor may appoint such person as he thinks fit, to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company and such a person shall be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a member of the Company.	<b>Representation of President and Governors in meetings</b>
117		Any person entitled under the Transmission Clause to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of deceased or insolvent members</b>
118		Subject to the provisions of these Articles vote may be given either personally or by proxy.	<b>Voting in person or by Proxy</b>
119		On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Rights of members to Use his votes differently</b>
120		Subject to the provisions of the Act and the rules made thereunder, any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself Provided that a proxy so appointed shall not have the right to speak at the meeting and shall not be entitled to vote except on a poll. PROVIDED FURTHER that a person appointed as proxy shall act on behalf of such number of members not exceeding fifty and such number of shares as may be prescribed. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies and that the proxy need not be a member.	<b>Proxies</b>
121		An instrument of proxy may appoint a proxy either for the purposes of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purposes of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.	<b>Proxy either for specified meeting or for a period</b>
122		No member present only by proxy shall be entitled to vote on a show of hands.	<b>No proxy except for the corporation to vote on a show of hands</b>

123		The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that Power of Attorney or authority, shall be deposited at the office forty-eight hours before the time for holding the meetings at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.	<b>Deposit of instrument of appointment</b>
124		Every instrument of proxy whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form set out in the Companies (Management and Administration) Rules, 2014 (or any corresponding amendment or modification thereof that may be prescribed).	<b>Form of proxy</b>
125		Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting, and ending with the conclusion of the meeting, to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so as to inspect is given to the Company.	<b>Inspection of proxies</b>
126		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 revocation of the proxy or of any Power of Attorney or authority under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the commencement of the meeting, or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding revocation of authority</b>
127		No objection shall be made to the qualification of any vote or to the validity of the vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting.	<b>Time for objections to Vote</b>
128		The Chairman of any meeting shall be sole judge of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	<b>Chairman of any meeting to be the Judge of validity of any vote</b>
129		If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If embracing other objects, copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.	<b>Custody of instrument</b>
<b>DIRECTORS</b>			
130		Until otherwise determined by a general meeting of the Company and subject to the provisions of Section 149 and 151 of the Companies Act, 2013, the number of Directors shall not be less than 3 and not more than 15 and the manner of constituting the Board shall be as prescribed under the Act and as may be directed by the Securities and Exchange Board of India.	<b>Number of Directors</b>
131		The First Directors of the Company are :	<b>Directors</b>
	1.	Sanjay S. Shah	Director



		2.	Rita S. Shah	Director	
132		Any Trust Deed for securing and covering the issue of debentures or debenture stocks of the Company, may provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture stocks, of some person to be a Director of the Company for and on behalf of the debenture holders for such period for which the debentures or any of them shall remain outstanding and may empower such Trustees or holder of debentures or debenture stocks, from time to time, to remove and reappoint any Director so appointed. The Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provision as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.			<b>Debenture Directors</b>
133		Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to (i) the Life Insurance Corporation of India (LIC), (ii) the Infrastructure Development Finance Company Limited, (iii) specified Company referred to in the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002, (iv) institutions notified by the Central Government under sub-section (2) of Section 4A of the Companies Act, 1956, (v) such other institutions as may be notified by the Central Government in consultation with the Reserve Bank of India, or (vi) any other bank or entity providing financing facilities to the Company (each of the above is hereinafter in this Article referred to as “the Corporation”) out of any loans/debentures assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole-time (which Director or Directors, is/ are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any monies remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall, ipso facto, vacate such office immediately the monies owing by the Company to			<b>Nominee Directors</b>

	<p>the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation. The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be, to such Nominee Director/s.</p> <p>Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.</p> <p>Provided further that in the event of any remuneration payable to the Nominee Director/s, by way of commission, salary or perquisites (other than sitting fees and reimbursement of actual expenses incurred by them in attending to Company's work) such remuneration shall be paid only with the prior approval of the Central Government under Section 309/310 of the Companies Act, 1956.</p> <p>Provided further that in the event of the Nominee Director/s being appointed as Managing Director/Whole Time Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a Whole Time Director in the management of the affairs of the Company. Such Whole Time Directors shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.</p> <p>Provided further that the appointment of Nominee Director/s as Managing/Whole Time Director/s, as aforesaid, is subject to the provisions of Sections 203 and 197 of the Companies Act, 2013 and any other applicable provisions of the Act and the rules made thereunder.</p>	
134	<p>In connection with any collaboration arrangement with any Company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorise such Company, corporation, firm or person (hereinafter referred to as "Collaborator") to appoint from time to time any person as a Director of the Company (hereinafter referred to as "Special Director") and subject to the provisions of the Act, may agree that such Special Directors shall not be liable to retire by rotation so however that Special Director shall hold office so long as such collaboration arrangement remains in force. The Collaborator may at any time and from time to time remove such Special Director appointed by it and may at any time after such removal and also in the case</p>	<b>Special Directors</b>

		of death or resignation of the person so appointed, at any time nominate any other person as a Special Director in his place and such nomination or removal shall be made in writing signed by the collaborator, his authorised representative and shall be delivered to the Company at its registered office. It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one such person as a Director and so that if more than one collaborator is so entitled there may be at any time as many Special Directors as the number of Collaborators eligible to make the appointment.	
<b>135</b>		The provisions of Articles 132, 133, 134 and 135 are subject to the provisions of Section 152 of the Companies Act, 2013, and the number of such Directors appointed under Articles 133, 134, 135 and 170 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office. However, the Independent Director appointed under Section 152 of the Companies Act, 2013 will not be considered for the purpose of calculating the total number of Directors liable for retirement by rotation and term of such Independent Director shall be as provided under Section 152 of the Companies Act, 2013.	<b>Limit on number of retiring Directors</b>
<b>136</b>		The Board may appoint a person, not being a person holding any alternate Directorship for any other Director in the Company (hereinafter called the Original Director) to act as an Alternate Director for the Original Director during his absence for a period of not less than three months from India. Provided that no person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an independent Director under the provisions of the Act. Every such Alternate Director, shall subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director is determined before he returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	<b>Appointment of Alternate Director</b>
<b>137</b>		The Directors shall have power at anytime and from time to time to appoint any qualified person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall retain his office only upto the date upto which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.	<b>Directors may fill Vacancies</b>
<b>138</b>		The Directors shall also have power at any time and from time to time to appoint any other qualified person, other than a person who fails to get appointed as a Director in a general meeting of the Company, to be an Additional Director who shall hold office only up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.	<b>Additional Director</b>
<b>139</b>		A Director shall not be required to hold any qualification shares.	<b>Qualification of Directors</b>
<b>140</b>		The remuneration payable to a non-whole-time-Director for attending each meeting of the Board or a Committee thereof	<b>Remuneration of Directors</b>

		shall be such sum as may be fixed by the Board of Directors not exceeding the maximum as may be prescribed by the Act (and the rules made thereunder), SEBI, or by the Central Government. The Directors, subject to the sanction of the Central Government (if any required), may be paid such further remuneration as the Company in general meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine; and in default of such determination shall be divided among the Directors equally.	
<b>141</b>		Subject to the provisions of Sections 197 and 188 of the Companies Act, 2013 and other applicable provisions of the Act and the rules made thereunder, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a member of any committee formed by the Directors or in relation to signing share certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by fixed sum or otherwise as may be determined by the Directors, and such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided.	<b>Extra remuneration to Directors for special Work</b>
<b>142</b>		The Board of Directors may subject to the limitations provided by the Act allow and pay to any Directors who attends a meeting at a place other than his usual place or residence for the purpose of attending a meeting, such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses incurred by Directors on Company's business</b>
<b>143</b>		The Continuing Directors may act notwithstanding any vacancy in their body, but if and as long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board of Directors, the Continuing Directors may act for the purpose of filling vacancies to increase the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company, but for no other purpose.	<b>Directors may act notwithstanding vacancy</b>
<b>144</b>	<b>(1)</b>	Subject to the provisions of Section 164 and 165 of the Companies Act, 2013, a person shall not be capable of being appointed Director of the Company, if – (a) he is of unsound mind and stands so declared by a Court of competent jurisdiction; (b) he is an undischarged insolvent; (c) he has applied to be adjudged an insolvent and his application is pending; (d) he has been convicted by a court of any offence involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a Director of the Company. (e) he has not paid any call in respect of shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call; (f) he has been convicted of the offence dealing with related party transactions under Section 188 of the Companies Act,	<b>Disqualification for appointment of Directors</b>

		2013 at any time during the last preceding five years; or (g) he has not complied with sub-section (3) of Section 152 of the Companies Act, 2013.	
	(2)	No person who is or has been a Director of a Company, where the Company— (a) has not filed financial statements or annual returns for any continuous period of three financial years; or (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a Director of that Company or appointed in other Company for a period of five years from the date on which the said Company fails to do so.	
145	(1)	Subject to the provisions of Section 167 of the Companies Act, 2013, the office of a Director shall become vacant if : (a) he incurs any of the disqualifications specified in Section 164 of the Companies Act, 2013; (b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board; (c) he acts in contravention of the provisions of Section 184 of the Companies Act, 2013, relating to entering into contracts or arrangements in which he is directly or indirectly interested; (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Companies Act, 2013; (e) he becomes disqualified by an order of a court or the Tribunal; (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months: Provided that the office shall be vacated by the Director even if he has filed an appeal against the order of such court; (g) he is removed in pursuance of the provisions of the Act; (h) he, having been appointed a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate Company, ceases to hold such office or other employment in that Company.	<b>Vacation of office by Directors</b>
146	(a)	The Company may (subject to the provisions of Section 169 and other applicable provisions of the Companies Act, 2013 and these Articles) by ordinary resolution remove any Director before the expiry of his period of office. Provided that nothing contained in this sub-clause shall apply where the Company has availed itself of the option given to it under Section 163 of the Companies Act, 2013, to appoint not less than two-thirds of the total number of Directors according to the principle of proportional representation.	<b>Removal of Directors</b>
	(b)	Special notice shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	
	(c)	On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	
	(d)	Where notice is given of a resolution to remove a Director under	

		<p>this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so - (a) in the notice of the resolution given to the members of the Company, state the fact of the representations having been made, and (b) send a copy of the representations to every member of the Company to whom notice of the meeting is sent (before or after the receipt of the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting: Provided that copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter, and the Tribunal may order the Company's costs on the application to be paid in whole or in part by the Director notwithstanding that he is not a party to it.</p>	
	(e)	<p>A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board be filled by the appointment of another Director in his stead at the meeting at which he is removed; Provided special notice of the intended appointment has been given. A Director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed as aforesaid.</p>	
	(f)	<p>If the vacancy is not filled under sub-clause (e), it may be filled as a casual vacancy in accordance with the provisions of the Act.</p>	
	(g)	<p>A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p>	
	(h)	<p>Nothing contained in this Article shall be taken:</p>	
		<p>i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director as per the terms of contract or terms of his appointment as Director, or of any other appointment terminating with that as Director; or  ii) as derogating from any power to remove a Director under the provisions of the Act.</p>	
147	(1)	<p>Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors, in the manner provided in Section 184 of the Companies Act, 2013.</p>	<b>Disclosure of Director's Interest</b>
	(2)	<p>Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—</p>	
		<p>(i) with a body corporate in which such Director or such Director in association with any other Director, holds more than two per cent of the shareholding of that body corporate, or is a promoter, manager, chief executive officer of that body corporate; or  (ii) with a firm or other entity in which, such Director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in</p>	

		<p>which the contract or arrangement is discussed and shall not participate in such meeting:</p> <p>Provided that where any Director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.</p>	
	(3)	<p>Nothing in this Article shall –</p> <p>(a) be taken to prejudice the operation of any rule of law restricting a Director of the Company from having any concern or interest in any contract or arrangement with the Company;</p> <p>(b) apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one or more of the Directors of the Company together holds or hold not more than two percent of the paid up share capital in other Company.</p>	
148	(1)	<p>Except with the consent of the Board of Directors of the Company (or the Audit Committee) given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed by the Company, a Company shall not enter into any contract or arrangement with a related party with respect to,</p> <p>(a) sale, purchase or supply of any goods or materials;</p> <p>(b) selling or otherwise disposing of, or buying, property of any kind;</p> <p>(c) leasing of property of any kind;</p> <p>(d) availing or rendering of any services;</p> <p>(e) appointment of any agent for purchase or sale of goods, materials, services or property;</p> <p>(f) such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and</p> <p>(g) underwriting the subscription of any securities or derivatives thereof, of the Company:</p> <p>Notwithstanding the provisions of this sub-clause (1) of this Article, where prescribed, the Company shall enter into such contracts and / or arrangements only with the prior approval of the members of the Company by a special resolution. However, no member of the Company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a related party:</p> <p>It is clarified that this sub-clause shall not apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.</p>	<b>Board resolution necessary for certain contracts</b>
	(2)	<p>Every contract or arrangement entered into under sub-clause (1) shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.</p>	
149		<p>If the Company –</p> <p>(a) enters into a contract for the appointment of a manager or a Managing Director of the Company in which contract any Director of the Company is in any way directly or indirectly concerned or interested, or</p> <p>(b) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Companies Act, 1956 or other applicable provisions of law shall be complied with.</p>	<b>Disclosure to the members of Director's interest in contract appointing manager</b>

<b>150</b>		Subject to the provisions of Section 185 of the Companies Act, 2013, the Company shall not, directly or indirectly make any loan to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with a loan taken by him or such other person.	<b>Loans to Directors etc.</b>
<b>151</b>		The Company shall observe the restrictions imposed on the Company in regard to making any loans, giving any guarantee or providing any security to the companies or bodies corporate under the same management as provided in Section 186 of the Companies Act, 2013.	<b>Loans etc. to Companies</b>
<b>152</b>		No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, it shall be void;	<b>Interested Director not to participate or to vote In Board's proceedings.</b>
<b>ROTATION &amp; APPOINTMENT OF DIRECTORS</b>			
<b>153</b>		A Director may be or become a Director of any Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 197 or Section 188 of the Companies Act, 2013 (and the rules made thereunder) may be applicable.	<b>Directors may be Directors of Companies promoted by the Company</b>
<b>154</b>		Not less than two-thirds of the total number of Directors shall (a) be persons whose period of the office is liable to determination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.	<b>Rotation of Directors</b>
<b>155</b>		Subject to the provisions of Section 284(5) of the Companies Act, 1956 or Section 169(5) and 169 (6) of the Companies Act, 2013, at every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three the number nearest to one-third, shall retire from office. The Debenture Directors, Corporation Directors, Special Directors, or Managing Directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.	<b>Retirement of Directors</b>
<b>156</b>		The Directors who retire by rotation under Article 156 at every annual general meeting shall be those who have been longest in office since their last appointment, but as between those who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.	<b>Ascertainment of Directors retiring by rotation and filling of vacancies</b>
<b>157</b>		A retiring Director shall be eligible for the re-appointment.	<b>Eligibility for re-election</b>
<b>158</b>		Subject to the provisions of the Act, the Company at the annual general meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing the retiring Director or some other person thereto.	<b>Company to fill Vacancies</b>
<b>159</b>	<b>(a)</b>	If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday, at the	<b>Provisions in default of appointment</b>



		same time and place.	
	<b>(b)</b>	If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless – i) at the meeting or the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost; ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed; iii) he is not qualified or is disqualified for appointment; or iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act,	
<b>160</b>		Subject to the provisions of Sections 149 and 152 of the Companies Act, 2013, the Company may, by special resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications.	<b>Company may increase or reduce the number of Directors or remove any Director</b>
<b>161</b>	<b>(1)</b>	No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.	<b>Appointment of Directors to be voted Individually</b>
	<b>(2)</b>	A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved is passed, no provision for the automatic re-appointment of retiring Director in default of another appointment as hereinbefore provided, shall apply.	
	<b>(3)</b>	For the purpose of this Article, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.	
<b>162</b>	<b>(1)</b>	Subject to the provisions of the Act, a person, not being a Retiring Director in terms of Section 152 of the Companies Act, 2013, shall be eligible for appointment to the office of Director at any general meeting if he or some other member intending to propose him has, at least fourteen days before the meeting, left at the registered office of the Company a special notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a Director for office as the case may be along with the deposit of Rupees one lakh or such higher amount as may be prescribed which shall be refunded to such person or as the case may be, to the member, if the person succeeds in getting elected as a Director or secures more than 25% of the total valid votes cast either by way of show of hands or on a poll on such resolution.	<b>Notice of candidature for office of Director except in certain cases</b>
	<b>(2)</b>	The Company shall inform its members of the candidature of the person for the office of Director in such manner as may be prescribed.	
	<b>(3)</b>	Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company, a notice under Section 160 of the Companies Act, 2013, signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if	

		appointed.	
	(4)	<p>A person other than :</p> <p>(a) A Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or</p> <p>(b) An Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Companies Act, 2013, appointed as a Director or re-appointed as an Additional or Alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.</p>	
<b>MANAGING DIRECTOR, WHOLE TIME DIRECTOR</b>			
<b>164</b>		Subject to the provisions of Section 196, 203 and other applicable provision of the Companies Act, 2013, and these Articles, the Directors shall have power to appoint or re-appointment any person to be Managing Director, or Whole-Time Director for a term not exceeding five years at a time Provided that no re-appointment shall be made earlier than one year before the expiry of his term. Such a Managing Director can also act as chairperson of the Company.	<b>Board may appoint Managing Director or Managing Director(s) or Whole Time Directors</b>
<b>165</b>		Subject to the provisions of the Act and these Articles, the Managing Director, or the Whole Time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 156 but he shall be subject to the provisions of any contract between him and the Company, be subject to the same provisions as the resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director or Whole Time Director if he ceases to hold the office of Director from any cause provided that if at any time the number of Directors (including Managing Director or Whole Time Directors) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such of the Managing Director or Whole Time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in to the intent that the Directors so liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.	<b>What provisions they will be subject to</b>
<b>166</b>		The remuneration of the Managing Director, Whole Time Director, or Manager shall (subject to Sections 309 to 311 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the Company or by participation in such profits, or by fee for such meeting of the Board or by all these modes or any other mode not expressly prohibited by the Act.	<b>Remuneration of Managing or Whole Time Director(s)</b>
<b>167</b>		Subject to the superintendence, control and direction of the Board the day to day management of the Company shall be in the hands of the Managing Director(s) and/or Whole Time Director(s) appointed under Article 166 with power to the Board to distribute such day to day management functions among such Director(s) in any manner as deemed fit by the Board and subject to the provisions of the Act and these Articles the Board may by resolution vest any such Managing Director or Managing Directors or Whole Time Director or Whole Time Directors such of the power hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions	<b>Powers and duties of Managing and Whole Time Director(s)</b>

		and subject to such restrictions as it may determine and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.	
<b>PROCEEDINGS OF THE BOARD OF DIRECTORS</b>			
<b>168</b>		The Directors may meet together as a Board for the despatch of business from time to time, and unless the Central Government by virtue of the proviso to Section 173 of the Companies Act, 2013 otherwise directs, shall so meet at least once in every one hundred and twenty days and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.	<b>Meeting of Directors</b>
<b>169</b>	<b>(1)</b>	Notice of every meeting of the Board of Directors shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.	<b>Notice of meetings</b>
	<b>(2)</b>	A Director may at any time and the Secretary upon the request of Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India and at his usual address in India to every other Director. Notice may be given by telex or telegram to any Director who is not in India.	<b>When meeting to be Convened</b>
<b>170</b>	<b>(a)</b>	Subject to Section 174 of the Companies Act, 2013 the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the total strength, the number of the remaining Directors (that is to say, the number of Directors who are not interested) present at the meeting being not less than two shall be quorum during such time.	<b>Quorum</b>
	<b>(b)</b>	For the purpose of clause (a) : (i) "Total Strength" of the Board of Directors of the Company shall be determined in pursuance of the Act, after deducting there from number of the Directors, if any, whose places may be vacant at the time, and (ii) "Interested Directors" means any Director whose presence cannot by reason of Article 153 hereof or any other provisions in the Act count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.	
<b>171</b>		If a meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place.	<b>Procedure when meeting adjourned for want of quorum</b>
<b>172</b>		One of the Directors shall be the Chairman of the Board of Directors who shall preside at all meetings of the Board. If at any meeting the Chairman is not present at the time appointed for the meeting then the Directors present shall elect one of them as Chairman who shall preside.	<b>Chairman</b>
<b>173</b>		Subject to provisions of Section 203, and 203 of the Companies Act, 2013, and other applicable provisions of law, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have second or casting vote.	<b>Questions at Board meeting how decided</b>
<b>174</b>		A meeting of the Board of Directors for the time being at which	<b>Powers of Board</b>

		a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or these Articles or the regulations for the time being of the Company are vested in or are exercisable by the Board of Directors generally.	<b>Meetings</b>
<b>175</b>		The Board of Directors may, subject to the provisions of Section 179 of the Companies Act, 2013, and other relevant provisions of the Act and these Articles, appoint committees of the Board, and delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to the persons or purposes, but every committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise, shall have the like force and effect, as if done by the Board.	<b>Directors may appoint Committees</b>
<b>176</b>		The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	<b>Meeting of the Committee how to be Governed</b>
<b>177</b>	<b>(1)</b>	A resolution passed by circular without a meeting of the Board or a Committee of the Board appointed under Article 179 shall subject to the provisions of sub-clause (2) hereof and the Act be as valid and effectual as the resolution duly passed at meeting of, the Directors or of a Committee duly called and held.	<b>Circular Resolution</b>
	<b>(2)</b>	A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, if the resolution, has been circulated in draft together with necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not being less in number than in the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual addresses in India in accordance with the provisions of Section 175(1) of the Companies Act, 2013, and has been approved by such of the Directors or members of the Committee as are in India or by a majority of such of them as are entitled to vote on the resolution.	
<b>178</b>		All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director. Provided nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.	<b>Acts of Board or Committee valid notwithstanding effect in appointment</b>
<b>POWERS OF THE BOARD</b>			
<b>179</b>		Subject to the provisions of the Act, the business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or	<b>Powers of Director</b>

		<p>by the Articles of the Company required to be exercised by the Company in general meeting, subject nevertheless to these Articles to the provisions of the Act, or any other Act and to such regulations (being not inconsistent with the aforesaid regulations or provisions), as may be prescribed by the Company in general meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made, PROVIDED that the Board shall not, except with the consent of the Company by a special resolution in a general meeting:</p> <p>(a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking;</p> <p>(b) remit, or give time for the payment of any debt due by a Director;</p> <p>(c) invest otherwise than in trust securities the amount of compensation received by the Company as a result of a merger or amalgamation;</p> <p>(d) borrow money where the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of the paid up capital of the Company and its free reserves, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business); or,</p> <p>(i) Provided that in respect of the matter referred to in sub-clause (d) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which monies may be borrowed by the Board under clause (d);</p> <p>(ii) Provided further that the expression "temporary loans" in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term, cash credit arrangements, the discounting of bills and the issue of other short term loans of a reasonable character, but does not include loans raised for the purpose of financing expenditure of a capital nature.</p>	
180		<p>Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolution passed at the meetings of the Board :</p> <p>(a) to make calls on shareholders in respect of money unpaid on their shares;</p> <p>(b) to authorise buy-back of securities under Section 68 of the Companies Act, 2013;</p> <p>(c) to borrow monies;</p> <p>(d) to invest the funds of the Company;</p> <p>(e) to grant loans or give guarantee or provide security in respect of loans;</p> <p>(f) to approve financial statement and the Board's report;</p> <p>(g) to diversify the business of the Company;</p> <p>(h) to approve amalgamation, merger or reconstruction;</p> <p>(i) to take over a Company or acquire a controlling or substantial stake in another Company;</p> <p>(j) any other matter which may be prescribed under the Act and the rules made thereunder.</p> <p>Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors, Managing Director or any other principal officer of the Company, or in case of branch office of the Company a principal officer of the branch office,</p>	<b>Certain powers to be exercised by the Board only at meetings</b>

		the powers specified in (c), (d) and (e) of this sub-clause on such terms as it may specify.	
<b>181</b>		Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the last preceding Article it is hereby declared that the Directors shall have the following powers that is to say, power:	<b>Certain powers of the Board</b>
		(1) to pay the costs, charges and expenses preliminary and incidental to the formation, promotion, establishment and registration of the Company;	
		(2) to pay and charge the capital account to the Company any commission or interest, lawfully payable thereout under the provisions of Section 40 of the Companies Act, 2013 and other applicable provisions of law;	
		(3) subject to Sections 179 and 188 of the Companies Act, 2013, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory;	
		(4) at their discretion and subject to the provisions of the Act to pay for any property, rights or privileges by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;	
		(5) to secure the fulfillments of any contracts or engagement entered into by the Company mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;	
		(6) to accept from any member, so far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;	
		(7) to appoint any person to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees;	
		(8) to institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officer, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment on satisfaction of any debts due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein;	
		(9) to act on behalf of the Company in all matters relating to bankrupts and insolvents;	
		(10) to make and give receipts, release and other discharge for monies payable to the Company and for the claims and demands of the Company;	
		(11) subject to the provisions of Sections 179, 180 and 185, of the Companies Act, 2013 and other applicable provisions of law,	

		to invest and deal with any monies of the Company not immediately required for the purpose thereof, upon such security (not being the shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 187 of the Companies Act, 2013, all investments shall be made and held in the Company's own name;	
		(12) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	
		(13) to determine from time to time who shall be entitled to sign, on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts, and documents and to give the necessary authority for such purpose;	
		(14) to distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as a part of working expenses of the Company;	
		(15) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and wives, widows, and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the applicable provisions of law to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;	
		(16) before recommending any dividend, subject to the provision of Section 123 of the Companies Act, 2013, to set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation fund, or to insurance fund, or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion think conducive to the interest of the Company, and subject to Section 179 of the Companies Act, 2013, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than share of this Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the	

		Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or upon which the capital monies of the Company might rightly be applied or expended; and to divide the reserve fund into such special funds as the Board may think fit; with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund and/or division of a reserve fund and with full power to employ and assets constituting all or any of the above funds including the depreciation fund, in the business of the Company or in purchase or repayment of debentures or debenture stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine percent per annum;	
		(17) to appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and to fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amounts as they may think fit, and also from time to time to provide for the management and transaction of the affairs of the Company in specified locality in India or elsewhere in such manner as they think fit; and the provision contained in the next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;	
		(18) to comply with the requirement of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with;	
		(19) from time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such Local Boards, and to fix their remuneration;	
		(20) subject to Section 179 of the Companies Act, 2013, from time to time and at any time to delegate to any persons so appointed any of the powers, authorities, and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow monies; and to authorise the member for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation;	
		(21) at any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow monies) and for such period and subject to such conditions as the Board may from time to	



		time think fit, and any such appointments may (if the Board thinks fit) be made in favour of the members or any of the members of any local board established as aforesaid or in favour of any Company, or the shareholders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;	
		(22) subject to the provisions of the Companies Act, 2013, for or in relation of any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;	
		(23) from time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.	
<b>MINUTES</b>			
<b>182</b>	<b>(1)</b>	The Company shall cause minutes of all proceedings of general meetings of any class of shareholders or creditors, and every resolution passed by postal ballot or by electronic means and every meeting of the Board of Directors or of every committee of the Board to be prepared and signed in such manner as may be prescribed and kept within thirty days of the conclusion of every such meeting concerned, or passing of resolution by postal ballot in books kept for that purpose with their pages consecutively numbered.	<b>Minutes to be considered evidence</b>
	<b>(2)</b>	The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.	
	<b>(3)</b>	All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.	
	<b>(4)</b>	In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:	
		(a) the names of the Directors present at the meeting; and	
		(b) in the case of each resolution at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.	
	<b>(5)</b>	Nothing contained in clauses (1) to (4) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:	
		(a) is or could reasonably be regarded as defamatory of any person;	
		(b) is irrelevant or immaterial to the proceedings; or	
		(c) is detrimental to the interest of the Company.	
		The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.	
<b>183</b>		The minutes of meeting kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein,	<b>Minutes to be evidence of the proceedings</b>
<b>184</b>		Where the minutes of the proceedings of any general meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with provisions of Section 118 of the Companies Act, 2013, until the contrary is proved, the meeting shall be deemed to have been duly called	<b>Presumptions to be drawn where minutes duly drawn and signed</b>

		and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.	
<b>MANAGEMENT</b>			
<b>187</b>		The Company shall not appoint or employ at the same time a Managing Director and a Manager.	<b>Prohibition of simultaneous appointment of different categories of managerial personal</b>
<b>188</b>		Subject to the provisions of the Act - (i) a chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief financial officer so appointed may be removed by means of a resolution of the Board; (ii) a Director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.	
<b>THE SEAL</b>			
<b>189</b>	<b>(1)</b>	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 it being done by or to the same person acting both as Director and as, or in place of, the chief executive officer, manager, Company secretary or chief financial officer.	<b>The Seal, its custody and use</b>
	<b>(2)</b>	the Seal shall not be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of any two officials of the Company or such other person, the Board may appoint in that behalf who shall sign every instrument to which the Seal is affixed. Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014, and their statutory modifications for the time being in force.	
<b>DIVIDEND WARRANTS</b>			
<b>191</b>	<b>(1)</b>	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.	<b>Division of profits</b>
	<b>(2)</b>	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.	
	<b>(3)</b>	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 provided that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	
<b>192</b>		The Company in general meeting may declare dividends, to be paid to members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller	<b>The Company in general meeting may declare dividend</b>

		dividend in general meeting.	
<b>193</b>	<b>(1)</b>	No dividend shall be declared or paid by the Company for any financial year except (a) out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (2) or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both; or (b) out of the monies provided by the Central Government or State government for the payment of dividend in pursuance or guarantee given by the Government.	<b>Dividend out of profits Only</b>
	<b>(2)</b>	For the purposes of sub-clause (1), the depreciation shall be provided in accordance with the provisions of Schedule II of the Companies Act, 2013.	
	<b>(3)</b>	No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by members of the Company.	
<b>194</b>		The Board of Directors may from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.	<b>Interim Dividend</b>
<b>195</b>		The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted</b>
<b>196</b>		Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.	<b>Capital paid up in advance at interest not to earn dividend</b>
<b>197</b>		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 dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid up</b>
<b>198</b>		The Board of Directors may retain the dividend payable upon shares in respect of which any person under the Transmission Clause has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until in certain cases</b>
<b>199</b>		No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any member all such sums of monies so due from him to the Company.	<b>No member to receive dividend whilst liberated to the Company and the Company's right of Reimbursement thereof</b>
<b>200</b>		A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of Shares</b>
<b>201</b>		Any one of several persons who are registered as joint holders of any share may give effectual receipt for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint Holders</b>

202		The dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend or in case of joint-holders to the registered address of that one of the joint-holders which is first named on the register of members or to such person and to such address as the holder or the joint-holder may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost, to the member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.	<b>Dividend</b> <b>how</b> <b>remitted</b>
203		Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.	<b>Notice</b> <b>of</b> <b>dividend</b>
204	(1)	The Company shall pay the dividend or send the warrant in respect thereof to the shareholder entitled to the payment of dividend, within thirty days from the date of the declaration unless : (a) where the dividend could not be paid by reason of the operation of any law; (b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; (c) where there is a dispute regarding the right to receive the dividend; (d) where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder, or (e) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.	<b>Dividend to be</b> <b>paid within thirty</b> <b>days</b>
	(2)	(a) where the dividend has been declared or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment thereof the Company shall within seven days from the date of expiry or the said period of thirty days transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days to a special account to be opened by the Company in that behalf in any Scheduled Bank to be called "Unpaid Dividend Account of SAKAR HEALTHCARE LIMITED"	
		(b) The Company shall, within a period of ninety days of making any transfer of an amount under sub clause (a) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.	
		(c) If any default is made in transferring the total amount referred to in sub-clause (1) or any part thereof to the Unpaid Dividend Account of the Company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall ensure to the benefit of the members of the Company in proportion to the amount remaining unpaid to them.	
		(d) Any person claiming to be entitled to any money transferred under sub-clause (1) to the Unpaid Dividend Account of the Company may apply to the Company for payment of the money	

		claimed.	
		(e) any money transferred to the Unpaid Dividend Account of the Company in pursuance of this Article which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund of the Central Government.	
		(f) the Company shall when making any transfer to the Investor Education and Protection Fund of the Central Government any unpaid or unclaimed dividend, furnish to such officer as the Central Government may appoint in this behalf a statement in the prescribed form seeing forth in respect of all sums included in such transfer, the nature of the sums, the names and last known addresses of the persons entitled to receive the sum, the amount to which each person is entitled and the nature of his claim thereto and such other particulars as may be prescribed.	
<b>CAPITALISATION</b>			
<b>205</b>	<b>(1)</b>	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 the Company's reserve accounts or to the credit of the Profit and Loss Account or otherwise available for distributions; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.	<b>Capitalisation</b>
	<b>(2)</b>	The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) either in or towards: (i) paying up any amount for the time being unpaid on any shares held by such members respectively; (ii) paying up in full unissued shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii);  (iv) 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; (v) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	
<b>206</b>	<b>(1)</b>	Whenever such a resolution as aforesaid shall have been passed, the Board shall: (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any, and (b) generally do all acts and things required to give effect thereto.	<b>Fractional Certificates</b>
	<b>(2)</b>	The Board shall have full power : (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions and also (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an arrangement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled	

		upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised to the amounts of any part of the amounts remaining unpaid on their existing shares.	
	(3)	Any agreement made under such authority shall be effective and binding on all such members.	
	(4)	That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificate as they think fit.	
<b>ACCOUNTS</b>			
<b>207</b>	(1)	<p>The Company shall prepare and keep at its registered office proper books of account and other relevant books and papers and financial statement for every financial year in accordance with Section 128 of the Companies Act, 2013, as would give a true and fair view of the state of affairs of the Company including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting:</p> <p>Provided that all or any of the books of accounts aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.</p> <p>Provided further that the Company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed.</p>	<b>Books to be kept</b>
	(2)	<p>Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of sub-clause (1) if proper books of accounts relating to the transactions effected at the branch are kept at that office and proper summarised returns made upto date at intervals of not more than three months are sent by the branch office to the Company at its registered office or the other place referred to in sub-clause (1).</p> <p>The books of accounts and other books and paper maintained by the Company within India shall be open to inspection at the registered office of the Company or at such other place in India by any Director during business hours and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any Director subject to such conditions as may be prescribed:</p> <p>Provided that the inspection in respect of any subsidiary of the Company shall be done only by the person authorised in this behalf by a resolution of the Board of Directors.</p>	
	(3)	<p>The books of account of the Company relating to a period of not less than eight financial years immediately preceding a financial year, or where the Company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order:</p> <p>Provided that where an investigation has been ordered in respect of the Company under Chapter XIV of the Companies Act,</p>	

		2013, the Central Government may direct that the books of account may be kept for such longer period as it may deem fit.	
<b>208</b>	<b>(1)</b>	The Board of Directors shall in accordance with Section 129, 133 and 134 of the Companies Act, 2013 and the rules made thereunder, cause to be prepared and laid before each annual general meeting, financial statements for the financial year of the Company which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.	<b>Financial Statements</b>
	<b>(2)</b>	The financial statements of the Company shall give a true and fair view of the state of affairs of the Company and comply with the accounting standard notified under Section 133 of the Companies Act, 2013 and shall be in the form set out in Schedule III to the Companies Act, 2013. Provided that the items contained in such financial statements shall be in accordance with the accounting standards.	
	<b>(3)</b>	In case the Company has one or more subsidiaries, it shall, in addition to financial statements provided under sub-clause (1), prepare a consolidated financial statement of the Company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the annual general meeting of the Company along with the laying of its financial statement under sub-section (1): Provided that the Company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries in such form as may be prescribed: Provided further that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed. For the purposes of this sub-clause, the word “subsidiary” shall include associate Company and joint venture.	
<b>AUDIT</b>			
<b>209</b>		Once at least in every year the accounts of the Company shall be audited and the correctness of the financial statements ascertained by one or more Auditor or Auditors.	<b>Account to be audited</b>
<b>210</b>	<b>(1)</b>	Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with the provisions of Chapter X of the Companies Act, 2013 and the rules made thereunder.	<b>Appointment of Auditors</b>
	<b>(2)</b>	Subject to the provisions of Section 139 of the Companies Act, 2013, the Company shall at the first annual general meeting appoint an individual or a firm as an Auditor to hold office from conclusion of that meeting until the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the Company at such meeting shall be such as may be prescribed. Provided that the Company shall place the matter relating to such appointment for ratification by members at every annual general meeting; Provided further that before such appointment is made, the written consent of the auditor to such appointment and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be prescribed, shall be obtained from the auditor: Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141 of the Companies Act, 2013: Provided also that the Company shall inform the auditor	

		concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed. "Appointment" includes reappointment.	
<b>DOCUMENTS AND NOTICES</b>			
<b>212</b>		Document or notice of every general meeting shall be served or given in the same manner hereinbefore authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member and (c) the auditor or auditors for the time being of the Company, PROVIDED that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company under Article 93 a statement of material facts referred to in Article 93 need not be annexed to the notice, as is required by that Article, but is shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.	<b>To whom documents must be served or given</b>
<b>213</b>		Every person who by operation of law, transfer or other means whatsoever, has become entitled to any share shall be bound by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have been duly served on or give to the person from whom he derived his title to such share.	<b>Members bound by documents or notices served on or given to previous holders</b>
<b>214</b>		A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by Registered Post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed: Provided that where securities are held with a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.	<b>Service of documents on Company</b>
<b>216</b>		Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company or contracts made on behalf of the Company may be signed by any key managerial personnel or other officer of the Company duly authorised by the Board of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings</b>
<b>REGISTERS AND DOCUMENTS</b>			
<b>217</b>		The Company shall keep and maintain Registers, Books and Documents as required by the Act or these Articles, including the following :	<b>Registers and documents to be maintained by the Company</b>
		(1) Register of Investments made by the Company but not held in its own name, as required by Section 187(3) of the Companies Act, 2013, and shall keep it open for inspection by any member or debenture holder of the Company without charge.	
		(2) Register of Mortgages and Charges and copies of instrument creating any charge requiring registration according to Section 85 of the Companies Act, 2013, and shall keep them open for inspection by any creditor or member of the Company without fee and for inspection by any person on payment of a fee of rupee ten for each inspection.	
		(3) Register and Index of Members as required by Section 88 of the Companies Act, 2013, and shall keep the same open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, debenture holder, other security holder or beneficial owner	



		without payment of fee and by any other person on payment of a fee of rupees fifty for each inspection.	
		(4) Register and Index of Debenture Holders or Security Holders under Section 88 of the Companies Act, 2013, and keep it open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of rupees fifty for each inspection.	
		(5) Foreign Register, if so thought fit, as required by Section 88 of the Companies Act, 2013, and it shall be open for inspection and may be closed and extracts may be taken therefrom and copies thereof as may be required in the manner, mutatis mutandis, as is applicable to the Principal Register.	
		(6) Register of Contracts with related parties and companies and firms etc. in which Directors are interested as required by Section 189 of the Companies Act, 2013, and shall keep it open for inspection at the registered office of the Company during business hours by any member of the Company. The Company shall provide extracts from such register to a member of the Company on his request, within seven days from the date on which such request is made upon the payment of fee of ten rupees per page.	
		(7) Register of Directors and Key Managerial Personnel etc., as required by Section 170 of the Companies Act, 2013 and shall keep it open for inspection during business hours and the members of the Company shall have a right to take extracts therefrom and copies thereof, on a request by the members, be provided to them free of cost within thirty days. Such register shall also be kept open for inspection at every annual general meeting of the Company and shall be made accessible to any person attending the meeting.	
		(8) Register of Loans, Guarantee, Security and Acquisition made by the Company as required by Section 186(9) of the Companies Act, 2013. The extracts from such register may be furnished to any member of the Company on payment of fees of ten rupees for each page.	
		(9) Books recording minutes of all proceedings of general meeting and all proceedings at meetings of its Board of Directors or of Committee of the Board in accordance with the provisions of Section 118 of the Companies Act, 2013.	
		(10) Copies of Annual Returns prepared under Section 92 of the Companies Act, 2013, together with the copies of certificates and documents required to be annexed thereto. Provided that any member, debenture holder, security holder or beneficial owner or any other person may require a copy of any such register referred to sub-clause (3), (4) or (5), or the entries therein or the copies of annual returns referred to in sub-clause (10) above on payment of a fee of ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.	
<b>WINDING UP</b>			
<b>218</b>		If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively, and if in a winding up the assets available for distribution among the members shall	<b>Distribution of assets</b>

		be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.	
<b>219</b>	<b>(1)</b>	If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them as a Liquidator, with such sanction shall think fit.	<b>Distribution in specie or kind</b>
	<b>(2)</b>	If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed) by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined upon, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 319 of the Companies Act, 2013.	
	<b>(3)</b>	In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.	
<b>220</b>		A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 319 of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said sanction.	<b>Right of shareholders in case of sales</b>
<b>INDEMNITY</b>			
<b>221</b>		Subject to provisions of Section 197 of the Companies Act, 2013, every Director, or Officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor, shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in anyway in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the	<b>Directors' and others' rights to indemnity</b>

		Companies Act, 2013 in which relief is granted to him by the Court.	
<b>222</b>		Subject to the provisions of Section 197 of the Companies Act, 2013, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for insufficiency or deficiency of any of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damages arising from insolvency or tortuous act of any person, firm or Company to or with whom any monies, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.	<b>Director, Officer not responsible for acts of others</b>
<b>SECRECY CLAUSE</b>			
<b>223</b>		Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required, by the Director, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy and confidentiality in respect of all transactions and affairs of the Company and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions, in these presents contained.	<b>Secrecy Clause</b>
<b>224</b>		No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Director; it would be inexpedient in the interest of the Company to disclose.	<b>No member to enter the premises of the Company without permission</b>

## **SECTION –IX 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 filing of this Draft 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 will be attached to the copy of the Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Plot No. 10/13, Nr. M N. Desai Petrol Pump, Sarkhej Bawla Highway, Changodar, Ahmedabad – 382 213, Gujarat, from date of filing this Draft Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### **Material Contracts**

1. Issue Agreement dated April 21, 2015 between our Company and the Lead Manager.
2. Agreement dated April 20, 2015 between our Company and Link Intime India Private Limited appointing them as Registrar to the Issue.
3. Underwriting Agreement dated [●] amongst our Company, the Lead Manager and the Market Maker and Underwriter.
4. Market Making Agreement dated April 24, 2015 amongst our Company, Market Maker and the Lead Manager.
5. Escrow Agreement dated [●] amongst our Company, the Lead Manager, Escrow Collection Bank and the Registrar to the Issue.
6. Tripartite agreement amongst the NSDL, our Company and Registrar to the Issue dated May 19, 2015.
7. Tripartite agreement amongst the CDSL, our Company and Registrar to the Issue dated April 24, 2015.

#### **Material Documents**

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation and revised certificate of incorporation pursuant to the conversion of our Company into a public company.
2. Resolution of the Board dated April 01, 2015 authorizing the Issue.
3. Special Resolution of the shareholders passed at the Extra Ordinary General Meeting dated April 04, 2015 authorizing the Issue.
4. Statement of Tax Benefits dated December 05, 2015 issued by our Peer Reviewed Auditor, M/s Shah & Dalal, Chartered Accountants.
5. Copies of Annual Reports of our Company for the financial years ended March 31, 2011, 2012, 2013, 2014, 2015 and for the stub period ended September 30, 2015.
6. Report of the Peer Reviewed Auditor M/s Shah & Dalal, Chartered Accountants dated August 24, 2015 on the Restated Financial Statements for the FY ended as on March 31, 2011, 2012, 2013, 2014, 2015 and for the stub period ended September 30, 2015 of our Company.
7. Consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Review Auditors, Legal Advisor to the Issue, Bankers to our Company, the Lead

Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue/Escrow Collection Banks, Refund Banker to the Issue, to act in their respective capacities.

8. Consent from ICRA for placing reliance on their industry report dated April 28, 2015.
9. Copy of approval from NSE *vide* letter dated [●], to use the name of NSE in this offer document for listing of Equity Shares on NSE Emerge.
10. Due Diligence Certificate dated [●] from Lead Manager to NSE.
11. Copy of the Special Resolution dated February 25, 2015 for appointing Mr. Sanjay S. Shah as Managing Director of the Company, Ms. Rita S. Shah as Executive Director of the Company and Mr. Aarsh S. Shah as Joint Managing Director of the Company.

None of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at anytime without reference to the shareholder, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

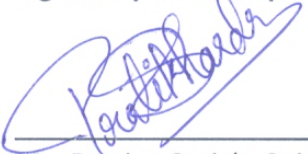
## DECLARATION

All the relevant provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956 / Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

### Signed by the Directors of our Company

NAME	DIN	DESIGNATION	SIGNATURE
Mr. Sanjay S. Shah	01515296	First Director	
Ms. Rita S. Shah	01515340	First Director	
Mr. Aarsh S. Shah	05294294	Joint Managing Director	
Mr. Prashant C. Srivastav	02257146	Independent Director	
Mr. Shailesh B. Patel	01835567	Independent Director	
Mr. Hardik Mehta	07153485	Independent Director	

### Signed by the Company Secretary and Chief Financial Officer of our Company

  
Ms. Pratixa Satish Seju  
Company Secretary

  
Johnny George Kudilil  
Chief Financial Officer

Date: December 31, 2015

Place: Ahmedabad

# Annexure – A

## DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY VIVRO FINANCIAL SERVICES PRIVATE LIMITED

Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing Date	Opening price on listing date	Closing price on listing date	% change in price on listing date (closing) vs. issue price	Benchmark index on listing date (closing)	Closing price as on 10 <sup>th</sup> calendar day from listing day	Benchmark index as on 10 <sup>th</sup> calendar day from listing day (closing)	Closing price as on 20 <sup>th</sup> calendar day from listing agreement	Benchmark index as on 20 <sup>th</sup> calendar day from listing day (closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day	Benchmark index as on 30 <sup>th</sup> calendar day from listing day (closing)
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA