



VAISHALI PHARMA LIMITED

Our Company was originally incorporated as “Vaishali Pharma Private Limited” at Mumbai, Maharashtra as a Private Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 25, 2008 bearing Corporate Identification Number U52310MH2008PTC181632 issued by Assistant Registrar of Companies, Mumbai, Maharashtra. On July 01, 2008, our Company acquired the business of proprietorship concern of our promoter Atul Vasani viz. M/s. Vaishali Pharmachem through Business Assignment agreement. Consequently business of this proprietorship firm was merged into Vaishali Pharma Private Limited. Subsequently, our Company was converted into a Public limited Company pursuant to Shareholders resolution passed in the Extraordinary General Meeting of our Company held on June 13, 2017 and the name of our company was changed to “Vaishali Pharma Limited” and a fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated June 21, 2017 was issued by the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number (CIN) of our Company is U52310MH2008PLC181632. For details of incorporation, Change of name and registered office of our Company, please refer to chapter titled “General Information” and “Our History and Certain Other Corporate Matters” beginning on page 60 and 163 respectively of this Red Herring Prospectus.

Registered Office: 706 to 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off Sodawala Lane, Borivali (West), Mumbai- 400092, Maharashtra, India

Tel. No.: +91 22-2892 8833; **Fax No.:** +91 22-2892 8833; **E-mail:** investor@vaishalipharma.com ; **Website:** www.vaishalipharma.com

Contact Person: Sonal Gandhi, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: ATUL VASANI & JAGRUTI VASANI

THE ISSUE

INITIAL PUBLIC OFFER CONSISTING OF FRESH ISSUE UPTO 19,76,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (THE “ISSUE PRICE”) (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UP TO RS. [●] LAKHS (THE “ISSUE”), OF WHICH UPTO 1,04,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE UPTO 18,72,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS IS HERINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] AND [●] RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND WILL BE ADVERTISED IN MUMBAI EDITION OF THE ENGLISH NATIONAL NEWSPAPER BUSINESS STANDARD, MUMBAI EDITION OF THE HINDI NATIONAL NEWSPAPER BUSINESS STANDARD AND MUMBAI EDITION OF THE REGIONAL NEWSPAPER MUMBAI LAKSHADEEP, EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE EMERGE”, REFERRED TO AS THE “STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and the terminals of the Syndicate Members (defined herein below).

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to the chapter titled “Issue Procedure” beginning on page 300 of this Red Herring Prospectus. A copy has been delivered for registration to the Registrar as required under Section 32 of the Companies Act, 2013.

THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME (“SEBI (ICDR) REGULATIONS”). FOR FURTHER DETAILS PLEASE REFER THE SECTION TITLED ‘ISSUE INFORMATION’ BEGINNING ON PAGE 290 OF THIS RED HERRING PROSPECTUS.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in “Basis for Issue Price” on page 103 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 20 of this Red Herring Prospectus.

COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Red Herring 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 of our Company issued through this Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”), in terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an approval letter dated July 20, 2017 from NSE EMERGE for using its name in the Issue document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, EMERGE Platform of the National Stock Exchange of India Limited shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER

PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED
406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex,
Bandra East, Mumbai – 400 051, Maharashtra, India
Tel: +91-22 6194 6724
Fax: +91-22 2659 8690
Website: www.pantomathgroup.com
Email: ipo@pantomathgroup.com
Investor Grievance Id: ipo@pantomathgroup.com
Contact Person: Kirti Kanoria
SEBI Registration No: INM000012110



REGISTRAR TO THE ISSUE

BIGSHARE SERVICES PRIVATE LIMITED
E/2, Ansa Industrial Estate, Saki Vihar Road
Saki Naka, Andheri (East)
Mumbai – 400 072, Maharashtra, India
Tel: +91 22 4043 0200
Fax: +91 22 2847 5070
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
Investor Grievance Id: investor@bigshareonline.com
Contact Person: Srinivas Dornala
SEBI Registration Number: INR000001385



BID/ ISSUE PROGRAMME

BID/ISSUE OPENS ON: AUGUST 7, 2017

BID/ISSUE CLOSES ON: AUGUST 10, 2017



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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 of America 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.

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 application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Red Herring Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

COMPANY RELATED TERMS

Term	Description
“Vaishali Pharma Limited” or “Vaishali”, “VPL” or “the Company” ,or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	Vaishali Pharma Limited, a Public Limited Company incorporated under the Companies Act, 1956
AOA/ Articles/ Articles of Association	Articles of Association of Vaishali Pharma Limited, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013.
Bankers to the Company	Such banks which are disclosed as Bankers to the Company in the chapter titled “ <i>General Information</i> ” on page 60 of this Red Herring Prospectus.
Board of Directors/ the Board / our Board/ Director(s)	The Board of Directors of Vaishali Pharma Limited, including all duly constituted Committee(s) thereof.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Sonal Gandhi.
Equity Shareholders/ shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each fully paid up unless otherwise specified in the context thereof
Group Companies	Such Companies as are included in the chapter titled ‘ <i>Our Group Companies</i> ’ beginning on page 185 of this Red Herring Prospectus.
ISIN	International Securities Identification Number. In this case being INE972X01014
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
Peer Reviewed Auditor	Independent Auditor having a valid Peer Review Certificate in our case being N. K. Aswani & Co., Chartered Accountants.
Promoter Group	Persons and entities constitute our promoter group in terms of Regulation 2(1) (zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 181 of this Red Herring Prospectus.
Registered Office	The Registered office of our Company situated at 706 to 709, 7th Floor, Aravali Business Center, C. Patel Road, Off Sodawala Lane, Borivali (West), Mumbai- 400092, Maharashtra, India
RoC / Registrar of Companies	The Registrar of Companies, Mumbai, Maharashtra at 100, Everest, Marine Drive Mumbai- 400002, Maharashtra, India
Statutory Auditor / Auditor	The Statutory Auditor of our Company, being M/s. S.K. Bobra & Co., Chartered Accountants.



Term	Description
you, your or yours	Prospective investors in this Issue

ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai and Kolkata.
ASBA Bidders	Any Bidder except Anchor Investor
ASBA form/ Bid Cum Application	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account has been opened and in this case being ICICI Bank Limited and IndusInd Bank.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 300 of this Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bid Cum Application	1. a SCSB with whom the bank account to be blocked, is



Term	Description
Collecting Intermediaries	<p>maintained</p> <ol style="list-style-type: none"> 2. a syndicate member (or sub-syndicate member) If any 3. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)(‘broker’) if any 4. a depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity) 5. a registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
Bid cum Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in Mumbai edition of the English national newspaper Business Standard, Mumbai edition of the Hindi national newspaper Business Standard, and Mumbai edition of the Regional newspaper Mumbai Lakshadeep, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in Mumbai edition of the English national newspaper Business Standard, Mumbai edition of the Hindi national newspaper Business Standard , and Mumbai edition of the Regional newspaper Mumbai Lakshadeep, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective Resident Indian investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the Bid Cum Application Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLM	The Book Running Lead Manager to the Issue namely Pantomath Capital Advisors Private Limited, SEBI registered Category – I Merchant Banker.



Term	Description
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the website of National Stock Exchange of India Limited
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch/Designated 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 http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Date	The date on which the Collection Banks transfer funds from the public issue accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid Cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum



Term	Description
	Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated June 23, 2017 issued in accordance with section 32 of the Companies Act, 2013 and filed with the NSE Emerge under SEBI (ICDR) Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Eligible NRI	NRIs from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares offered herein on the basis of the terms thereof.
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
General Information Document	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 suitably modified and included in “Issue Procedure” beginning on page 300 of Red Herring Prospectus.
Issue Agreement	The agreement dated June 22, 2017 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
Issue Proceeds	Proceeds to be raised by our Company through this Issue being Rs. [●] lakhs, for further details please refer chapter title “ <i>Objects of the Issue</i> ” beginning on page 96 of this Red Herring Prospectus.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offer/ Initial Public Offering/ IPO	Public Issue of Upto 19,76,000 Equity Shares of face value Rs. 10 each fully paid of our Company for cash at a price of Rs. [●] per Equity Share (the “ <i>Issue Price</i> ”) (including a premium of Rs. [●] per Equity Share) aggregating up to Rs. [●] Lakhs.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the EMERGE Platform of National Stock Exchange of India Limited
Market Maker	Market Maker appointed by our Company from time to time, in this case being Pantomath Stock Brokers Private 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



Term	Description
	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 upto 1,04,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] for the Market Maker in this Issue.
Market Making Agreement	Market Making Agreement dated June 22, 2017 between our Company, Book Running Lead Manager 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 upto 18,72,000 Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company.
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see "Objects of the Issue" on page 96 of this Red Herring 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 Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
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
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Price Band	Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be



Term	Description
	advertised at least five Working Days prior to the Bid/ Issue Opening Date, in Mumbai edition of the English national newspaper Business Standard, Mumbai edition of the Hindi national newspaper Business Standard and Mumbai edition of the Regional newspaper Mumbai Lakshadeep, each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information
QIB Portion	The portion of the Issue being 50% of the Net Issue consisting of [●] Equity Shares which shall be Allotted to QIBs subject to valid Bids being received at or above the Issue Price
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	<p>The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be issued and the size of the issue.</p> <p>The red herring prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date</p>
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLM and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Registrar Agreement	The agreement dated June 22, 2017, entered by our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Reserved Category / Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors / RIIs	Individual applicants (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to Rs. 2,00,000 in this Issue.
Revision Form	The Form used by Applicants to modify the quantity of Equity Shares in any of their Application Forms or any Previous Revision Form(s)
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.



Term	Description
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
Self Certified Syndicate Bank or SCSB	A Bank which is registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA including blocking of bank account, a list of which is available on http://www.sebi.gov.in/sebiweb/home/detail/32791/no/List-of-Self-Certified-Syndicate-Banks-under-the-ASBA-facility
SME Exchange	Emerge Platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations
Specified Locations	Collection centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The Agreement dated June 22, 2017 entered into between the Underwriter and our Company.
Working Days	(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 trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

TECHNICAL AND INDUSTRY RELATED TERMS

TERM	DESCRIPTION
ACA	The Affordable Care Act
ACO	Accountable Care Organizations
AIDS	Acquired Immuno Deficiency Syndrome
AIIMS	All India Institute of Medical Sciences
ANDAs	Abbreviated New Drug Applications
API	Active Pharmaceutical Ingredient
ARVs	Antiretrovirals
CAGR	Compound Annual Growth Rate
CRAMS	Contract Research and Manufacturing Services
CSO	Central Statistics Office
DIPP	Department of Industrial Policy and Promotion
DMFs	Drug Master Files
EPCG	Export Promotion Capital Goods
EPFO	Employees' Provident Fund Organisation
ESI	Employee State Insurance
EU	European Union
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FY	Financial Year



TERM	DESCRIPTION
GDP	Gross Domestic Product
GFATM	Global Fund to fight AIDS, TB & Malaria
GST	Goods and Services Tax
GVA	Gross Value Added
HIV	Human Immunodeficiency Virus
HNI	High-net-worth Individuals
I&D	Innovation and Development
IBEF	India Brand Equity Foundation
IFC	International Finance Corporation
IMF	International Monetary Fund
IPA	Indian Pharmaceutical Association
MLHW	Ministry of Labor Health and Welfare
MPP	The Medicines Patent Pool
MYEA	Mid-Year Economic Analysis
NAS	New Active Substances
NIPER	National Institute of Pharmaceutical Education and Research
NLEM	National List of Essential Medicines
OTC	Over the counter
PE	Private Equity
PIB	Press Information Bureau
PMGKY	Pradhan Mantri Garib Kalyan Yojana
PPP	Public Private Partnership
R&D	Research and Development
RBI	Reserve Bank of India
SARC	Syngene Amgen Research and Development Center
SU	Standard Units
TAF	Tenofovir Alafenamide
UDAY	Ujwal DISCOM Assurance Yojana Scheme
UN	United Nations
US/ U.S./ USA	United States of America
USFDA	US Food and Drug Administration
VAT	Value Added Tax
WHO	World Health Organization
WPI	Wholesale Price Index

CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A.Y./AY	Assessment Year
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AoA	Articles of Association
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount



Term	Description
BIFR	Board for Industrial and Financial Reconstruction
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as - Category I foreign portfolio investors under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as - Category II foreign portfolio investors under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as - Category III foreign portfolio investors under the SEBI FPI Regulations
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Cm	Centimetre
CMD	Chairman and Managing Director
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections
CS	Company Secretary
CEO	Chief Executive Director
CST	Central Sales Tax
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); 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 from time to time.
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
F.Y./FY	Financial Year
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to



Term	Description
	time and the regulations framed there under
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FIs	Financial Institutions
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
Ft	Foot
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FV	Face Value
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI/ Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended.
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations/Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
Key Managerial Personnel / KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 167 of this Red Herring Prospectus
KVA	Kilovolt-ampere
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
LM	Lead Manager
Ltd.	Limited



Term	Description
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MoA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non Banking Finance Company
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
NI Act	Negotiable Instruments Act, 1881
NI Act	Negotiable Instruments Act, 1881
NOC	No Objection Certificate
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
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC	Registrar of Companies
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments



Term	Description
	Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, 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
Sec	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	Emerge platform of National Stock Exchange of India
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TNW	Total Net Worth
TRS	Transaction Registration Slip
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US/ U.S. / USA/United States	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

Notwithstanding the following: -



- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 353 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the section titled “*Financial Statements*” beginning on page 189 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled “*Risk Factors*” beginning on page 20 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 105 of this Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 237 of this Red Herring 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 included in this Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 189 this Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

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

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 189 of this Red Herring Prospectus.

CURRENCY OF PRESENTATION

In this Red Herring Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

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

INDUSTRY AND MARKET DATA

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Red Herring Prospectus have been obtained from publically available information, Industry Sources and Government Publications.

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.



Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “*Risk Factors*” beginning on page 20 of this Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

Further, the extent to which the industry and market data presented in this Red Herring 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 Red Herring 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, but are not limited to the following:-

- 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 the Industry which we operate;
- Factors affecting the Industry in which we operate;
- 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 a further discussion of factors that could cause our actual results to differ, refer to section titled “Risk Factors” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 20 and 237 respectively of this Red Herring 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 Red Herring Prospectus. Neither we, our Directors, Book Running Lead Manager, Underwriter nor any of their respective affiliates 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 BRLM 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 Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

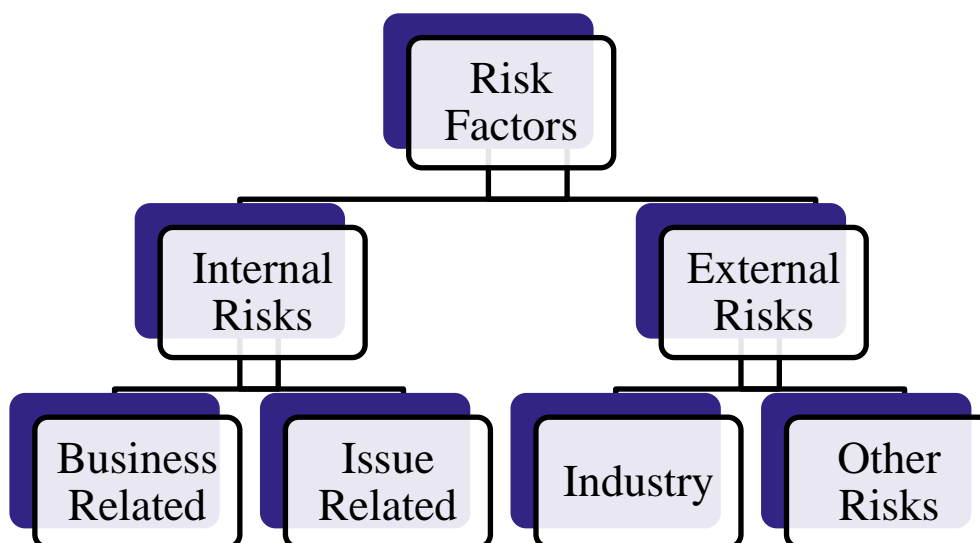
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 140, “Our Industry” beginning on page 108 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 237 of this Red Herring Prospectus as well as other financial information contained herein.

The following factors have been considered for determining the materiality of Risk Factors:

- Some events may not be material individually but may be found material collectively;*
- Some events may have material impact qualitatively instead of quantitatively;*
- Some events may not be material at present but may have material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 3 of this Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

The risk factors are classified as under for the sake of better clarity and increased understanding:



INTERNAL RISKS

Business Related Risks

1. There are certain taxation related proceedings, notices and claims pending with relevant statutory authorities at various jurisdictions against our Company, its Promoter and Directors. Any adverse rulings or decisions in such proceedings by such authorities against our Company or its Promoter and Directors may render us liable to liabilities and penalties and may have an adverse material impact on our business and results of operations.

Our Company, its promoter and directors are involved in certain tax related proceedings involving Income Tax Proceedings, Central Sales Tax / VAT Proceedings. They have been issued notices under Income Tax Act, 1961 and related proceedings are pending with relevant statutory authorities at various jurisdictions. Further, Proceedings under Gujarat Value Added Tax Act, 2003 are pending against the Company for period 2012-13. Further, Proceedings under Central Sales Tax Act, 1956 are pending against Vaishali Pharmachem i.e. an entity acquired by our Company in 2008; for the period 2003-04, 2004-05 and 2005-06 respectively. Certain documents with regards the same are not currently traceable by the Company.

Also, we cannot assure you that, we, our promoters, our directors or Group Company may not face legal proceedings in future; any adverse decision in such legal proceedings may impact our business and results of operations. For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Company please refer the chapter titled “Outstanding Litigations and Material Developments” on page 249 of this Red Herring Prospectus. Except as mentioned above, there are no legal proceedings by or against our Company, Directors, Promoters and Group Company. A classification of legal proceedings is mentioned below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In lakhs)
Company							
By the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil



Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In lakhs)
Against the Company	Nil	Nil	4	Nil	Nil	Nil	44.63
Promoters							
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	1	Nil	Nil	Nil	15.54
Group Companies							
By Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Directors other than promoters							
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	3	Nil	Nil	Nil	0.02

2. We rely on third parties for manufacturing formulation products of our Company.

We are a pharmaceutical company, mainly engaged in trading of APIs and marketing of formulation and surgical products. At present our export markets mainly comprise of marketing of formulation and surgical products. For catering to our export markets with such formulation and surgical products, we rely on certain third parties for manufacturing products for our Company. Any decline in the quality of products manufactured or delay in delivery of products by such parties, or rise in job work charges may adversely affect our operations. Further there can be no assurance that such parties shall continuously provide their services or would not cater to demand of competitors. Any withdrawal of services from such manufacturers or supply of services to competitors at better rates may adversely affect our result of operations and future prospects. We are also required to ensure that the manufacturer holds the requisite approvals for manufacturing the products. In case the manufacturer faults in obtaining or maintaining any requisite approvals, our production schedules may be adversely affected. Further we are also exposed indirectly to the risks these manufacturers faces.

3. Our export business largely depends on the performance of our distributors. Any non-performance by these distributors may adversely affect our business operations, profitability and cash flows.



In case of our export operations we mainly sell our products directly to distributors who in turn take forward the supply chain. Our business hence largely depends on the performance of our distributors, who may be responsible for selling our products to end users at international level. Currently, we have cumulatively around 15 distributors for our international markets. Further these distributors generally operate for a specific country. We can give no assurance that the performance of such distributors will meet our required specifications or performance parameters. Such distributors are independent third parties over which we do not have control. Additionally, we do not have any non-compete agreement with such distributors and in the event that such distributors enter into agreements with competitors, we may not be able to take any course of action.

Similarly, we may be restricted from directly involving ourselves in marketing services in certain countries where these distributors are located. As a result, our growth, results of operations and the integrity of our brand name in these areas is dependent on the performance of these distributors. Moreover, there can be no assurance that our distributors will be able to generate adequate revenue consistently, and we may be exposed to credit risks associated with non-payment or untimely payments from our distributors.

4. *We have been experiencing a decline in our revenue of operations from the past three financial years.*

Our revenue from operations declined from Rs. 12,070.82 lakhs in financial year 2014 to Rs. 9,456.06 lakhs in financial year 2015. It further declined to Rs. 6,670.72 lakhs in FY 2016 and further from FY 2016 it slightly again declined by 0.98% to Rs. 6,605.48 lakhs in FY 2017. The reason behind the fall in our revenue from operations is the decline in our domestic business operations. This has been because of shift of focus of management to export operations and change in business strategy. Our management asserts that since domestic operations yielded low margins, they have been concentrating on expanding export operations. However we cannot assure you that we shall be able to successfully execute our business strategy and continue to grow our revenue from operations. Any decline in our revenue from operations could adversely affect our result of operations and financial condition.

5. *If we cannot respond adequately to the increased competition we expect to face, we will lose market share and our profits will decline, which will adversely affect our business, results of operations and financial condition.*

Our products face competition from products commercialized or under development by competitors in all of our product portfolios. We compete with local companies, multi-national corporations and companies from the rest of world. If our competitors gain significant market share at our expense, our business, results of operations and financial condition could be adversely affected.

Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges and stronger sales forces. Our competitors may succeed in developing products that are more effective, more popular or cheaper than any we may develop, which may render our products obsolete or uncompetitive and adversely affect our business and financial results. Also, we face pressure on our margins due to pricing competition from several small and unorganized local players. Presence of more players in the unorganized sector compared to organized ones has resulted in increasingly competitive environment characterized by stiff price competition.

We also operate in a rapidly consolidating industry. The strength of combined companies could affect our competitive position in all of our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer



or lose a supplier, which may adversely affect our business, results of operations and financial condition.

6. Our Company has not complied with certain statutory provisions and has made delayed filing of required forms with the Registrar of Companies. Such non-compliances/lapses may attract penalties.

Our Company is required under the Companies Act to make filings with the Registrar of Companies from time to time within the stipulated period. Our Company had on certain occasions made delayed/lapsed in filing of required forms, made incorrect filings. Further, our Company has not complied with certain statutory provisions in the past including but not limited to the following:

- Our Company has not filed Form 17 for Satisfaction of Charge in violation of provisions of section 138 and section 600 of the Companies Act, 1956
- Further, Our Company has accepted money in the past from few persons who were not members/directors or their relatives at the time of receipt of such money and hence violated the provisions of section 58A of the Companies Act, 1956

Such delay/non-compliance may in the future render us liable to statutory penalties and could have serious consequences on our operations. However as on date of the Red Herring Prospectus, our Company has taken the corrective measures and is no more incompliant with the above provisions.

7. Our Company requires significant amount of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.

Our business is working capital intensive primarily on account of high debtor days. A significant portion of our working capital is utilized towards trade receivables. Summary of our working capital position is given below:- (Amount Rs. In Lakhs)

Particulars	For the year ended				
	2017	2016	2015	2014	2013
A. Current Assets					
A. Inventories	115.47	336.00	331.93	814.69	534.31
B. Trade Receivables	3790.92	4041.65	3436.30	3819.70	3763.95
C. Cash and Bank Balances	106.58	104.52	100.74	101.19	180.36
D. Short Term Loans & Advances	259.28	242.97	499.59	439.91	280.40
B. Current Liabilities					
A. Trade Payables	1611.85	2465.60	1717.46	3109.72	3591.06
B. Other Current Liabilities	259.33	130.41	104.22	1.59	0.23
C. Short Term Provisions	69.99	30.92	15.79	28.77	20.15
Working Capital (A-B)	2,331.08	2,098.22	2,531.09	2,035.42	1,147.58
Trade receivables as % of total current assets	88.73	85.53	78.66	73.80	79.09

Our Company intend to continue growing by expanding our export operations and widening our products base. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “Objects of the Issue” beginning on page 96 of this Red Herring Prospectus.



- 8. *Being a pharmaceutical company, we operate in a highly regulated and controlled industry environment. Our business is dependent on approvals from relevant regulatory and health authorities. Any delay or failure to obtain or renew such required regulatory approvals, registrations or any change in the regulatory environment in relation to marketing our products in regulated markets may significantly impact our business and strategy affecting our overall profitability.***

Being a pharmaceutical company, we operate in an industry which is highly regulated and controlled. There are stringent and restrictive norms in relation to quality standards. Further, entry barriers in regulated markets in which we currently operate and seek to expand are very high and have extensive regulations pertaining to research, testing and manufacturing, selling and marketing of pharmaceutical products. In most regulated markets, pharmaceutical products must be registered after being tested for safety, efficacy and environmental impact and the regulations differ from country to country.

Some of our customers operate in such highly regulated markets and liaise / do business with our Company based on our Company being the approved source of supply. At present, we have applied for 186 registrations in 13 countries for some of our products, out of which we have successfully received 71 approvals from 7 countries and are in process of obtaining remaining approvals. Also, some of our existing registered products need to be renewed after their expiry. There is no assurance that we will be able to obtain the necessary approvals / renewals for all our products, which could adversely impact our ability to sell some of our products in certain markets. Failure of our Company to adapt itself to such regulatory changes, obtain the necessary approvals / renewals for our products, the business of the Company may be adversely affected.

Further, due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent laws and regulations such as The Drugs and Cosmetics Act, 1940 (“DCA”), The Drugs and Cosmetics Rules, 1945 (“DC Rules”) etc. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being initiated against us, third party claims or the levy of regulatory fines, which may adversely affect our business, results of operations and financial condition. Further amendments to such statutes may impose additional provisions to be followed by our Company and accordingly our Company may need to discontinue any range of product, incur damages, payment of fines or other penalties, other liabilities and related litigation, which could adversely affect our business, prospects, financial condition and results of operations.

- 9. *The products that we commercialize may not perform as expected which could adversely affect our business, financial condition and results of operations.***

Our success depends significantly on our ability to commercialize new pharmaceutical products in India and across various markets around the world. Commercialization requires us to successfully develop, test and obtain the required regulatory approvals for our products, while complying with applicable regulatory and safety standards. In order to develop a commercially viable product, we must demonstrate, through trials that the products are safe and effective for use in humans. Our products currently under development, if and when fully developed and tested, may not perform as we expect, necessary regulatory approvals may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and market such products.

Furthermore, even if we are successful in developing a new product, that product may become subject to litigation by third parties claiming our products infringe on their patents or may be seized in-transit by regulatory authorities for alleged infringement of intellectual property or may be otherwise unsuccessful in the market place due to the introduction of superior products by



competitors. Moreover, it may take an extended period of time for our new products to gain market acceptance, if at all.

10. Our trading and marketing activities are exposed to fluctuations in the prices of materials.

Our Company is dependent on third party suppliers for procuring the traded goods as well as products marketed by us. We are exposed to fluctuations in the prices of these traded/ marketed goods as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of trades on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of traded or marketed goods may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost-effective manner would cause delays in our production/trade cycles and delivery schedules, which may result in the loss of our customers and revenues.

11. Our Company's failure to maintain the quality standards of the products or keep pace with the technological developments could adversely impact our business, results of operations and financial condition.

In case of our export operations, our products depend on recent inventions and developments as we market the products as per the market trends. Any failure to maintain the quality standards may affect our business. Although we have put in place strict quality control procedures, we cannot assure that our products will always be able to satisfy our customers' quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation, our operations and our results from operations. Also, rapid change in our customers' expectation on account of changes in technology or introduction of new products or for any other reason and failure on our part to meet their expectation could adversely affect our business, result of operations and financial condition. While, we believe that we have always introduced new products based on consumers need to cater to the growing demand of our customers, our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely affect our business and financial results.

12. We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

13. Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.



Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of pharmaceutical products. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

14.If we do not maintain and increase the number of our arrangements for the distribution of our products, our export business, results of operations and financial condition could be adversely affected.

In most of the export markets in which we have a presence, we generally appoint a local third party entity who distributes our products. We have limited control over the operations and businesses of such local third party entities. We cannot assure you that we will be able to successfully identify or appoint new distributors or effectively manage our existing distribution network. If the terms offered to such distributors by our competitors are more favourable than those offered by us, distributors may decline to distribute our products and terminate their arrangements with us. We may be unable to appoint replacement distributors in a timely fashion, or at all, which may reduce our sales volumes and adversely affect our business, results of operations and financial condition.

Further, our competitors may have exclusive arrangements with distributors and such distributors may not be able to stock and distribute our products, which may limit our ability to expand our distribution network. While we offer our distributors certain incentive schemes to distribute our products, we may not be able to effectively implement them across our distribution network. Any failure on our part to maintain and increase the number of our arrangements for the distribution of our products, our business, results of operations and financial condition could be adversely affected.

15.The availability of counterfeit drugs, such as drugs passed off by others as our products, could adversely affect our goodwill and results of operations.

Entities in India and abroad could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer.

16. We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. Some of these approvals are required to be transferred in the name of “Vaishali Pharma Limited” from “Vaishali Pharma Private Limited” pursuant to conversion and name change of our company and any failure or delay in obtaining such approvals or renewal of the same in a timely manner may adversely affect our operations.

We require a number of approvals, licenses, registrations and permits in ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. We were a private limited company in the name of “VAISHALI PHARMA PRIVATE LIMITED”. After complying with the relevant provisions and procedures of Companies Act, 2013, the Company was converted into public limited company, followed by the name change of the Company to “VAISHALI PHARMA LIMITED”. We shall be taking necessary steps for transferring the approvals in new name of our company. In case we fail to



transfer/obtain the same in name of the company same may adversely affect our business or we may not be able to carry our business.

Further, approvals like Tax Deduction Account Number (TAN) allotment letter and Professional Tax Enrolment certificate (PTEC) for Mumbai office are currently not traceable by the company. We have made total 65 applications for registration with the Registrar of Trademarks, Trademark Registry, Government of India out of which 9 Trademarks are duly registered. 1 application is duly accepted & advertised whereas 6 applications reflect the status as Advertised bef acc. 29 applications currently stands objected, 5 applications currently stands opposed and 15 applications currently stands abandoned.

Any failure to apply for and obtain the required approvals, licences, registrations or permits in a timely manner, or any suspension or revocation of any of the approvals, licences, registrations and permits would result in a delay in the our business operations which could otherwise adversely affect our financial condition, results of operations and prospects of the Company. We cannot assure you that the approvals, licences, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business and results of operations.

For further details, please refer the chapter titled “Government and Other Statutory Approvals” on page 260 of this Red Herring Prospectus.

17.If we inadvertently infringe on the patents of others, our business may be adversely affected.

We operate in an industry characterized by extensive patent litigation, including frivolous litigation by competitors to delay grant of patent. Patent litigation can result in significant damages being awarded and injunctions that could prevent the sale of certain products or require us to pay significant royalties in order to continue to sell such products. While it is not possible to predict the outcome of patent litigation, we believe any adverse result of such litigation could include an injunction preventing us from selling our products or payment of significant damages or royalty, which would affect our ability to sell current or future products or prohibit us from enforcing our proprietary rights against others. The occurrence of any of these risks could adversely affect our business, financial condition and results of operations.

18. Introduction of alternative pharmaceutical products caused by changes in technology or consumer needs may affect demand for our existing products which may adversely affect our financial results and business prospects.

Our export oriented products are mainly used in the healthcare sector to cater to masses. Our business is affected by change in technology, consumer needs, market perception of brand, convenience, health and safety norms. Our ability to anticipate such changes and to continuously develop and introduce new and enhanced products successfully on a timely basis will be a key factor in our growth and business prospects. There can be no assurance that we will be able to keep pace with the technological advances that may be necessary for us to remain competitive. Further, any substantial change in preference of consumers who are end users of our products will affect our customers’ businesses and, in turn, will affect the demand for our products. Any failure to forecast and/or meet the changing demands of pharmaceutical businesses and consumer needs may have an adverse effect on our business, profitability and growth prospects.

19.We operate in overseas markets and may, in future, continue to access markets which are new to us. Our limited experience in facing entry barriers including stringent regulatory requirements in such markets, may adversely affect our business, financial conditions and results of operations.



As on date of the Red Herring Prospectus, our Company, we have applied registration for 186 registrations of some of our products in 13 countries, of which our Company has received 71 approvals in 7 countries. In the event, we are granted approval in such countries, it will be a different market for us to cater to. We may face initial difficulties in catering to such markets including understanding the market demand, consumer needs, appointment of distributors, marketing, complying with local laws and regulations etc. due to our limited experience. Further the already existing players and the local players may pose a challenge for us on the grounds of their familiarity in the markets, their consumer reach and experience.

Our failure to successfully enter and further establish our presence in the new overseas markets or develop a market for a new product in the existing overseas markets in future could affect our business and results of operations.

- 20. As a pharmaceutical marketing company, we are dependent on the validity of certain trademarks including our corporate name, brand names and logo, copyrights and formulation patents that we may not be able to protect and/or maintain validity of the same. The current status of many such intellectual property rights applications/ registrations are opposed, abandoned and pending at various stages with the Trademark Authorities or such relevant authority, as applicable, as a result of which we may have lesser recourse to initiate legal proceedings to protect our products and processes. In the event of any failure or delay in securing or renewing the same in the future may impact the Company's rights in using them.***

We operate in an extremely competitive environment, where generating brand recognition is significant element of our business strategy. Our ability to market and sell our products depends upon the recognition of our brand names and associated consumer goodwill. We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain as few of those are currently objected/ opposed/ abandoned.

Currently, we do not have registered trademarks for our corporate name and logo under the Trade Marks Act, 1999. Further, we have made total 65 applications for registration with the Registrar of Trademarks, Trademark Registry, Government of India out of which 9 Trademarks are duly registered. 1 application is duly accepted & advertised whereas 6 applications reflect the status as Advertised bef acc. 29 applications currently stands objected, 5 applications currently stands opposed and 15 applications currently stands abandoned.

Therefore we do not enjoy the statutory protection accorded to a registered trademarks and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. Thereby, our ability to use our logo may be impaired. There can be no assurance that we will be able to register the logo or our other trademarks or those third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill.

In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our brand names or logo. The abandoned and pending trademark applications at various stages may require us to invest significant resources in developing new brands or names, procedural compliance for registering the opposed and abandoned trade applications which could materially and adversely affect our business, financial condition, results of operations and prospects.

For details of our Intellectual Property Rights, please refer to the chapters titled “*Our Business*” and “*Government and Other Statutory Approvals*” beginning on page 140 and 260 respectively, of this Red Herring Prospectus.



- 21. Our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits and terrorism. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.**

Our insurance policies consist of, among others, standard fire and special perils, marine cargo policy, etc. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits, losses due to terrorism, etc. Further there can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

- 22. 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 cause 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 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.

- 23. We do not own the land on which our warehouse is situated.**

Our Company does not own the land on which our warehouses are located. We have taken the same on lease from third parties. The lease for such warehouse facilities at Bhiwandi, Maharashtra and Vapi, Gujarat are valid till March 31, 2020 and August 31, 2017 respectively and can be extended subject to mutual consent of both the parties. If we are unable to renew the lease or if the lease is not renewed on favourable conditions, it may affect our operations adversely. Also if we do not comply with certain conditions of the lease agreement, it may lead to termination of the lease. In the event of non-renewal or termination of the lease, we may have to vacate our current premises and shift to new premises. There can be no assurance that we shall be able to find a suitable location, or one at present terms and conditions. Any additional burden due to shifting of premises, or increased capital expenditure, may adversely affect our business operations and financial conditions.

For details on properties taken on lease/rent by us please refer to the heading titled “Land & Property” in chapter titled “Our Business” beginning on page 140 of this Red Herring Prospectus.

- 24. Our Company exports our products to countries including African, CIS and Latin American countries. Any adverse events affecting these countries could have a significant adverse impact on our results from operations.**

For the year ended March 31, 2017, our revenue from export operations contributed to 27.16% of the total revenue from operations. Our Company exports its products to countries namely African, CIS and Latin American countries etc. Consequently, any adverse changes in these economies such as slowdown in the economy, appreciation of the Indian Rupee vis-à-vis the currencies of these economies, acts of terrorism or hostility targeting these countries, etc. would directly impact our revenues and results from operations. In the event of change in policies or laws in these regions with respect to Environment, Health and Safety (EHS) norms, quality standards, branding or restrictions on usage of certain products/raw materials, our financial condition and business operations may be adversely affected. In case of any contingencies in future due to which we are unable to operate



effectively in these markets, our results from operations, revenues and profitability may be adversely affected.

25. The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to chapter titled “Capital Structure” beginning on page 72 of this Red Herring Prospectus, respectively.

26. Non-compliance with the bar coding requirements stipulated by the Director General of Foreign Trade, (“DGFT”), from time to time, for primary, secondary and tertiary level packaging of finished pharmaceutical products for export, could adversely affect our goodwill, business, financial condition and results of operations.

Pursuant to applicable notices, notifications and circulars issued by the DGFT, from time to time, we are required to comply with bar coding requirements for primary, secondary and tertiary level packaging of finished pharmaceutical products for export, provided, the importing country has not mandated a specific bar coding requirement. As the bar coding requirements mandated by the DGFT, are applicable in addition to the standard labelling requirements under the DCA and the Drug Rules, it may lead to an increase in packaging and other costs, thereby requiring us to allocate more resources and impeding our ability to operate and grow our business. Any non-compliance with the bar coding requirements as stipulated by the DGFT, could result in counterfeiting or piracy of our pharmaceutical products, thereby affecting our goodwill. We cannot assure you that we will be able to comply with all the bar coding requirements as stipulated by the DGFT, from time to time, within the prescribed time, or at all, failing which our goodwill, business, financial condition and results of operations could be adversely affected.

27. Our Company has negative cash flows from its operating activities, investing activities as well as financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

(Rs. in Lakhs)

Particulars	For The Year Ended				
	2017	2016	2015	2014	2013
Cash Flow from / (used in) Operating Activities	85.18	458.79	(371.62)	(703.97)	379.71
Cash Flow from / (used in) Investing Activities	71.74	307.40	178.41	(23.97)	13.51
Cash Flow from / (used in) Financing Activities	(154.87)	(762.41)	192.76	648.78	(359.82)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.



28. We have issued Equity Shares in the last twelve months, the price of which is lower than the Issue Price.

Our Company has issued 25,00,000 Equity Shares as bonus shares in the ratio of 5 equity shares for every 1 share held to our shareholders during the last twelve months. Further, our company has allotted 16,15,385 equity shares by conversion unsecured loan into equity on May 10, 2017. For further details of Equity Shares issued, please refer to chapter titled, “Capital Structure” beginning on page 72 of this Red Herring Prospectus.

29. Our Peer Reviewed Auditor has included an observation in his report with regards to Segment reporting.

We are a pharmaceutical company, dealing in pharmaceutical formulations, APIs, surgical products, veterinary supplements, and marketing the same. Considering the nature of the Business and Financial Reporting of the Company, we operate in two Geographical Segments, i.e. Domestic and Export Market. The company has not maintained separate data for the purpose of the Segmental Reporting due to lack of awareness of such reporting requirements. Hence in absence of the said data, peer reviewed auditor is unable to report on the same. However, management of the Company has assured that they shall maintain such data henceforth considering the reporting requirement.

30. Our statutory auditor has included an emphasis of matter in its statutory audit report for the year ended March 31, 2015.

Our statutory auditor has emphasised in its statutory audit report for the year ended March 31, 2015 regarding non provision in accounts in respect of estimated total liability for future payment of gratuity, as the same is accounted for on cash basis the impact whereof on the Company’s profit is presently not ascertainable in the absence of valuation of such liability. The accounting method of providing gratuity liability as and when due is not in accordance with the accounting method prescribed in AS 15 of “Accounting for Retirement Benefits” issued by the ICAI. However our Company has now carried out gratuity calculations by an actuarial valuer and accounted the same in our restated financial statements in accordance with AS 15.

31. We generally do business with our customers on purchase order basis and do not enter into long-term contracts with most of them.

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of customers. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

32. We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.

We export some of our products and receive sale proceeds in foreign currency. Further we also import some products for trading. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect our Company to the extent of transactions in foreign currency terms. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company’s results of operations.



33. *Our Company is dependent on third party transportation for the delivery of products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.*

Our Company uses third party transportation for delivery of our products. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations. In addition such goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lockouts, inadequacies in the road infrastructure and port facilities, or other events could impair ability to deliver goods on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

34. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.*

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees, expand our distribution channel and to implement systems capable of effectively accommodating our growth. However, we cannot assure that any such employees or distributors will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It also is possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

35. *We may not be successful in implementing our business strategies.*

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

36. *Conflicts of interest may arise out of common business undertaken by our Company and our Group Company.*

Our Group Company M/s. Quadra Impex is authorized to carry out business similar to that of our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, our Group Company in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other companies in which our Promoters have interests. There can be no assurance that our Promoters or our Group Companies or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.



37. Our Company has no formal supply agreement or contract with our vendors/suppliers for the uninterrupted supply of major traded materials and marketed goods. Our business may be adversely affected if there is any disruption in the supply of traded or marketed goods.

We do not have any formal agreements with our vendors/suppliers as we operate on a purchase order system. Due to the absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations. In the event of any disruption in the goods supply or the non availability of goods, the purchase and distribution schedule may be adversely affected impacting the sales and profitability of the Company. In the event the prices of such goods were to rise substantially, we may find it difficult to make alternative arrangements for supplies of our goods, on the terms acceptable to us, which could materially affect our business, results of operations and financial condition. Our management believes that we maintain good relations with our suppliers and we shall also not face any challenge in finding new suppliers if required.

38. We have certain contingent liabilities that have not been provided for in our Company's financials which if materialised, could adversely affect our financial condition.

Our contingent liabilities as on March 31, 2017 is as under:

(Rs in lakhs)

Particulars	Outstanding as at March 31st, 2017
Claim against company not acknowledge as debt	
- In respect of Income tax	2.25
- In respect of Sales tax	31.76
Total	34.01

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled "Financial Statements" on page 189 of this Red Herring Prospectus.

39. Our Company has unsecured loans which are repayable on demand. Any demand loan from lenders for repayment of such unsecured loans, may adversely affect our cash flows.

As on March 31, 2017, our Company has unsecured loans of Rs. 422.12 from related and other parties that are repayable on demand to the relevant lender. However some of the unsecured loan of Atul Vasani has been converted into equity shares on May 10, 2017. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, please refer the chapter titled Financial Statements as Restated beginning on page 189 of this Red Herring Prospectus.

40. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. Further we have not identified any alternate source of financing the 'Objects of the Offer'. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition.



As on date of this Red Herring Prospectus, we have not made any alternate arrangements for meeting our capital requirements for objects of the issue. We meet our capital requirements through our bank finance, debts, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Offer” beginning on 96 of this Red Herring Prospectus.

41. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.*

Our Company have taken secured loan from banks by creating a charge over our movable and immovable properties in respect of loans/facilities availed by us. The total amounts outstanding and payable by us for secured loans were Rs. 1,869.21 lakhs as on March 31, 2017. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse effect on our business, financial condition and results of operations. For further details please refer to chapter titled Financial Indebtedness in chapter titled “Financial Indebtedness” on page 245 of this Red Herring Prospectus.

42. *Within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 96 of this Red Herring Prospectus, our Company’s management will have flexibility in applying proceeds of the Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.*

We intend to use fresh Issue Proceeds towards working capital requirements, general corporate purposes and to meet the issue expenses. We intend to deploy the Net Issue Proceeds in Financial Year 2017-18 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “Objects of the Issue” beginning on page 96 of this Red Herring Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 96 of this Red Herring Prospectus, the management will have flexibility in applying the proceeds received by our Company from the Issue. However, the company shall comply with Section 27 of the Companies Act, 2013 before varying the Objects of the Issue. The Audit Committee will monitor the utilisation of the proceeds of this Issue.

43. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any



other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page 188 of this Red Herring Prospectus.

- 44. *Our future funds requirements, in the form of fresh issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

- 45. *Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.***

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

- 46. *Our Promoters / Directors have given personal securities in relation to certain debt facilities provided to our Company by our lender. In event of default on the debt obligations, the personal securities may be invoked thereby adversely affecting our Promoters/ Directors ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations.***

Some of the debt facilities provided to our Company by our lenders stipulate that the facility shall be secured by properties of our Promoters/ Directors. In event of default on the debt obligations, the personal securities may be invoked thereby adversely affecting our Promoters/ Directors / Key Managerial Personnel(s) ability to manage the affairs of our Company and consequently this may impact our business, prospects, financial condition and results of operations. Further, in an event our Promoters/ Directors/ Members withdraws or terminates his/their security, the lenders for such facilities may ask for alternate guarantee/s or securities or for repayment of amounts outstanding under such facilities or even terminate such facilities. We may not be successful in procuring guarantee/s or collateral securities satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled “Financial Indebtedness” beginning on page 245 of this Red Herring Prospectus.

- 47. *In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding, dividend entitlement, if any; loan availed by our Company, etc.***



Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding, dividend entitlement, if any; loan availed from them by our Company, etc. For further information, see “Capital Structure” and “Our Management” and “Related Party Transactions” beginning on pages 72, 167 and 187, respectively, of this Red Herring Prospectus.

48. *Our Promoters and members of the Promoter Group will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.*

After completion of the Issue, our Promoters and members of the Promoter Group will collectively own [●] % of our equity share capital. As a result, our Promoters, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

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

49. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.*

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

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

Our Company has entered into transactions with our certain related parties. 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 not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to “Annexure XXIV Related Party Transactions” in Section “Financial Statements as restated” beginning on page 189 of this Red Herring Prospectus.

51. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements.*

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. Further certain agreements also impose financial and other restrictive covenants such as maintenance of financial ratios, submission of results, etc. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be



able to obtain consents necessary to take the actions that we believe are required to operate and grow our business.

Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

For further details in this regard, , please refer chapter titled '*Financial Indebtedness*' beginning on page 245 of this Red Herring Prospectus.

Issue related risk

52. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue Price of our Equity Shares will be determined by book building method. This price is based on numerous factors (For further information, please refer chapter titled "Basis for Issue Price" beginning on page 103 of this Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchange, we are required to refund all monies collected to investors.

EXTERNAL RISK FACTORS

Industry Risks

53. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

54. Malpractices by some players in the industry affect overall performance of emerging Companies.



The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to safety and efficacy of the product etc. Consumers' attitude toward the industry today is dominated by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like our as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

Other Risks

55. 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. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

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. 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.

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a



relatively higher rate as compared to the transaction where STT has been paid in India. By way of the Finance Bill, 2017, the Government of India has proposed to introduce certain anti-abuse measures, pursuant to which, the aforesaid exemption from payment of capital gains tax for income arising on transfer of equity shares shall only be available if STT was paid at the time of acquisition of the equity shares. While the said provision has not been notified as on date, it is expected to take effect from April 1, 2018 and will, accordingly, apply in relation to the assessment year 2018-19 and subsequent assessment years. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

57. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Red Herring Prospectus.

As stated in the reports of the Auditor included in this Red Herring Prospectus under chapter "Financial Statements as restated" beginning on page 189, the financial statements included in this Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

58. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- Excise duty on certain materials and components;
- Goods and Service Tax (GST) and other levies; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

59. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.



The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

60. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Pharmaceutical industry contained in the Red Herring Prospectus.*

While facts and other statistics in this Red Herring Prospectus relating to India, the Indian economy and the Pharmaceutical industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled 'Our Industry' beginning on page 108 of this Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

61. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

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

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



63. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.*

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy; disrupt the transportation of goods and supplies, and costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

64. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.*

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

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

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



PROMINENT NOTES

1. Public Issue of Upto 19,76,000 Equity Shares of face value of Rs. 10/- each of our Company for cash at a price of Rs. [●]/- per Equity Share (including a share premium of Rs. [●]/- per equity share) (“Issue Price”) aggregating upto Rs. [●] Lakhs, comprising a fresh issue of upto 19,76,000 equity shares aggregating upto Rs. [●] by the Company of which upto 1,04,000 Equity Shares of face value of Rs. 10/- each will be reserved for subscription by Market Maker to the Offer (“Market Maker Reservation Portion”). The Offer less the Market Maker Reservation Portion i.e. Net Offer of upto 18,72,000 equity shares of face value of Rs. 10 each is hereinafter referred to as the “Net Offer”. The Issue and the Net Issue will constitute [●]% and [●]%, respectively of the post Issue paid up equity share capital of the Company.
2. Investors may contact the Book Running Lead Manager (BRLM) or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled “General Information” beginning on page 60 of this Red Herring Prospectus.
3. The pre-issue net worth of our Company was Rs. 386.85 Lakhs as at March 31, 2017. The book value of each Equity Share was Rs.12.90 as at March 31, 2017 as per the restated financial statements of our Company. For more information, please refer to section titled “Financial Statements” beginning on page 189 of this Red Herring Prospectus.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoters	No. of Equity Shares held	Average cost of Acquisition (in Rs.)
Atul Vasani	43,15,385	5.80
Jagruti Vasani	2,99,995	0.17

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled “Capital Structure” beginning on page number 72 of this Red Herring Prospectus.

5. Our Company has entered into related party transactions during the previous years. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer Annexure “XXIV” “Related Party Transactions” under chapter titled “Financial Statements as restated” beginning on page 189 of this Red Herring Prospectus.
6. 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 297 of this Red Herring Prospectus.
7. Except as disclosed in the chapter titled “Capital Structure”, “Our Promoters and Promoter Group”, “Our Management” and “Related Party Transaction” beginning on pages 72, 181, 167 and 187 respectively, of this Red Herring Prospectus, none of our Promoters, Directors or Key Management Personnel has any interest in our Company.
8. Except as disclosed in the chapter titled “Capital Structure” beginning on page 72 of this Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
10. Investors are advised to refer to the chapter titled “Basis for Issue Price” beginning on page 103 of this Red Herring Prospectus.
11. There are no financing arrangements whereby the Promoter Group, the 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 Red Herring Prospectus with the Stock exchange.

12. Our Company was originally incorporated as Vaishali Pharma Private Limited at Mumbai, Maharashtra as a Private Limited Company under the provision of Companies Act, 1956 vide Certificate of Incorporation dated April 25, 2008 bearing Corporate Identification Number U52310MH2008PTC181632 issued by the Registrar of Maharashtra, Mumbai. On July 01, 2008, our Company acquired the business of proprietorship concern of our promoter Atul Vasani viz. M/s. Vaishali Pharmachem through Business Assignment Agreement. Consequently business of this proprietorship firm was merged into Vaishali Pharma Private Limited. Subsequently our Company was converted into a public limited company pursuant to special resolution passed by the members in Extraordinary General Meeting held on June 13, 2017 and the name of our Company was changed to Vaishali Pharma Limited vide a Fresh Certificate of Incorporation dated June 21, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification number of our Company is U52310MH2008PLC181632. For further details of change of name and registered office of our Company, please refer to chapter titled 'Our History and Certain Other Corporate Matters' beginning on page 163 of this Red Herring Prospectus.
13. As on date of this Red Herring Prospectus, our Company has one group Company i.e. Quadra Impex Limited.



SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 20 and 189 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.

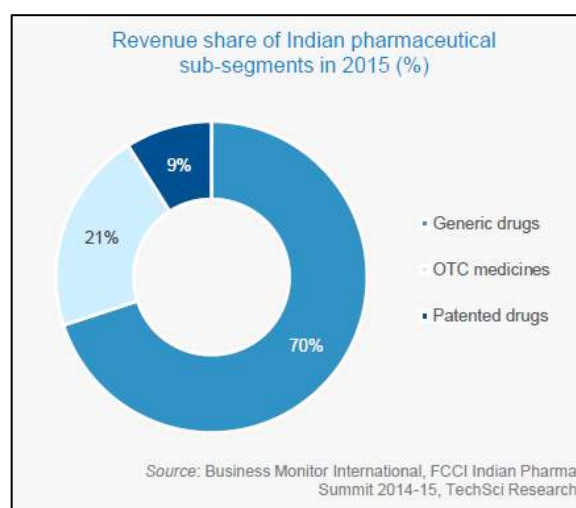
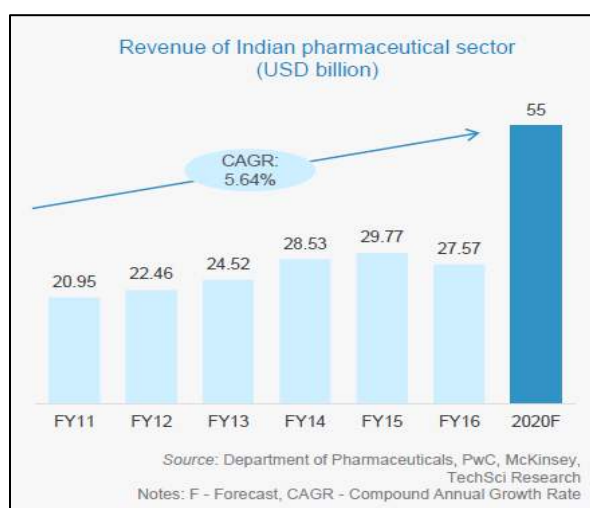
INTRODUCTION TO THE INDIAN PHARMACEUTICAL INDUSTRY

Indian pharmaceutical sector accounts for about 2.4 per cent of the global pharmaceutical industry in value terms and 10 per cent in volume terms and is expected to expand at a Compound Annual Growth Rate (CAGR) of 15.92 per cent to US\$ 55 billion by 2020 from US\$ 20 billion in 2015.¹²³ With 71 per cent market share, generic drugs form the largest segment of the Indian pharmaceutical sector. By 2016, India is expected to be the third-largest global generic Active Pharmaceutical Ingredient (API) merchant market. The country accounts for the second largest number of Abbreviated New Drug Applications (ANDAs) and is the world’s leader in Drug Master Files (DMFs) applications with the US.

Indian drugs are exported to more than 200 countries in the world, with the US as the key market. Generic drugs account for 20 per cent of global exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years. The Government of India plans to set up a US\$ 640 million venture capital fund to boost drug discovery and strengthen pharmaceutical infrastructure. The ‘Pharma Vision 2020’ by the government’s Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery.

(Source: *Indian Pharmaceuticals Industry Analysis - India Brand Equity Foundation - www.ibef.org*)

STATISTICAL OVERVIEW OF THE INDIAN PHARMACEUTICAL INDUSTRY



(Source: *Indian Pharmaceuticals Industry Analysis - India Brand Equity Foundation - www.ibef.org*)



GLOBAL ECONOMIC OVERVIEW

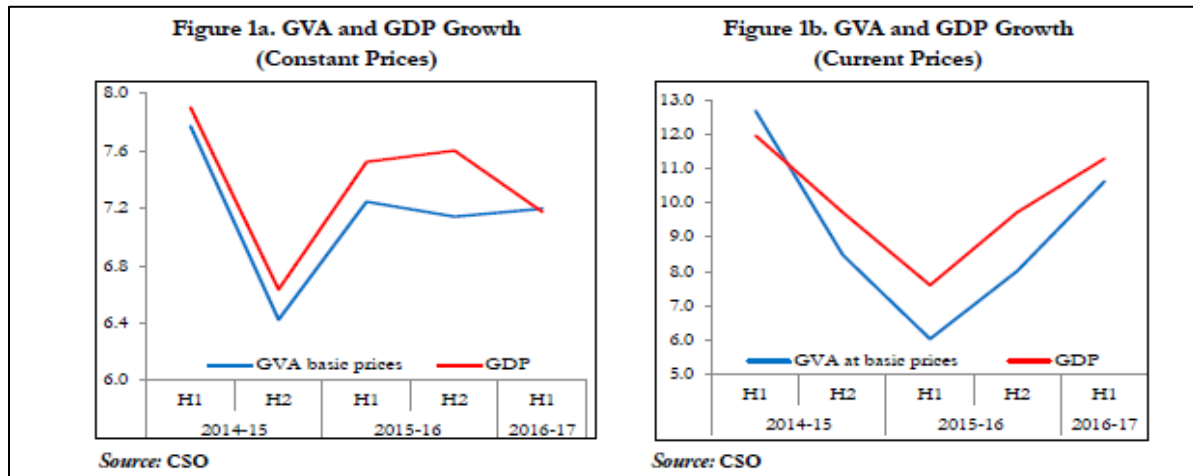
For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends—documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects

Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).



The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services— dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 per cent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).

Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 per cent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-) 5.1 per cent in August 2015 to 3.4 per cent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 per cent to 5 per cent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI’s target of 5 per cent, a trend likely to be assisted by demonetisation.

External Sector

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 per cent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at end-January 2016 to US\$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 per cent of GDP in FY2016 to 3.2 per cent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term.



Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

Fiscal Position

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year. Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments.

State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

GLOBAL PHARMACEUTICAL INDUSTRY

The volume of medicines used globally will reach 4.5 trillion doses by 2020 and cost \$1.4 trillion, both representing significant increases from 2015. The largest pharmaceutical-using countries will be the pharmerging markets, with two-thirds of the global medicine volumes, mostly comprised of generic medicines and dramatic increases in the utilization of medicines due to broad-based health system expansions. Developed markets will continue to account for the majority of medicine spending due to both higher prices per unit and the mix of newer medicines that bring meaningful clinical benefit to patients facing a wide range of diseases.



GLOBAL PHARMACEUTICAL INDUSTRY – COUNTRY RANKINGS

Appendix 1 - Global Country Rankings								
Exhibit	2010	Index	Exhibit	2015	Index	Exhibit	2020	Index
1	U.S.	100	1	U.S.	100	1	U.S.	100
2	Japan	22	2	China	27	2	China	30
3	China	19	3	Japan	18	3	Japan	14
4	Germany	11	4	Germany	10	4	Germany	9
5	France	10	5	France	8	5	Brazil	8
6	Italy	7	6	U.K.	7	6	U.K.	6
7	U.K.	6	7	Brazil	6	7	Italy	5
8	Spain	6	8	Italy	6	8	France	5
9	Canada	6	9	Canada	5	9	India	5
10	Brazil	5	10	Spain	4	10	Canada	4
11	South Korea	4	11	Venezuela	4	11	Spain	4
12	Australia	3	12	India	4	12	Russia	3
13	India	3	13	Russia	3	13	South Korea	3
14	Mexico	3	14	South Korea	3	14	Mexico	2
15	Venezuela	3	15	Australia	3	15	Turkey	2
16	Russia	2	16	Mexico	2	16	Australia	2
17	Poland	2	17	Argentina	2	17	Saudi Arabia	2
18	Turkey	2	18	Turkey	2	18	Poland	2
19	Switzerland	2	19	Poland	2	19	Argentina	1
20	Netherlands	2	20	Saudi Arabia	1	20	Egypt	1

Source: IMS Health, Market Prognosis, September 2015 Change in ranking over prior five years

Appendix notes:
Rankings based on Constant US\$. Argentina and Venezuela based on US\$ with variable exchange rates due to hyperinflation. Index reflects comparison to the U.S. of spending in Constant US\$.

(Source: Global Medicines Use in 2020 - Outlook and Implications IMS Institute for Healthcare Informatics www.imshealth.com)

Medicine use in 2020

In 2020, more of the world’s population will have access to medicine than ever before, albeit with substantial disparities. Patients will receive 4.5 trillion doses, up 24% from 2015, with most of the increase from countries closing the gap in per capita usage of medicines between developed and pharmerging countries. Over 50% of the world’s population will consume more than 1 dose per person per day of medicines, up from one third of the world in 2005, driven by India, China, Brazil and Indonesia. Developed markets will continue to use more original branded and specialty medicines per capita while pharmerging markets will use more non-original brands, generics and over the counter medicines. The use of new medicines – first available in the prior 10 years – will represent 0.1% of volumes in pharmerging markets, compared to 2-3% in developed markets.



Medicine spending in 2020

Global spending on medicines will reach \$1.4 trillion by 2020, an increase of 29-32% from 2015 compared to an increase of 35% in the prior 5 years. Spending will be concentrated in developed markets, with more than half for original brands and focused on non-communicable diseases. Specialty therapies will continue to be more significant in developed markets than in pharmerging markets and different traditional medicines will be used in developed markets compared to pharmerging markets. Spending growth will be driven by brands in developed markets and increased usage in pharmerging markets, while being offset by patent expiries. Brand spending in developed markets will increase by \$298 billion in the 5 years to 2020 driven by new products and price increases primarily in the U.S., but will be offset by an estimated \$90 billion in net price reductions. Small molecule patent expiries will have a larger impact in 2016-2020 than in the prior five years, and there will be an increased impact from biologics. In 2020, the U.S., EU5, and Japan will have important differences in spending and growth dynamics from today. Pharmerging markets' spending will grow primarily from increased use of medicines while China, the leading pharmerging country, will reach \$160-190 billion in spending with slowing growth to 2020.

Transformations in disease treatment

The overwhelming inertia in medicine use - where 97% of medicines used have been available for more than 10 years - masks the contribution from transformative disease treatments, orphan drugs for rare diseases and technology-enabled changes in care that can harness big data to better inform decisions help drive patient behaviour changes and improve outcomes. The seemingly intractable problems of neglected tropical diseases, compounded by poverty and war in Africa, appear to finally be responding to philanthropy-funded research and engagement resulting in fundamental changes by 2020. The use of medicines in 2020 will include 943 New Active Substances introduced in the prior 25 years, and new medicines in recent years will be weighted to specialty and biologics. Patients will have greater access to breakthrough therapies and clusters of innovation around hepatitis C, a range of cancers, autoimmune diseases, heart disease, and an array of other rare diseases. The ubiquity of smartphones, tablets, apps and related wearable devices combined with electronic medical records and exponentially increasing real-world data volumes will open new avenues to connect healthcare information while offering providers and payers new mechanisms to control costs.

Implications

The continued expansion of healthcare access around the world portends a fundamental gap in delivery capacity where added patient access outruns staffing, infrastructure and funding sources. By 2020 we will see a substantial shift in many major markets away from the siloed budgeting that manages drug spending separately from other healthcare costs. Emerging economies will be focused on providing access and essential medicines to that in need to close endemic healthcare gaps.

Providers in more parts of the world will be subject to performance or outcomes-based contracts and payment systems, bringing sharper scrutiny to patient outcomes and costs associated with patient care. More healthcare will be delivered using technology-enabled means, by providers other than doctors and in patients' homes, pharmacies and community-based facilities. The use of technology will be key to the advancement of healthcare, especially in emerging markets where the expense of large scale infrastructure projects would delay progress.

Patients will have many more treatment options, especially in cancer and rare diseases, and will be informed, motivated and engaged partners in treatment choices. Their financial stake will also rise as private and public payers in developed economies have already begun to increase patients' levels of co-



payment. In low- and middle-income countries direct out-of-pocket cash payments will shift to premiums for private or supplementary insurance as countries strive for universal health coverage.

The outlook to 2020 includes higher levels of medicine spending and therefore higher revenues for manufacturers than in the last five years. The extent and nature of the issues faced by healthcare stakeholders and the sources of the spending growth projected in this report belie a more complex challenge to the sustainability of the pharmaceutical industry. Critical adaptations will be necessary to thrive into the next decade, and key among them will be listening and providing valuable solutions to the problems their customers face.

(Source: Global Medicines Use in 2020 - Outlook and Implications IMS Institute for Healthcare Informatics www.imshealth.com)



SUMMARY OF BUSINESS

In this section, unless otherwise stated, references to “Company” or to “we”, “us” and “our” refers to Vaishali Pharma Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.

OVERVIEW

Our Company was incorporated on April 25, 2008 under the provisions of the Companies Act, 1956 as “Vaishali Pharma Private Limited” at Mumbai, Maharashtra. Our Company acquired the business of M/s. Vaishali Pharmachem which was the proprietorship concern of our Promoter Atul Vasani vide Business Assignment Agreement dated July 01, 2008. We started with trading and marketing of APIs and further in the year 2012, we ventured into marketing of pharmaceuticals formulations, the manufacturing of which is outsourced by us to third parties. Our Company was converted into Public Company in the year 2017 and the name of our Company was changed to “Vaishali Pharma Limited”.

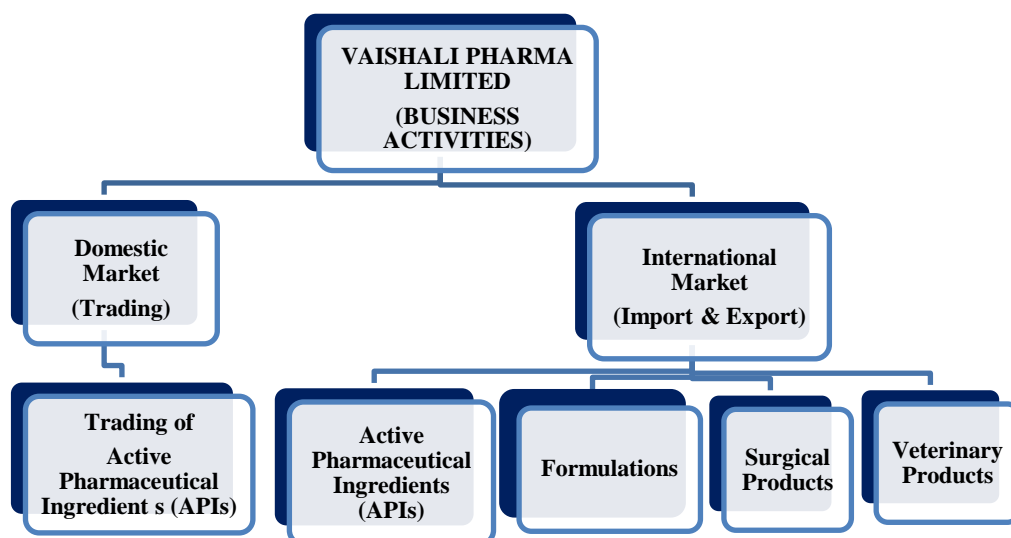
We are a pharmaceutical company, dealing in pharmaceutical formulations, APIs, surgical products, veterinary supplements. We are operating both in domestic and export markets. In domestic markets, we are majorly into trading of APIs whereas in export markets, we are into trading and marketing of APIs, formulations, surgical products and others. For our export markets, we get the formulations manufactured by third parties whose facilities are approved and certified by the respective countries for developing the respective products. At present, we have applied for 186 registrations in 13 countries for some of our products, out of which we have successfully received 71 approvals from 7 countries and are in process of obtaining remaining approvals, which will give boost to our export business operations.

Our registered office is situated at Mumbai and warehousing facilities of our Company are located at Bhiwandi, Maharashtra and Vapi, Gujarat.

We have obtained ISO 9001:2015 Certification for the Quality Management System from Deutsche Accreditation Board, Germany and ISC Global, Dubai, UAE. We are also certified by European Certification Organisation and Compliance Certificate with regards to Council Directive 93/42/EEC as amended 2007/47/EC relating to Surgical Instruments & Medical Devices Directive. We have received Credit Rating Certification from NSIC CRISIL for the year 2017-18 as well. Our Company has also been recognized by Government of India as a “One Star Export House” and holds a valid certificate for the same from the Director General of Foreign Trade.

We have a dedicated marketing team headed by our management looking after our business operations. Our domestic clientele are generally manufacturers who requires API in their manufacturing process whereas for our export marketing, we have around a distribution network of 15 distributors, agents and dealers and a team of marketing professionals. We have a product portfolio of more than 1000 products. In addition to being vast, our product portfolio is also diversified in nature, with our offerings ranging from Formulation brands to APIs to Veterinary Products to Surgical and Neutraceutical Products. Our Company is the brainchild of our promoter i.e. Atul Vasani who has been the guiding force behind our growth. Backed by his more than two decades of experience, our Promoter has been instrumental in shaping the values system of our Company. With his experience and thinking, we aim to continue grow in the pharmaceutical industry. We value our customers and aim to exceed the expectations of our customers by offering diverse products and fulfilling valuable commitments.

OUR BUSINESS



Domestic Market Operations

In domestic market, we are mainly engaged in trading of Active Pharmaceutical Ingredients (APIs). In domestic markets, our major customers are manufacturers of pharmaceutical products and at times we also supply to wholesalers.

International Market Operations

In export markets, we are majorly into trading and marketing of formulations and APIs. We also deal in surgical products, veterinary products in the international market. We aim to deal in herbal and nutraceutical products. At present we are supplying in more than 7 countries.

We identify potential market for our products and target the customers in such markets. Analysis of enquires are done and prices are quoted after detailed market research. Our offers are given to clients for approval and contract is signed. Export Documentation team prepares Dossier and send along with samples to clients. Necessary Registration fees are paid. Registration is done either in the name of Third party manufacturer or in the name of our Company subject to laws of the exporting country. If the registration is done in the name of third party manufacturer then we enter an agreement with them for manufacturing and supplying of our products. After registration is done, final order is placed with revised rates and advance payment is sought. Order is placed for execution to Third Party Manufacturer. Logistic arrangements are made for export including custom clearance and other legal requirements. Finally the goods are dispatched by prior decided mode of transport.

OUR KEY PRODUCTS

Some of our key products are as follows:

API	Formulation	Surgical
Ciprofloxacin	Vmox CV	Vensor (Syringe)
Metronidazole	Vitband 126	Iveny (Cannuala)
Levofloxacin	Fofecy	Cotton
Ofloxacin	Zynosi	Blood Transfusion Set
Enrofloxacin	VCeftri	Infusion Set
	Mositon	Surgical Gloves

In Veterinary supplements category we deal mainly in Nimoflin



SUMMARY OF FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE-I

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share capital	300.00	50.00	50.00	50.00	50.00
(b) Reserves and surplus	86.85	270.47	273.50	257.36	227.30
Sub-Total	386.85	320.47	323.50	307.36	277.30
2. Share application money pending allotment					
Sub-Total					
3. Non-current liabilities					
(a) Long-term borrowings	579.36	447.81	821.62	298.03	279.26
(b) Deferred tax liabilities (Net)	-	-	0.43	10.90	-
(c) Other Non Current Liabilities	19.82	17.55	13.75	10.00	8.73
Sub-Total	599.18	465.36	835.80	318.93	287.99
4. Current liabilities					
(a) Short-term borrowings	1537.67	1528.54	1582.73	1576.61	681.44
(b) Trade payables	1611.85	2465.60	1717.46	3109.72	3591.06
(c) Other current liabilities	259.33	130.41	104.22	1.59	0.23
(d) Short-term provisions	69.99	30.93	15.79	28.77	20.15
Sub-Total	3478.84	4155.48	3420.20	4716.68	4292.88
TOTAL	4464.87	4941.31	4579.50	5342.97	4858.17
II. ASSETS					
1. Non-current assets					
(a) Fixed assets	114.98	139.63	167.89	60.84	17.72
(b) Non-current investments	37.52	37.52	37.52	17.06	0.01
(c) Deferred tax assets (net)	2.14	1.03	-	-	0.29
(d) Long-term loans and advances	37.98	37.98	5.54	89.58	81.13
(e) Other Non Current Assets					
Sub-Total	192.62	216.16	210.95	167.48	99.15
2. Current assets					
(a) Current investments	-	-	-	-	-
(b) Inventories	115.47	336.00	331.93	814.69	534.31
(c) Trade receivables	3790.92	4041.64	3436.29	3819.70	3763.95
(d) Cash and cash equivalents	106.58	104.52	100.74	101.19	180.36
(e) Short-term loans and advances	259.28	242.97	499.59	439.91	280.40
Sub-Total	4272.25	4725.15	4368.55	5175.49	4759.02
TOTAL	4464.87	4941.31	4579.50	5342.97	4858.17


STATEMENT OF PROFIT AND LOSS AS RESTATED
ANNEXURE-II
(Amount in Lakhs)

Particulars	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
I. Revenue from operations	6605.48	6670.72	9456.06	12070.82	11881.00
II. Other income	105.74	318.41	426.31	86.08	28.85
III. Total Revenue (I + II)	6711.22	6989.13	9882.37	12156.90	11909.85
IV. Expenses:					
Cost of materials consumed					
Purchases of Stock-in-Trade	5521.50	6207.39	8642.35	11702.50	11311.28
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	220.53	(4.08)	482.76	(280.37)	43.85
Employee benefits expense	157.63	155.69	184.54	200.24	119.49
Finance costs	312.18	336.77	336.95	267.55	93.56
Depreciation and amortization expense	24.99	36.74	45.30	4.41	3.43
Other expenses	373.10	256.99	175.30	201.15	249.38
Total expenses	6609.93	6989.49	9867.20	12095.48	11821.00
V. Profit before exceptional and extraordinary items and tax (III-IV)	101.29	(0.36)	15.17	61.42	88.85
VI. Exceptional items					
VII. Profit before extraordinary items and tax (V - VI)	101.29	(0.36)	15.17	61.42	88.85
VIII. Extraordinary Items-					
IX. Profit before tax (VII- VIII)	101.29	(0.36)	15.17	61.42	88.85
X. Tax expense:					
(1) Current tax	36.01	4.14	9.49	20.18	29.15
(2) Deferred tax	(1.10)	(1.47)	(10.46)	11.19	(0.29)
(3) Current tax expense relating to prior years	-	-	-	-	-
XI. Profit (Loss) for the period from continuing operations (VII-VIII)	66.37	(3.03)	16.15	30.05	60.00
XII. Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII. Tax expense of discontinuing operations	-	-	-	-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV. Profit (Loss) for the period (XI + XIV)	66.37	(3.03)	16.15	30.05	60.00
XVI Earnings per equity share:					
(1) Basic	2.21	(0.10)	0.54	1.00	2.19
(2) Diluted	2.21	(0.10)	0.54	1.00	2.19



STATEMENT OF CASH FLOW AS RESTATED

**ANNEXURE-III
(Amount in Lakhs)**

Particulars	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES					
Restated Net profit Before Tax and Extraordinary Items	101.29	(0.36)	15.17	61.42	88.85
Adjustments For:					
Depreciation	24.99	36.74	45.30	4.41	3.43
Interest Received	(68.32)	(313.80)	(350.66)	(32.43)	(14.74)
Dividend Received	(3.77)	(2.07)	(0.57)	(0.00)	(0.00)
Net (gain) / loss on Foreign exchange	(16.63)	(2.36)	-	(2.38)	-
Net (gain) / loss on Sale of Investments					
Goods in transit	-	-	-	-	1.18
Amount received from LIC	-	-	-	(8.18)	-
Interest and Finance Charges	312.18	336.77	336.95	267.55	93.56
Operating Profit before working capital changes	349.74	54.92	46.19	290.40	172.29
Adjustment For:					
Decrease/(Increase) in Inventories	220.53	(4.08)	482.76	(280.37)	43.85
Decrease/(Increase) in Trade receivables	250.73	(605.35)	383.41	(55.75)	(1378.59)
Decrease/(Increase) in short term loans & Advances	(16.31)	256.61	(59.67)	(159.51)	(21.96)
Decrease/(Increase) in Long Term Loans and Advances	-	(32.44)	84.04	(8.45)	(13.20)
(Decrease)/Increase in Trade Payables	(853.75)	748.14	(1392.26)	(481.34)	1623.70
(Decrease)/Increase in Other Current Liabilities	128.92	26.19	102.63	1.36	(9.32)
(Decrease)/Increase in Short Term Provisions	39.07	15.13	(12.98)	8.62	(7.47)
(Decrease)/Increase in Other Non current Liabilities	2.27	3.80	3.75	1.26	(0.43)
Cash Generated from Operations	121.19	462.93	(362.13)	(683.79)	408.86
Taxes Paid	36.01	4.14	9.49	20.18	29.15
Net Cash From /(Used In) Operating Activities (A)	85.18	458.79	(371.62)	(703.97)	379.71
Cash Flow From Investing Activities					
(Purchase)/Sale Of Fixed Assets/ Capital Work In Progress	(0.35)	(8.47)	(152.36)	(47.52)	(1.23)
Decrease/(Increase) in Non Current investments	-	-	(20.46)	(17.05)	-
Purchase Of Investment					
Amount received from LIC	-	-	-	8.18	-



Particulars	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Net gain / loss on Sale of Investments					
Interest Received	68.32	313.80	350.66	32.43	14.74
Dividend Received	3.77	2.07	0.57	0.00	0.00
Net Cash From /(Used In) Investing Activities (B)	71.74	307.40	178.41	(23.97)	13.51
Cash Flow From Financing Activities					
Proceeds from Issue of Shares	250.00	-	-	-	40.00
Redemption of shares	(0.00)	-	-	-	-
Issue of bonus share	(250.00)				
Interest and Finance Charges	(312.18)	(336.77)	(336.95)	(267.55)	(93.56)
Dividend Paid					
(Decrease)/Increase in Short Term Borrowing	9.13	(54.19)	6.12	895.17	(282.97)
(Decrease)/Increase in Long Term Borrowing	131.55	(373.81)	523.58	18.78	(23.29)
Net gain / loss on Foreign Exchanges	16.63	2.36	-	2.38	-
Net Cash From Financing Activities (c)	(154.87)	(762.41)	192.76	648.78	(359.82)
Net Increase / (Decrease) in Cash (A)+(B)+(C)	2.05	3.78	(0.45)	(79.17)	33.41
Cash and Cash equivalents at the beginning of the year	104.52	100.74	101.19	180.36	146.95
Cash and Cash equivalents at the end of the year	106.58	104.52	100.74	101.19	180.36

- I. The Cash Flow statement has been prepared under Indirect method as per Accounting Standard-3 "Cash Flow Statements"
- II. Figures in Brackets represent outflows
- III. The above statement should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I, II, and IV (A) respectively.



THE ISSUE

The following table summarizes the Issuer details:

Particulars	Details of Equity Shares
Issue of Equity Shares by Our Company	Upto 19,76,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●]/- per Equity share aggregating to Rs. [●] Lakhs
Of Which:	
Market Maker Reservation Portion	Upto 1,04,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●]/- per Equity share aggregating to Rs. [●] Lakhs
Net Issue to the Public	Upto 18,72,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at a price of Rs. [●]/- per share aggregating Rs. [●] Lakhs
	<i>Of which</i>
	Upto 9,36,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company at a cash price of Rs. [●]/- per Equity share aggregating Rs. [●] Lakhs will be available for allocation to Investors up to Rs. 2.00 Lakhs
	Upto 9,36,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to investors above Rs. 2.00 Lakhs
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	46,15,385 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	Upto 65,91,385 Equity Shares of face value of Rs.10 each
Use of proceeds of this Issue	For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 96 of this Red Herring Prospectus for information on use of Issue Proceeds.

Notes:-

The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on June 21, 2017 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 Extra Ordinary General Meeting held on June 21, 2017.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

*The allocation in the net Issue to the 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.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage

For further details please refer to section titled 'Issue Information' beginning on page 290 of this Red Herring Prospectus.



GENERAL INFORMATION

Our Company was originally incorporated as Vaishali Pharma Private Limited at Mumbai, Maharashtra as a Private Limited Company under the provision of Companies Act, 1956 vide Certificate of Incorporation dated April 25, 2008 bearing Corporate Identification Number U52310MH2008PTC181632 issued by the Registrar of Maharashtra, Mumbai. Our Company acquired the business of proprietorship concern of our promoter Atul Vasani viz. M/s. Vaishali Pharmachem through Business Assignment agreement dated July 01, 2008. Consequently business of this proprietorship firm was merged into Vaishali Pharma Private Limited. Subsequently our Company was converted into a public limited company pursuant to special resolution passed by the members in Extraordinary General Meeting held on June 13, 2017 and the name of our Company was changed to Vaishali Pharma Limited vide a Fresh Certificate of Incorporation dated June 21, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification number of our Company is U52310MH2008PLC181632.

For details of Incorporation, Change of Name and Registered Office of our Company, please refer to chapter titled '*Our History and Certain Other Corporate Matters*' beginning on page 163 of this Red Herring Prospectus.

REGISTERED OFFICE OF OUR COMPANY

Vaishali Pharma Limited

706 to 709, 7th Floor, Aravali Business Center,
R. C. Patel Road, Off Sodawala Lane, Borivali (West),
Mumbai- 400092, Maharashtra, India
Tel: +91 22-2892 8833/ 4217 1800-99
Fax: +91 22-2892 8833
Email: investor@vaishalipharma.com
Website: www.vaishalipharma.com
Corporate Identification Number: U52310MH2008PLC181632

REGISTRAR OF COMPANIES

Registrar of Companies, Maharashtra, Mumbai

100, Everest, Marine Drive
Mumbai- 400002, Maharashtra, India
Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

EMERGE Platform of NSE

National Stock Exchange of India Limited

Exchange Plaza, C/1, G Block,
Bandra Kurla Complex
Bandra (East), Mumbai - 400051,
Maharashtra, India



BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age (in Years)	DIN	Address	Designation
1	Atul Vasani	52	02107085	Ganjawala Apartment, 128-A, Ganjawala Lane, Borivali, Mumbai – 400092, Maharashtra, India	Chairman and Managing Director
2	Jagruti Vasani	51	02107094	128/A, Ganjawala Apts., 11th Floor, S.V.P. Road, Borivali (West), Mumbai - 400092 Maharashtra, India	Whole Time Director
3	Priyanka Vasani	25	07832635	A-128 Ganjawala Apartment S V P Road, Near Gokul Hotel Borivali (West) Mumbai 400092 Maharashtra, India	Additional Director
4	Bhavesh Shah	55	07832656	1002,La-Serena building, Dadabhai Cross Road JN of J P Road Near Rajkumar, Andheri (West), Mumbai - 400058 Maharashtra, India	Additional Director
5	Prataprai Gandhi	75	07832673	B-305, Rahul Classic, Sai baba Nagar, Opp Kale College, Borivali (West) Mumbai 400092 Maharashtra, India	Additional Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 167 of this Red Herring Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Sonal Gandhi

Vaishali Pharma Limited

706 to 709, 7th Floor, Aravali Business Center,
R. C. Patel Road, Off Sodawala Lane, Borivali (West),
Mumbai- 400092, Maharashtra, India

Tel: +91 22-2892 8833/ 4217 1800-99

Fax: +91 22-28928833

Email: cs@vaishalipharma.com

Website: www.vaishalipharma.com

CHIEF FINANCIAL OFFICER

Ratnesh Singh

Vaishali Pharma Limited

706 to 709, 7th Floor, Aravali Business Center,
R. C. Patel Road, Off Sodawala Lane, Borivali (West),
Mumbai- 400092, Maharashtra, India

Tel: +91 22-2892 8833/ 4217 1800-99

Fax: +91 22-28928833

Email: finance@vaishalipharma.com

Website: www.vaishalipharma.com



Investors can contact the Company Secretary and Compliance Officer, the BRLM 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, non credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non receipt of funds by electronic mode.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

For all issue related queries and for redressal of complaints, bidders may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/ SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

STATUTORY AUDITOR

S.K. Bobra & Co.

Chartered Accountants

Plot No. 27, Ground Floor, Happy Home Society,

Jatywant Sawant Marg, Dahisar (West),

Mumbai – 400068, Maharashtra, India

Tel No.: +91 22 651848866

Fax No.: NA

Email: ca.sbobra@gmail.com

Contact Person: Sanjay Bobra

Firm Registration No.: 101534W

Membership No.: 36238

PEER REVIEWED AUDITOR

N. K. Aswani & Co.

Chartered Accountants

701/A, Wall Street – II, Ellisbridge,

Ahmedabad – 380006, Gujarat, India

Tel: +91 079-26402552/53

Email: narainkaswani@yahoo.co.in

Contact Person: Narain Aswani

Firm Registration No: 100738W

Membership No: 033278

M/s. N. K. Aswani & Co. Chartered Accountants holds a peer reviewed certificate dated November 13, 2013 issued by the Institute of Chartered Accountants of India.



BOOK RUNNING LEAD MANAGER

Pantomath Capital Advisors Private Limited
406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East)
Mumbai- 400051, Maharashtra, India
Tel: +91 22 6194 6724
Fax: + 91 22 2659 8690
Email: ipo@pantomathgroup.com
Website: www.pantomathgroup.com
Contact Person: Kirti Kanoria
SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited
E/2, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri East, Mumbai – 400 072,
Maharashtra, India
Tel: +91 22 4043 0200
Fax: +91 22 2847 5207
Email: ipo@bigshareonline.com
Investor Grievance E-mail: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Srinivas Dornala
SEBI Registration Number: INR000001385

LEGAL ADVISOR TO THE ISSUE

M V Kini, Law Firm
Kini House, 216/263, 1st Floor, Near Citi Bank,
D.N. Road, Fort, Mumbai - 400 001, Maharashtra, India
Tel: +91 22 22612527/28/29
Fax: +91 22 22612530
E-mail: vidisha@mvkini.com
Contact Person: Vidisha Krishan
Website: www.mvkini.com

BANKER TO THE COMPANY

Janata Sahakari Bank Limited, Pune
Shop No. 1, 2, 3 & 6, Ground Floor,
“B” Wing, Daya Niwas Co Op Hsg. Society Ltd.,
S K Bole Road, Dadar West, Mumbai – 400028
Tel: 022 2422 6219/ 022 2438 1250
Fax: 022-2242 2934
Email: dadar@janatabankpune.com
Website: www.janatabankpune.com
Contact Person: Mr. Ramakant Prabhakar Buwa



PUBLIC ISSUE BANK / BANKER TO THE ISSUE/ REFUND BANKER

ICICI Bank Limited

Capital Market Division,
1st Floor, 122, Mistry Bhavan,
Dinshaw Vachha Road, Backbay Reclamation,
Churchgate, Mumbai – 400 020,
Maharashtra, India

Tel: +91 22 2266818932/923/924

Fax: +91 22 22611138

Email: shradha.salaria@icicibank.com

Contact Person: Shradha Salaria

Website: www.icicibank.com

SEBI Registration Number: INBI00000004

IndusInd Bank Limited

IndusInd Bank, PNA House, 4th Floor
Plot No 57 & 57/1, Road No. 17,
Near SRL, MIDC, Andheri East
Mumbai – 400093, Maharashtra, India

Tel : +91 22 61069243/ 44/ 45

Fax : +91 22 61069315

Email: suresh.esaki@indusind.com

Contact Person: Suresh Esaki

Website: www.indusind.com

SEBI Registration Number: INBI00000002

SYNDICATE MEMBER

Pantomath Stock Brokers Private Limited

406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051,
Maharashtra, India

Tel: - +91 22 6194 6774

Fax: - +91 22 2659 8690

E-mail: broking@pantomathgroup.com

Contact Person: Mahavir Toshniwal

Website: www.pantomathbroking.com

SEBI Registration Number: INZ000068338

DESIGNATED INTERMEDIARIES

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/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBsfor-Syndicate-ASBA>. For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above-mentioned SEBI link.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the National Stock Exchange of India, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.



Registrar to Issue and Share Transfer Agents

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

Collecting Depository Participants

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

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.

INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Pantomath Capital Advisors Private Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

APPRAISAL AND MONITORING AGENCY

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs. [●] lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

EXPERT OPINION

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials for the year ended March 31, 2017, 2016, 2015, 2014 and 2013 as included in this Red herring Prospectus, our Company has not obtained any expert opinion.

BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, all editions of a widely circulated Hindi Newspaper and a widely circulated Marathi Newspaper, Marathi being the regional language of Maharashtra, where our registered office is situated at least five working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the BRLM in accordance with the Book Building Process after the Bid/Issue Closing Date. Principal parties involved in the Book Building Process are:-



- Our Company;
- The Book Running Lead Manager in this case being Pantomath Capital Advisors Private Limited, the Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue and;
- The Designated Intermediaries

This Issue is being made through the 100 per cent Book Building Process wherein 50 per cent of the Issue shall be available for allocation to Retail Individual Bidders and the balance shall be offered to QIBs and Non-Institutional Investors. Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Stock Exchange.

All Bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. The allocation in the net Issue to the 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.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 300 of this Red Herring Prospectus

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue) Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity share, Issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.



Bid Quantity	Bid Price (Rs.)	Cumulative Bid Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to Issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the Issue price at or below such cut-off price, i.e., at or below Rs. 22/-. All bids at or above this Issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 300 of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

BID / OFFER PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Opened Date	August 7, 2017
Bid/Issue Closed Date	August 10, 2017
Finalization of Basis of Allotment with the Designated Stock Exchange	August 16, 2017
Initiation of Refunds	August 18, 2017
Credit of Equity Shares to Demat Accounts of Allottees	August 21, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	August 22, 2017

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the



Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

UNDERWRITER

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated June 22, 2017 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
Pantomath Capital Advisors Private Limited 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India Tel: +91 22 61946724 Fax: +91 22 26598690 Email: ipo@pantomathgroup.com Contact Person: Madhu Lunawat SEBI Registration Number: INM000012110	Upto 19,76,000	[●]	100
Total	Upto 19,76,000	[●]	100

**Includes 1,04,000 Equity shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 106 V(4) of the SEBI (ICDR) Regulations, 2009, as amended*



DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Book Running Lead Manager has entered into an agreement dated June 22, 2017 with the following Market Maker, duly registered with EMERGE Platform of National Stock Exchange of India Limited to fulfil the obligations of Market Making:-

Pantomath Stock Brokers Private Limited

406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East), Mumbai 400 051,
Maharashtra, India

Tel: +91 22 6194 6774

Fax: +91 22 2659 8690

Email: broking@pantomathgroup.com

Contact Person: Mahavir Toshniwal

SEBI Registration Number: INZ000068338

Pantomath Stock Brokers Private Limited registered with EMERGE segment of National Stock Exchange of India Limited will act as the Market Maker and has agreed to receive or deliver of 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 any amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited 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(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) 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 [●]/- the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be Rs. [●]/- until the same, would be revised by National Stock Exchange of India Limited.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the 1,04,000 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Offer over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. 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.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.



6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Pantomath Stock Brokers Private Limited is acting as the sole Market Maker.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on EMERGE Platform of National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular 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.

10. EMERGE Platform of National Stock Exchange of India Limited 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. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.
11. EMERGE Platform of National Stock Exchange of India Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case 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 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.

12. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Makers during market making process has been made applicable, based on the issue size and as follows:



Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs. 20 Crore	25%	24%
Rs. 20 crore to Rs. 50 crore	20%	19%
Rs. 50 to Rs. 80 crore	15%	14%
Above Rs. 80 crore	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 Equity Share capital of our Company, as on the date of this Red Herring Prospectus and after giving effect to the Issue is set forth below:

Amount (Rs.in lakhs except share data)

No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	74,95,000 Equity Shares of Rs. 10/- each and 50,000 7% Non Cumulative Redeemable Preference Shares of Re. 1 each.	750.00	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	46,15,385 Equity Shares of face value of Rs. 10/- each	461.54	
C.	Present Issue in terms of this Red Herring Prospectus		
	Issue of upto 19,76,000 Equity Shares of face value of Rs.10 each at a price of Rs. [●]/- per Equity Share	197.60	[●]
	Consisting:		
	Reservation for Market Maker – upto 1,04,000 Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [●]/- per Equity Share	10.40	[●]
	Net Issue to the Public – upto 18,72,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share	187.20	[●]
	Of the Net Issue to the Public		
	Allocation to Retail Individual Investors – upto 9,36,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2 lakhs	93.60	[●]
	Allocation to Other than Retail Individual Investors – upto 9,36,000 Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share shall be available for allocation for Investors applying for a value of above Rs. 2 lakhs	93.60	[●]
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue		
	Upto 65,91,385 Equity Shares of face value of Rs. 10/- each	Upto 659.14	
E.	Securities Premium Account		
	Before the Issue		48.46
	After the Issue		[●]

The Issue has been authorised by the Board of Directors of our Company *vide* a resolution passed at its meeting held on June 21, 2017 and by the shareholders of our company *vide* a Special Resolution passed pursuant to Section 62 (1) (c) of Companies Act, 2013 at the Extra-Ordinary General Meeting held on June 21, 2017.



The 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 Red Herring Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. Details of changes in authorised Share Capital:

Since the Incorporation of our Company, the authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Shareholder s' Meeting	AGM / EGM
Increased From	Increased To		
The authorised share capital of our Company on incorporation comprised of Rs.10,00,000 divided into 1,00,000 Equity Shares of Rs. 10 each		On Incorporation	-
Reclassification of Rs. 10,00,000 consisting of 1,00,000 Equity Shares of Rs. 10 each	Re-classified to Rs. 10,00,000 consisting of 95,000 Equity shares of Rs. 10 each and 50,000 7% Non Cumulative Redeemable Preference Shares of Re. 1 each	May 5, 2008	EGM
Rs. 10,00,000 consisting of 95,000 Equity shares of Rs. 10 each and 50,000 7% Non Cumulative Redeemable Preference Shares of Re. 1 each	Rs. 15,00,000 consisting of 1,45,000 Equity shares of Rs. 10 each and 50,000 7% Non Cumulative Redeemable Preference Shares of Re. 1 each	March 31, 2010	EGM
Rs. 15,00,000 consisting of 1,45,000 Equity shares of Rs. 10 each and 50,000 7% Non Cumulative Redeemable Preference Shares of Re. 1 each	Rs. 55,00,000 consisting of 5,45,000 Equity Shares of Rs.10/- each and 50,000 7% Non Cumulative Redeemable Preference Shares of Re. 1 each.	December 26, 2012	EGM
Rs. 55,00,000 consisting of 5,45,000 Equity Shares of Rs.10/- each and 50,000 7% Non Cumulative Redeemable Preference Shares of Re.. 1 each.	Rs. 1,55,00,000 consisting of 15,45,000 Equity Shares of Rs.10/- each and 50,000 7% Non Cumulative Redeemable Preference Shares of Re. 1 each.	July 30, 2013	EGM
Rs. 1,55,00,000 consisting of 15,45,000 Equity Shares of Rs.10/- each and 50,000 7% Non Cumulative Redeemable Preference Shares of Re. 1 each	Rs. 7,50,00,000 consisting of 74,95,000 Equity Shares of Rs. 10/- each and 50,000 7% Non Cumulative Redeemable Preference Shares of Re. 1 each.	March 06, 2017	EGM

2. History of Equity Share Capital of our Company

Date of Allotment/ Fully Paid up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid -up Capital (Rs.)
May 30, 2008	10,000	10	10	Cash	Subscription to MOA ⁽¹⁾	10,000	1,00,000
March 31, 2010	90,000	10	NA	Other than Cash	Bonus Issue ⁽²⁾	1,00,000	10,00,000



Date of Allotment/ Fully Paid up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (Rs.)
December 31, 2012	4,00,000	10	10	Other than Cash	Further Allotment by way of conversion of unsecured loan ⁽³⁾	5,00,000	50,00,000
March 31, 2017	25,00,000	10	NA	Other than Cash	Bonus Issue ⁽⁴⁾	30,00,000	3,00,00,000
May 10, 2017	16,15,385	10	13	Other than Cash	Further Allotment by Conversion of Unsecured Loan ⁽⁵⁾	46,15,385	4,61,53,850

- 1) Initial Subscribers to Memorandum of Association subscribed 10,000 Equity Shares allotted on May 30, 2008 of face value of Rs. 10/-each fully paid at par as per the details given below:

Sr. No.	Name of Allottees	No. of shares subscribed
1	Atul Vasani	5,000
2	Jagruti Vasani	5,000
	Total	10,000

- 2) Bonus Issue of 90,000 Equity Shares of face value of Rs. 10/- each in the ratio of 9 equity shares for every 1 Equity Share held allotted on March 31, 2010 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1	Atul Vasani	45,000
2	Jagruti Vasani	45,000
	Total	90,000

- 3) Further allotment of 4,00,000 Equity Shares of face value of Rs. 10 each fully paid at par as on March 31, 2012 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1	Atul Vasani	4,00,000
	Total	4,00,000

- 4) Bonus Issue of 25,00,000 Equity Shares of face value of Rs. 10/- each fully paid at par as on March 31, 2017 in the ratio of 5 equity shares for every 1 Equity Share held as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1	Atul Vasani	22,50,000
2	Jagruti Vasani	2,50,000
	Total	25,00,000



- 5) Further allotment of 16,15,385 Equity Shares by conversion of loan into equity of face value of Rs. 10 each fully paid at premium of Rs. 13/- on May 10, 2017 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1	Atul Vasani	16,15,385
	Total	16,15,385

3. History of Preference Share Capital of Our Company

Date of Allotment/ Fully Paid up	No. of Preference shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Preference Shares	Cumulative Paid-up Capital (Rs.)
July 01, 2008	11	1	1	Cash	Further Allotment ⁽ⁱ⁾	11	11

- i. Further allotment of Preference shares on July 01, 2008 of face value of Re. 1 each fully paid up as per the details below:-

Sr. No.	Name of Allottee	No. of shares Allotted
1.	Dilip Parekh	1
2.	Ramgauri Updahyay	1
3.	Kumudi Updahyay	1
4.	Vishal Parekh	1
5.	Mukund Machhar	1
6.	Harshad Sheth (HUF)	1
7.	Manharlal Ajmera	1
8.	H G Mirani (HUF)	1
9.	Atul Vasani jointly with Kantilal Shah	1
10.	Jayesh Ajmera Family Trust	1
11.	Rajesh Ajmera Family Trust	1
	Total	11

Note:- As on the date of this Red Herring Prospectus all the preference shares are repaid.

4. We have not issued any Equity Shares for consideration other than cash except as follows:

Date of Allotment / Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
March 31, 2010	90,000	10	NA	Bonus Issue in the ratio of 9 Equity shares for every 1 Equity share held	Capitalization of Reserves	Atul Vasani	45,000
						Jagruti Vasani	45,000
December 31, 2012	4,00,000	10	10	Further Allotment by way of conversion of unsecured loan	Debt is converted into fixed Capital	Atul Vasani	4,00,000



Date of Allotment / Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
March 31, 2017	25,00,000	10	NA	Bonus Issue in the ratio of 5 Equity shares for every 1 Equity share held	Capitalization of Reserves	Atul Vasani	22,50,000
						Jagruti Vasani	2,50,000
May 10, 2017	16,15,385	10	13	Further Allotment by way of conversion of unsecured loan ⁽³⁾	Debt is converted into fixed Capital	Atul Vasani	16,15,385

5. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.
6. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
7. Except as mentioned below, no shares have been issued at price below Issue Price within last one year from the date of this Red Herring Prospectus:-

Date of Allotment/ Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
March 31, 2017	25,00,000	10	NA	Bonus Issue in the ratio of 5 Equity shares for every 1 Equity share held	Capitalization of Reserves	Atul Vasani	22,50,000
						Jagruti Vasani	2,50,000
May 10, 2017	16,15,385	10	13	Debt is converted into fixed Capital	Debt is converted into fixed Capital	Atul Vasani	16,15,385



8. Build-up of Promoters' shareholding, Promoters' contribution and lock-in

i. Build Up of Promoter's shareholdings

As on the date of this Red Herring Prospectus, our Promoter, Atul Vasani and Jagruti Vasani together holds 46,15,380 Equity Shares of our Company. None of the Equity shares held by our Promoter are subject to any pledge.

1) Atul Vasani

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	No. of Preference shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %
May 30, 2008	5,000	-	10	10	Subscription to MoA	0.11%	[●]
July 01, 2008	-	1	1	1	Further allotment	Negligible	[●]
March 31, 2010	45,000	-	10	Not Applicable	Bonus Issue	0.97%	[●]
December 31, 2012	4,00,000	-	10	10	Further Allotment by conversion of unsecured loan	8.67%	[●]
March 31, 2017	22,50,000	-	10	Not Applicable	Bonus Issue	48.75%	[●]
March 31, 2017	-	(1)	1	1	Redemption of Preference Shares	Negligible	[●]
May 10, 2017	16,15,385	-	10	13	Further Allotment Conversion of unsecured loan	35.00%	[●]
Total	43,15,385					93.50%	[●]

*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment



2) Jagruti Vasani

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %
May 30, 2008	5,000	10	10	Subscription to MoA	0.11%	[●]
March 31, 2010	45,000	10	Not Applicable	Bonus Issue	0.97%	[●]
March 31, 2017	2,50,000	10	Not Applicable	Bonus Issue	5.42%	[●]
March 31, 2017	(5)	10	100	Transfer	Negligible	[●]
Total	2,99,995				6.50%	[●]

*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment



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

Pursuant to Regulation 32 and 36 of SEBI ICDR Regulations, an aggregate of 20% of the post-Issue capital held by our Promoter shall be considered as Promoter's Contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting [●]% of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ made fully paid up	No. of Shares Allotted/ Transferred	Name of the Promoter	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period	Source of Promoters contribution
March 31, 2017	10,75,000	Atul Vasani	10	Not Applicable	Bonus Issue	[●]	3 years	Not Applicable
March 31, 2017	2,50,000	Jagru ti Vasani	10	Not Applicable	Bonus Issue	[●]	3 years	Not Applicable
Total	13,25,000					[●]		

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI (ICDR) Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In connection, we confirm the following:

- The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of this Red Herring Prospectus at a price lower than the Issue Price;
- No equity shares have been issued to our promoter upon conversion of a partnership firm during the preceding one year at a price less than the issue price.
- The Equity Shares held by the Promoter and offered for minimum Promoters' contribution are not subject to any pledge;
- All the Equity Shares of our Company held by the Promoter are in the process of being dematerialized; and
- The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

iii. Details of Share Capital locked in for one year



Other than the above Equity Shares that are locked in for three years, the entire pre-Issue Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public Issue.

iv. Other requirements in respect of lock-in:

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI (ICDR) Regulations has ended, subject to compliance with the Takeover Code, as applicable.

We further confirm that our Promoters' Contribution of [●] % of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

8. Except as mentioned below, there were no shares/purchased/sold by the Promoter and Promoter Group, directors and their immediate relatives during last six months.

Date of Transfer	Name of the Transferee/ Transferor	Party Category	No. of Shares Allotted/ Transferred	Face Value	Transfer Price	Nature of Allotment
March 31, 2017	Atul Vasani	Promoter	22,50,000	10	N.A	Bonus
March 31, 2017	Jagruti Vasani	Promoter	2,50,000	10	N.A	Bonus
March 31, 2017	Jagruti Vasani (Transferor)	Promoter	(5)	10	100	Transfer
March 31, 2017	Ajay Vasani (Transferee)	Promoter Group	1	10	100	Transfer
March 31, 2017	Priyanka Vasani (Transferee)	Promoter Group	1	10	100	Transfer
March 31, 2017	Kevin Vasani (Transferee)	Promoter Group	1	10	100	Transfer
March 31, 2017	Atul Vasani jointly with Kantilal Shah	Promoter	1	1	1	Redemption of Preference Shares
May 10, 2017	Atul Vasani	Promoter	16,15,385	10	13	Further Allotment



9. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company as per Regulation 31, of the SEBI Listing Regulations, 2015

i. Summary of Shareholding Pattern as on the date of this Red Herring Prospectus:-

Category	Shareholder of	Nos. of shares held	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
								No. of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV + V+ VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	5	46,15,383	-	-	46,15,383	100.00	46,15,383	100.00	-	100.00	-	-	-	-	46,15,383
B	Public	2	2	-	-	2	Negligible	2	Negligible	-	Negligible	-	-	-	-	2
C	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	7	46,15,385	-	-	46,15,385	100.00	46,15,385	100.00	-	100.00	-	-	-	-	46,15,385

*As on the date of this Red Herring Prospectus 1 Equity Shares holds 1 vote.

**All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on NSE EMERGE.



I. Shareholding Pattern of Promoter and Promoter Group

	Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***	
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
	I	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV	
1	Indian																
(a)	Individuals/Hindu undivided Family	5	46,15,383	-	-	46,15,383	100.00	46,15,383	100.00	-	100.00	-	-	-	-	-	46,15,383
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



	Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***	
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)		
	I	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV	
)	(Specify)																
	Sub-total (A) (1)	5	46,15,383	-	-	46,15,383	100.00	46,15,383	100.00	-	100.00	-	-	-	-	-	46,15,383
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
							No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
) Portfolio Investor															
(f) Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	5	46,15,383	-	-	46,15,383	100.00	46,15,383	100.00	-	100.00	-	-	-	-	46,15,383



II. Shareholding pattern of the Public shareholder

	Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
(1)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



	Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depositary Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (B) (1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/ State Government(-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depositary Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
							No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
s)/ President of India															
Sub-Total (B) (2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3) Non-Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a) Individuals															
i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	2	2	-	-	2	Negligible	2	Negligible		Negligible	-	-	-	-	2
ii. Individual shareholders holding nominal share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
							No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
capital in excess of Rs. 2 lakhs															
(b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) Any Other (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total	2	2	-	-	2	Negligible	2	Negligible		Negligible	-	-	-	-	2



Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depositary Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
							No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
I	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
(B)(3)															
Total Shareholding of Public (B) = (B)(1)+(B)(2) + (B)(3)	2	2	-	-	2	Negligible	2	Negligible		Negligible	-	-	-	-	2



III. Shareholding pattern of the Non Promoter- Non Public shareholder

Sr No	Category of Shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
(1)	Custodian / DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Name of DR Holder (if applicable)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub total (C)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub total (C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Sr No	Category of Shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form***
								No of Voting Rights	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
	I	III	IV	V	VI	VII = IV+V+VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
	Promoter Non-Public Shareholding (C) = (C)(1)+(C)(2)															

Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing of its Equity Shares on the Stock Exchange.

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

*** In terms of SEBI Listing Regulations, our Company shall ensure that the Equity Shares held by the Promoter / members of the Promoter Group shall be dematerialised prior to listing of Equity shares.



10. The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category Promoter and Promoter Group are as under:

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	Promoter				
1.	Atul Vasani	43,15,385	93.50	43,15,385	[●]
2.	Jagruti Vasani	2,99,995	6.50	2,99,995	[●]
	Sub total (A)	46,15,380	100.00	46,15,380	[●]
	Promoter Group				
3.	Ajay Vasani	1	Negligible	1	Negligible
4.	Priyanka Vasani	1	Negligible	1	Negligible
5.	Kevin Vasani	1	Negligible	1	Negligible
	Sub total (B)	3	Negligible	3	Negligible
	Total (A+B)	46,15,383	100.00	46,15,383	[●]

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

Name of the Promoter	No. of Shares held	Average cost of Acquisition (in Rs.)
Atul Vasani	43,15,385	5.80
Jagruti Vasani	2,99,995	0.17

12. There are no persons belonging to the category “Public” who holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.

13. The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Red Herring Prospectus are set forth below:

a) Particulars of the top ten shareholders as on the date of filing this Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Atul Vasani	43,15,385	93.50
2.	Jagruti Vasani	2,99,995	6.50
3.	Ajay Vasani	1	Negligible
4.	Priyanka Vasani	1	Negligible
5.	Dewansh Vasani	1	Negligible
6.	Kavin Vasani	1	Negligible
7.	Aneree Vasani	1	Negligible
	Total	46,15,385	100.00

Note:- Our Company has only 7 shareholders as on date of filing of this Red Herring Prospectus.



- b) Particulars of the top ten shareholders as at ten days prior to the date of filing of this Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
8.	Atul Vasani	43,15,385	93.50
9.	Jagruti Vasani	2,99,995	6.50
10.	Ajay Vasani	1	Negligible
11.	Priyanka Vasani	1	Negligible
12.	Dewansh Vasani	1	Negligible
13.	Kavin Vasani	1	Negligible
14.	Aneree Vasani	1	Negligible
	Total	46,15,385	100.00

Note:- Our Company had only 7 shareholders as at ten days prior to the date of filing of this Red Herring Prospectus.

- c) Particulars of the top ten equity shareholders two years prior to the date of filing of this Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Atul Vasani	4,50,000	90.00
2.	Jagruti Vasani	50,000	10.00
	Total	5,00,000	100.00

Note:- Our company had only 2 shareholders two years prior to the date of this Red Herring Prospectus.

14. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
15. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Red Herring Prospectus.
16. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the EMERGE Platform of National Stock Exchange of India Limited.
17. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
18. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
19. There are no Equity Shares against which depository receipts have been issued.
20. Other than the Equity Shares, there is no other class of securities issued by our Company.
21. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares have been listed. Further, 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.

22. None of the persons/entities comprising our Promoter Group, or our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.
23. Our Company, our Promoters, our Directors and the Book Running Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
24. There are no safety net arrangements for this public issue.
25. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment. 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 our Promoters and subject to lock- in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.
26. 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.
27. As on date of this Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
28. All the Equity Shares of our Company are fully paid up as on the date of the Red Herring Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
29. As per RBI regulations, OCBs are not allowed to participate in this Issue.
30. Our Company has not raised any bridge loans against the proceeds of the Issue.
31. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
32. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
33. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
34. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
35. Our Company has 7 shareholders as on the date of filing of this Red Herring Prospectus.
36. Our Promoters and the members of our Promoter Group will not participate in this Issue.
37. Our Company has not made any public issue since its incorporation.



38. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
39. For the details of transactions by our Company with our Promoter Group, Group Companies during the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013, please refer to paragraph titled “Details of Related Parties Transactions as Restated” in the chapter titled “*Financial Statements as restated*” on page 189 of this Red Herring Prospectus.
40. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “Our Management” beginning on page 167 of this Red Herring Prospectus.



OBJECTS OF THE ISSUE

Our Company proposes to utilize the net proceeds from the Issue towards funding the following objects and achieve the benefits of listing on the Emerge Platform of National Stock Exchange of India Limited.

The objects to the Issue are as follows:

1. Working Capital requirements
2. General Corporate Purposes.

Also, we believe that the listing of Equity Shares will enhance our Company's corporate image, brand name and create a public market for our Equity Shares in India.

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

DETAILS OF THE PROCEEDS

Particulars	Amount (Rs. in lakhs)
Gross Proceeds from the Fresh Issue	[●]
(Less): Issue related expenses	[●]
Net Proceeds	[●]

*To be finalised upon determination of issue price

As on the date of Red Herring Prospectus, our Company has incurred Rs. 7.82 lakhs towards Issue expenses.

UTILIZATION OF NET PROCEEDS

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Issue (Rs. in lakhs)	Percentage of Gross Proceeds	Percentage of Net Proceeds
1.	Working Capital Requirements	[●]	[●]	[●]
2.	General Corporate Purpose	[●]	[●]	[●]
	Total	[●]	[●]	[●]

Our Company shall determine the fund requirement on finalization of Issue Price and thus interse allocation of funds shall vary and will be updated in the Prospectus.

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue and Internal Accruals. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects.



While we intend to utilise the Issue Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. 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. In the event of any shortfall in the Net Proceeds, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors including 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.

Details of Objects

1. Working Capital

We finance our working capital requirements from bank funding, internal accruals and other sources. As on date our Company's working capital sanction facilities consisted of an aggregate based limit of Rs. 1,500.00 lakhs. Further our Company has also availed a working capital term loan of Rs.225.00 lakhs. For further information, see "*Financial Indebtedness*" on page 245 of this Red Herring Prospectus.

As on March 31, 2016 and March 31, 2017 our Company's net working capital consisted of Rs. 2098.22 lakhs and Rs. 2331.08 lakhs respectively based on the restated financial statements.

The total net working capital requirement for the year 2018 is estimated to be Rs. 3,393.66 lakhs which will be met through the Net Proceeds to the extent of Rs. [●] and the balance portion will be met through internal accruals/ Owned Funds and short term borrowings.

Basis of estimation of working capital requirement

The details of our Company's working capital requirement are based on the restated financial statements as at March 31, 2016 and March 31, 2017 are as set out in the table below



Amount (Rs. In Lakhs)

Particulars	As on March 31	
	2017	2016
Current Assets		
Inventories	115.47	336.00
Trade Receivables	3,790.92	4,041.65
Short term Loans and Advances and other Current Assets	259.28	242.97
Cash and cash equivalents	106.58	104.52
Total (A)	4,272.25	4,725.15
Current Liabilities		
Trade Payables	1,611.85	2,465.60
Other Current Liabilities and Provisions	329.32	161.33
Total (B)	1,941.17	2,626.93
Net Working Capital (A)-(B)	2,331.08	2,098.22
Funding Pattern		
Bank funding	1,724.17	1,528.54
Unsecured Loan	299.20	403.12
Internal Accruals/ Net worth	307.71	166.56
Total	2,331.08	2,098.22

The details of our Company's expected working capital requirement as at March 31, 2018 is set out in the table below:

Amount (Rs. In Lakhs)

Particulars	2017-18 (Estimated)
Current Assets	
Inventories	261.88
Trade Receivables	4287.50
Short term Loans and Advances and other Current Assets	450.71
Cash and cash equivalents	256.52
Total (A)	5,256.61
Current Liabilities	
Trade Payables	1,631.16
Other Current Liabilities and Provisions	231.79
Total (B)	1,862.95
Net Working Capital (A)-(B)	3,393.66
Proposed Funding Pattern	
Bank funding	[●]
Issue Proceeds	[●]
Unsecured Loan	[●]
Internal Accruals/ Net worth	[●]
Total Source	[●]

Assumption for working capital requirements

Assumptions for Holding Levels*

(In months)



Particulars	Holding Level as of March 31, 2016	Holding Level as of March 31, 2017	Holding Level as of March 31, 2018 (Estimated)
<i>Current Assets</i>			
Trade Receivables	7.36	7.12	7.00
Inventories	0.65	0.24	0.49
<i>Current Liabilities</i>			
Trade Payables	4.52	3.50	3.00

Our Company proposes to utilize Rs. [●] lakhs of Net Proceeds towards working capital requirements for meeting our business requirements.

Justification for “Holding Period” levels

The justifications for the holding levels mentioned in the table above are provided below

<i>Assets- Current Assets</i>	
Trade receivables	In FY 2017-18 we have assumed trade receivables of around 7.00 months which is similar to trade receivables in FY 2016-17.
Inventories	In FY 2017-18 we have assumed inventory of around 0.49 months which is higher than inventory in FY 2016-17 as we aim to increase our export sales.
<i>Liabilities - Current Liabilities</i>	
Trade Payables	In FY 2017-18, the credit period is expected to be 3.00 months as compared to 3.50 months in FY 2016-17, as the Company will strive to adhere to stricter credit policy to achieve better and favourable pricing terms and to ensure continued relation with existing suppliers.

The working capital projections are approved by the Board by the resolution dated June 21, 2017.



2. General Corporate Purpose

Our Company proposes to deploy the balance Net Proceeds aggregating Rs [●] lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilizing any surplus amounts.

ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. [●] Lakhs.

Expenses	Expenses(Rs. in Lakhs)*	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	[●]	[●]	[●]
Regulatory fees	[●]	[●]	[●]
Marketing and Other Expenses	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**As on date of the Red Herring Prospectus, our Company has incurred Rs. 7.82 Lakhs towards Issue Expenses out of internal accruals.*

***SCSBs will be entitled to a processing fee of Rs.10 per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.*

Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be 0.01% on the Allotment Amount# or Rs 100 whichever is less on the Applications wherein shares are allotted.

The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.

#Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.



SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS:

Our Company proposes to deploy the Net Proceeds in the aforesaid objects in the financial year 2017-18.

Activity	Total Amount (Rs in Lakhs)	Amount incurred till date	Estimated deployment of the Issue Proceeds FY 2017-2018
Working Capital Requirements	[●]	-	[●]
General Corporate Purposes	[●]	-	[●]

Further our Management, in accordance with the policies setup by the Board, will have flexibility in deploying the Net Proceeds of the Issue.

BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance our capital needs until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance additional capital needs will be repaid from the Net Proceeds of the Issue.

APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

MONITORING UTILISATION OF FUNDS

As the size of the Issue does not exceed Rs. 10,000 lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1) (a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Red Herring Prospectus.



VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the “Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will 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.

OTHER CONFIRMATIONS

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.



BASIS FOR ISSUE PRICE

The Issue Price of Rs. [●] per Equity Share will be determined by the Company, in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs.10 each and the Issue Price is [●] times of the face value at the lower end of the price band and [●] times the face value at the upper end of the Price Band.

QUALITATIVE FACTORS

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

- Product Range
- Global Presence
- Experienced Promoter and management team
- Scalable Business Model
- Quality assurance

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 140 of this Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2017, 2016 and 2015 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

Year ended	EPS (Rs.)	Weight
March 31, 2017	2.21	3
March 31, 2016	(0.10)	2
March 31, 2015	0.54	1
Weighted average		1.16

Note:-

- The earnings per share has been computed by dividing net profit (after excluding extraordinary items) as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the period / year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.

2. Price to Earnings (P/E) ratio in relation to Issue Price of Rs. [●] per Equity Share of Rs. 10 each fully paid up.

Particulars	PE Ratio on cap price	PE Ratio on floor price
P/E ratio based on Basic EPS for FY 2016-17	[●]	[●]
P/E ratio based on Weighted Average EPS	[●]	[●]
*Industry P/E (on basic EPS)		
Lowest		NA
Highest		NA
Average		NA

*We believe that there are no listed peers engaged in business of API trading and marketing of formulations in which we operate. There are no comparable listed Companies within the same line of business as our Company. Thus Industry P/E Ratio can not be ascertained.



3. Return on Net worth (RoNW)

Return on Net Worth (“RoNW”) as per restated financial statements

Year ended	RoNW (%)	Weight
March 31, 2017	17.16	3
March 31, 2016	(0.94)	2
March 31, 2015	4.99	1
Weighted Average		9.10%

Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year excluding miscellaneous expenditure to the extent not written off.

4. Minimum Return on Total Net Worth post issue needed to maintain Pre Issue EPS for the year ended March 31, 2017

Particulars	(Amount in Rs.)
At Floor price	[●]
At Cap price	[●]

5. Net Asset Value (NAV)

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2017	12.90
Net Asset Value per Equity Share after the Issue	[●]
Issue Price per equity share	[●]

- Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period.
- Issue Price per Equity share will be determined on conclusion of the Book Building Process.

6. Comparison with other listed companies

Our Company is mainly into the business of API trading and marketing of formulations and currently there are no listed companies operating in this particular business segment with similar business and hence a strict comparison with our Company is not possible.

The Issue Price of Rs. [●]/- per equity share shall be determined by the company in consultation with the BRLM on the basis of assessment of market demand from investors for the Equity shares by way of Book Building and is justified based on the above accounting ratios.

The Issue Price of Vaishali Pharma Limited is Rs. [●] per Equity Share. Vaishali Pharma Limited is a Book Built issue and price band for the same shall be published 5 working days before opening of the Issue in English and Hindi national newspapers and one regional newspaper with wide circulation.

For further details see section titled “*Risk Factors*” beginning on page 20 and the financials of the Company including profitability and return ratios, as set out in the section titled “*Financial Statements*” beginning on page 189 of this Red Herring Prospectus for a more informed view.



STATEMENT OF POSSIBLE TAX BENEFIT

To,
The Board of Directors,
Vaishali Pharma Limited
706-709, 7th Floor,
Aravali Business Centre,
R.C. Patel Road, Borivali (W),
Mumbai - 400092

Dear Sirs,

Subject: Statement of Possible Special Tax Benefits available to Vaishali Pharma Limited (the Company) and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the SEBI (ICDR) Regulations, 2009 as amended (the ‘Regulations’)

We hereby report that the enclosed annexure prepared by Vaishali Pharma Limited, states the possible special tax benefits available to Vaishali Pharma Limited and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’), presently in force in India. 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 special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and shareholders do not cover any general tax benefits available to the Company Further , the preparation of enclosed statement and the contents stated therein 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 is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (“the Offer”) by the Company.

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

The Company or its Equity Shareholders will continue to obtain these benefits in future; or

- The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.



This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus./ Prospectus or any other offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For N. K. Aswani & Co.
Chartered Accountants
Firm Registration No.100738W

N.K. Aswani
Proprietor
Membership No: 033278
Date: June 22, 2017
Place: Ahmedabad



ANNEXURE TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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

A. SPECIAL TAX BENEFITS TO THE COMPANY

The Company is not entitled to any special tax benefits under the Act

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Act

Note:

1. 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.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees agreed for this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement



SECTION IV – ABOUT THE COMPANY

OUR INDUSTRY

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 20 and 189 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.

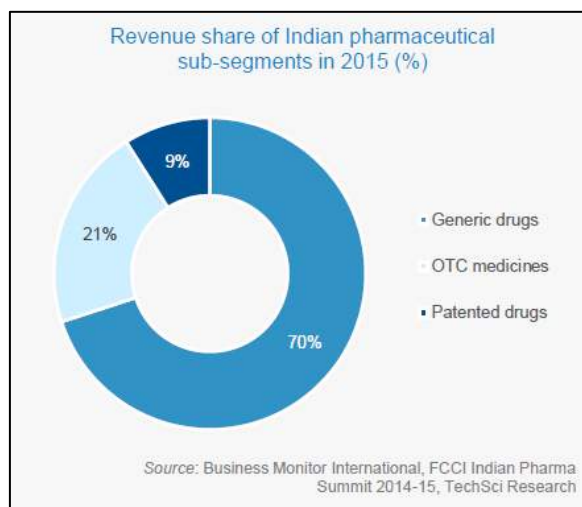
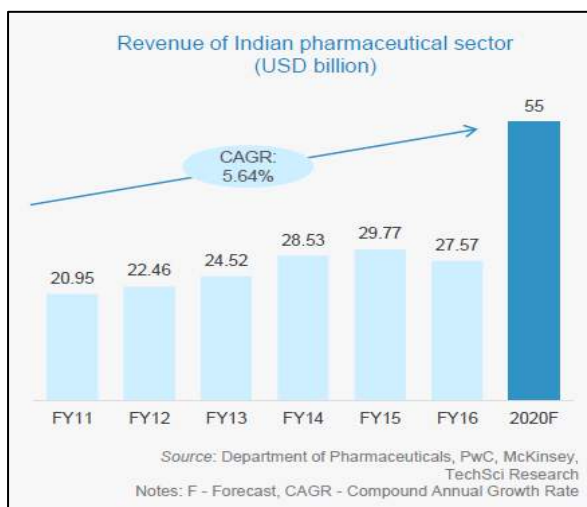
INTRODUCTION TO THE INDIAN PHARMACEUTICAL INDUSTRY

Indian pharmaceutical sector accounts for about 2.4 per cent of the global pharmaceutical industry in value terms and 10 per cent in volume terms and is expected to expand at a Compound Annual Growth Rate (CAGR) of 15.92 per cent to US\$ 55 billion by 2020 from US\$ 20 billion in 2015.¹²³ With 71 per cent market share, generic drugs form the largest segment of the Indian pharmaceutical sector. By 2016, India is expected to be the third-largest global generic Active Pharmaceutical Ingredient (API) merchant market. The country accounts for the second largest number of Abbreviated New Drug Applications (ANDAs) and is the world’s leader in Drug Master Files (DMFs) applications with the US.

Indian drugs are exported to more than 200 countries in the world, with the US as the key market. Generic drugs account for 20 per cent of global exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years. The Government of India plans to set up a US\$ 640 million venture capital fund to boost drug discovery and strengthen pharmaceutical infrastructure. The ‘Pharma Vision 2020’ by the government’s Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery.

(Source: *Indian Pharmaceuticals Industry Analysis - India Brand Equity Foundation - www.ibef.org*)

STATISTICAL OVERVIEW OF THE INDIAN PHARMACEUTICAL INDUSTRY



(Source: *Indian Pharmaceuticals Industry Analysis - India Brand Equity Foundation - www.ibef.org*)

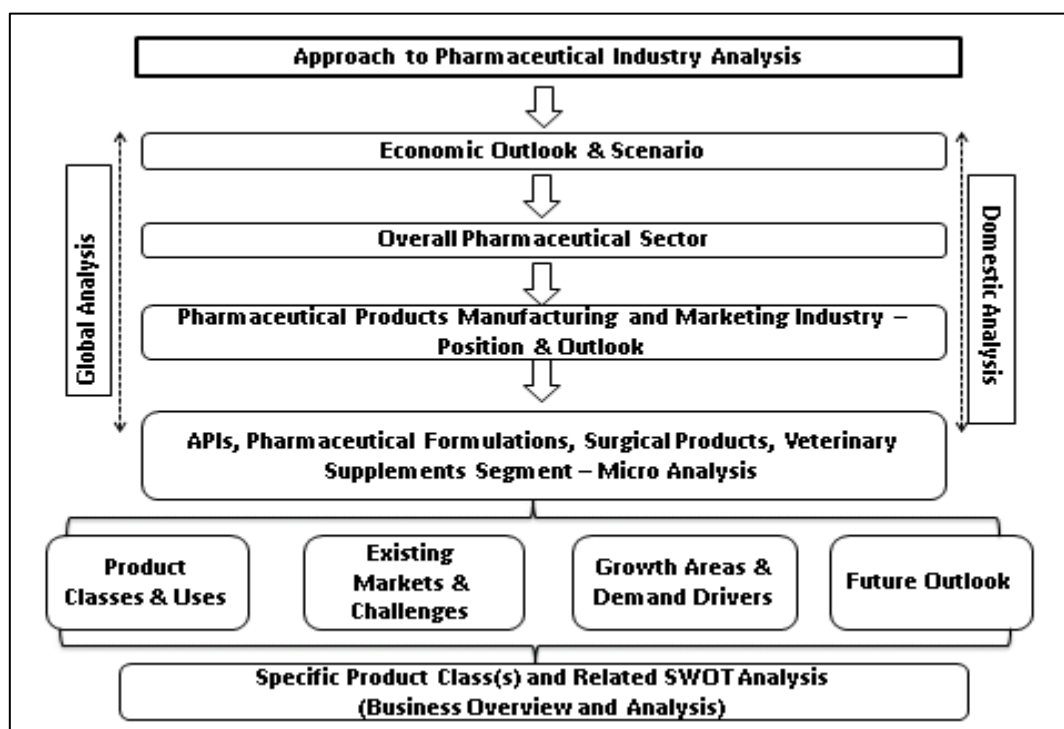


APPROACH TO PHARMACEUTICAL INDUSTRY ANALYSIS

Analysis of Pharmaceutical Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. Pharmaceutical Industry forms part of Pharmaceutical Sector at a macro level. Hence, broad picture of Pharmaceutical Sector should be at preface while analysing the Pharmaceutical Industry.

Pharmaceutical Sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall Pharmaceutical Sector is “Pharmaceutical Products Manufacturing and Marketing Industry”, which in turn encompasses various segments such as APIs, Pharmaceutical Formulations, Surgical Products, Veterinary Supplements.

Thus, the micro analysis of segments such as APIs, Pharmaceutical Formulations, Surgical Products, Veterinary Supplements should be analysed in the light of “Pharmaceutical Products Manufacturing and Marketing Industry” at large. An appropriate view on APIs, Pharmaceutical Formulations, Surgical Products, Veterinary Supplements Segment, then, calls for the overall economic outlook, performance and expectations of Pharmaceutical Sector, position of Pharmaceutical Products Manufacturing and Marketing Industry and micro analysis thereof.



This Approach Note is developed by Pantomath Capital Advisors (P) Ltd ('Pantomath') and any unauthorized reference or use of this Note, whether in the context of Pharmaceuticals Industry and / or any other industry, may entail legal consequences.



GLOBAL ECONOMIC OVERVIEW

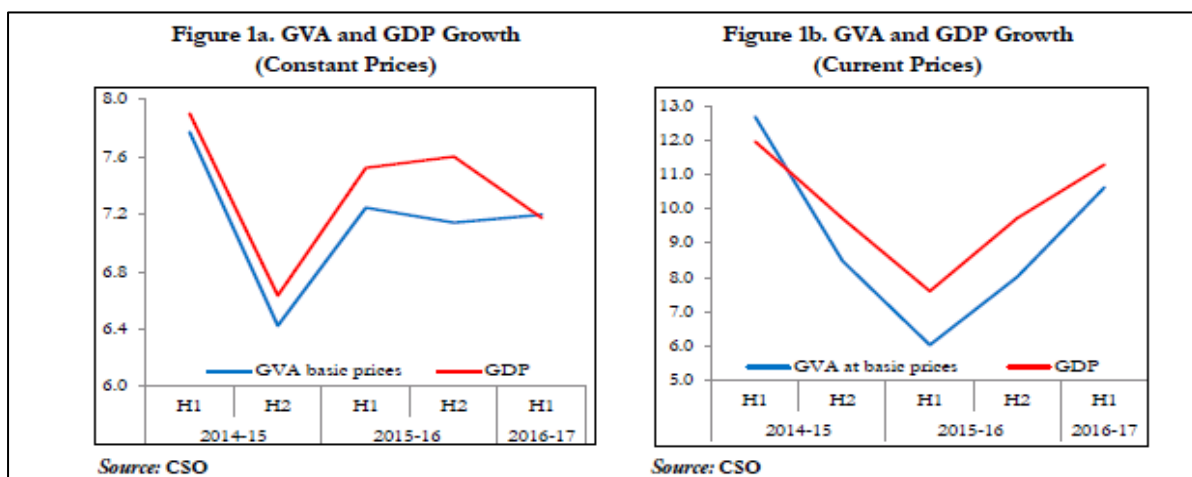
For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends documented widely about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects

Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).



The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services— dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).

Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-) 5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

External Sector

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having have risen from around US\$350billion at end-January 2016 to US\$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service



exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

Fiscal Position

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year. Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments.

State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2016-17

This year's outlook must be evaluated in the wake of the November 8 action to demonetize the high denomination notes. But it is first important to understand the analytics of the demonetisation shock in the short run. Demonetisation affects the economy through three different channels. It is potentially: 1) an aggregate demand shock because it reduces the supply of money and affects private wealth, especially of those holding unaccounted money; 2) an aggregate supply shock to the extent that economic activity relies on cash as an input (for example, agricultural production might be affected since sowing requires the use of labour traditionally paid in cash); and 3) an uncertainty shock because economic agents face imponderables related to the magnitude and duration of the cash shortage and the policy responses (perhaps causing consumers to defer or reduce discretionary consumption and firms to scale back investments).

Demonetisation is also very unusual in its monetary consequences. It has reduced sharply, the supply of one type of money— cash—while increasing almost to the same extent another type of money— demand deposits. This is because the demonetized cash was required to be deposited in the banking system. In the third quarter of FY2017 (when demonetisation was introduced), cash declined by 9.4 percent, demand deposits increased by 43 percent, and growth in the sum of the two by 11.3 percent.

The price counterparts of this unusual aspect of demonetisation are the surge in the price of cash (inferred largely through queues and restrictions), on the one hand; and the decline in interest rates on the lending rate (based on the marginal cost of funds) by 90 basis points since November 9; on deposits (by about 25 basis points); and on g-secs on the other (by about 32 basis points).

There is yet another dimension of demonetisation that must be kept in mind. By definition, all these quantity and price impacts will self-correct by amounts that will depend on the pace at which the economy is remonetized and policy restrictions eased. As this occurs, consumers will run down their bank deposits and increase their cash holdings. Of course, it is possible, even likely that the self-



correction will not be complete because in the new equilibrium, aggregate cash holdings (as a share of banking deposits and GDP) are likely to be lower than before.

Anecdotal and other survey data abound on the impact of demonetisation. But we are interested in a macro-assessment and hence focus on five broad indicators: Agricultural (Rabi) sowing; Indirect tax revenue, as a broad gauge of production and sales; Auto sales, as a measure of discretionary consumer spending and two-wheelers, as the best indicator of both rural and less affluent demand; Real credit growth; and Real estate prices. Contrary to early fears, as of January 15, 2017 aggregate sowing of the two major rabi crops—wheat and pulses (gram)—exceeded last year's planting by 7.1 percent and 10.7 percent, respectively. Favourable weather and moisture conditions presage an increase in production. To what extent these favourable factors will be attenuated will depend on whether farmers' access to inputs—fertilizer, credit, and labour—was affected by the cash shortage.

To estimate a demonetisation effect, one needs to start with the counterfactual. Our best estimate of growth in the absence of demonetisation is 11¼ percent in nominal terms (slightly higher than last year's Survey forecast because of the faster rebound in WPI inflation, but lower than the CSO's advance estimate of 11.9 percent) and 7 percent in real terms (in line with both projections).

Finally, demonetisation will afford an interesting natural experiment on the substitutability between cash and other forms of money. Demonetisation has driven a sharp and dramatic wedge in the supply of these two: if cash and other forms are substitutable, the impact will be relatively muted; if, on the other hand, cash is not substitutable the impact will be greater.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2017-18

Turning to the outlook for 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

As discussed earlier, India's exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as 1 percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline—and the need to be seen as doing so. Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.



There are three main downside risks to the forecast. First, the extent to which the effects of demonetisation could linger into next year, especially if uncertainty remains on the policy response. Currency shortages also affect supplies of certain agricultural products, especially milk (where procurement has been low), sugar (where cane availability and drought in the southern states will restrict production), and potatoes and onions (where sowings have been low). Vigilance is essential to prevent other agricultural products becoming in 2017-18 what pulses were in 2015-16.

Second, geopolitics could take oil prices up further than forecast. The ability of shale oil production to respond quickly should contain the risks of a sharp increase, but even if prices rose merely to \$60-65/barrel the Indian economy would nonetheless be affected by way of reduced consumption; less room for public investment; and lower corporate margins, further denting private investment. The scope for monetary easing might also narrow, if higher oil prices stoked inflationary pressure.

Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geo-politics or currency movements. This could reduce global growth and trigger capital flight from emerging markets. The one significant upside possibility is a strong rebound in global demand and hence in India's exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.

Fiscal outlook

The fiscal outlook for the central government for next year will be marked by three factors. First, the increase in the tax to GDP ratio of about 0.5 percentage points in each of the last two years, owing to the oil windfall will disappear. In fact, excise-related taxes will decline by about 0.1 percentage point of GDP, a swing of about 0.6 percentage points relative to FY2017.

Second, there will be a fiscal windfall both from the high denomination notes that are not returned to the RBI and from higher tax collections as a result of increased disclosure under the Pradhan Mantra Garib Kalyan Yojana (PMGKY). Both of these are likely to be one-off in nature, and in both cases the magnitudes are uncertain.

A third factor will be the implementation of the GST. It appears that the GST will probably be implemented later in the fiscal year. The transition to the GST is so complicated from an administrative and technology perspective that revenue collection will take some time to reach full potential. Combined with the government's commitment to compensating the states for any shortfall in their own GST collections (relative to a baseline of 14 percent increase), the outlook must be cautious with respect to revenue collections. The fiscal gains from implementing the GST and demonetisation, while almost certain to occur, will probably take time to be fully realized. In addition, muted non-tax revenues and allowances granted under the 7th Pay Commission could add to pressures on the deficit.

The macroeconomic policy stance for 2017-18

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs—should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not necessarily to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

Fiscal policy is another potential source of policy support. This year the arguments may be slightly different from those of last year in two respects. Unlike last year, there is more cyclical weakness on account of demonetisation. Moreover, the government has acquired more credibility because of posting steady and consistent improvements in the fiscal situation for three consecutive years, the central government fiscal deficit declining from 4.5 percent of GDP in 2013-14 to 4.1 percent, 3.9



percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

One key question will be the use of the fiscal windfall (comprising the unreturned cash and additional receipts under the PMGKY) which is still uncertain. Since the windfall to the public sector is both one off and a wealth gain not an income gain, it should be deployed to strengthening the government's balance sheet rather than being used for government consumption, especially in the form of programs that create permanent entitlements. In this light, the best use of the windfall would be to create a public sector asset reconstruction company so that the twin balance sheet problem can be addressed, facilitating credit and investment revival; or toward the compensation fund for the GST that would allow the rates to be lowered and simplified; or toward debt reduction. The windfall should not influence decisions about the conduct of fiscal policy going forward.

Perhaps the most important reforms to boost growth will be structural. In addition to those spelt out in Section 1—strategic disinvestment, tax reform, subsidy rationalization—it is imperative to address directly the twin balance sheet problem. The problem is large, persistent and difficult, will not correct it even if growth picks up and interest rates decline, and current attempts have proved grossly inadequate. It may be time to consider something like a public sector asset reconstruction company.

Another area of reform relates to labour. Given the difficulty of reforming labor laws per se, the thrust could be to move towards affording greater choice to workers which would foster competition amongst service providers. Choices would relate to: whether they want to make their own contribution to the Employees' Provident Fund Organisation (EPFO); whether the employers' contribution should go to the EPFO or the National Pension Scheme; and whether to contribute to the Employee State Insurance (ESI) or an alternative medical insurance program. At the same time, there could be a gradual move to ensure that at least compliance with the central labour laws is made paperless, presence less, and cashless. One radical idea to consider is the provision of a universal basic income. But another more modest proposal worth embracing is procedural: a standstill on new government programs, a commitment to assess every new program only if it can be shown to demonstrably address the limitations of an existing one that is similar to the proposed one; and a commitment to evaluate and phase down existing programs that are not serving their purpose.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

GLOBAL PHARMACEUTICAL INDUSTRY

The volume of medicines used globally will reach 4.5 trillion doses by 2020 and cost \$1.4 trillion, both representing significant increases from 2015. The largest pharmaceutical-using countries will be the pharmerging markets, with two-thirds of the global medicine volumes, mostly comprised of generic medicines and dramatic increases in the utilization of medicines due to broad-based health system expansions. Developed markets will continue to account for the majority of medicine spending due to both higher prices per unit and the mix of newer medicines that bring meaningful clinical benefit to patients facing a wide range of diseases.

Medicine use in 2020

In 2020, more of the world's population will have access to medicine than ever before, albeit with substantial disparities. Patients will receive 4.5 trillion doses, up 24% from 2015, with most of the increase from countries closing the gap in per capita usage of medicines between developed and pharmerging countries. Over 50% of the world's population will consume more than 1 dose per person per day of medicines, up from one third of the world in 2005, driven by India, China, Brazil and Indonesia. Developed markets will continue to use more original branded and specialty medicines per capita while pharmerging markets will use more non-original brands, generics and over the counter medicines. The use of new medicines – first available in the prior 10 years – will represent 0.1% of volumes in pharmerging markets, compared to 2-3% in developed markets.

Medicine spending in 2020



Global spending on medicines will reach \$1.4 trillion by 2020, an increase of 29-32% from 2015 compared to an increase of 35% in the prior 5 years. Spending will be concentrated in developed markets, with more than half for original brands and focused on non-communicable diseases. Specialty therapies will continue to be more significant in developed markets than in pharmerging markets and different traditional medicines will be used in developed markets compared to pharmerging markets. Spending growth will be driven by brands in developed markets and increased usage in pharmerging markets, while being offset by patent expiries. Brand spending in developed markets will increase by \$298 billion in the 5 years to 2020 driven by new products and price increases primarily in the U.S., but will be offset by an estimated \$90 billion in net price reductions. Small molecule patent expiries will have a larger impact in 2016-2020 than in the prior five years, and there will be an increased impact from biologics. In 2020, the U.S., EU5, and Japan will have important differences in spending and growth dynamics from today. Pharmerging markets' spending will grow primarily from increased use of medicines while China, the leading pharmerging country, will reach \$160-190 billion in spending with slowing growth to 2020.

Transformations in disease treatment

The overwhelming inertia in medicine use - where 97% of medicines used have been available for more than 10 years - masks the contribution from transformative disease treatments, orphan drugs for rare diseases and technology-enabled changes in care that can harness big data to better inform decisions help drive patient behaviour changes and improve outcomes. The seemingly intractable problems of neglected tropical diseases, compounded by poverty and war in Africa, appear to finally be responding to philanthropy-funded research and engagement resulting in fundamental changes by 2020. The use of medicines in 2020 will include 943 New Active Substances introduced in the prior 25 years, and new medicines in recent years will be weighted to specialty and biologics. Patients will have greater access to breakthrough therapies and clusters of innovation around hepatitis C, a range of cancers, autoimmune diseases, heart disease, and an array of other rare diseases. The ubiquity of smartphones, tablets, apps and related wearable devices combined with electronic medical records and exponentially increasing real-world data volumes will open new avenues to connect healthcare information while offering providers and payers new mechanisms to control costs.

Implications

The continued expansion of healthcare access around the world portends a fundamental gap in delivery capacity where added patient access outruns staffing, infrastructure and funding sources. By 2020 we will see a substantial shift in many major markets away from the siloed budgeting that manages drug spending separately from other healthcare costs. Emerging economies will be focused on providing access and essential medicines to that in need to close endemic healthcare gaps.

Providers in more parts of the world will be subject to performance or outcomes-based contracts and payment systems, bringing sharper scrutiny to patient outcomes and costs associated with patient care. More healthcare will be delivered using technology-enabled means, by providers other than doctors and in patients' homes, pharmacies and community-based facilities. The use of technology will be key to the advancement of healthcare, especially in emerging markets where the expense of large scale infrastructure projects would delay progress.

Patients will have many more treatment options, especially in cancer and rare diseases, and will be informed, motivated and engaged partners in treatment choices. Their financial stake will also rise as private and public payers in developed economies have already begun to increase patients' levels of co-payment. In low- and middle-income countries direct out-of-pocket cash payments will shift to premiums for private or supplementary insurance as countries strive for universal health coverage.

The outlook to 2020 includes higher levels of medicine spending and therefore higher revenues for manufacturers than in the last five years. The extent and nature of the issues faced by healthcare stakeholders and the sources of the spending growth projected in this report belie a more complex challenge to the sustainability of the pharmaceutical industry. Critical adaptations will be necessary to



thrive into the next decade, and key among them will be listening and providing valuable solutions to the problems their customers face.

(Source: Global Medicines Use in 2020 - Outlook and Implications IMS Institute for Healthcare Informatics www.imshealth.com)

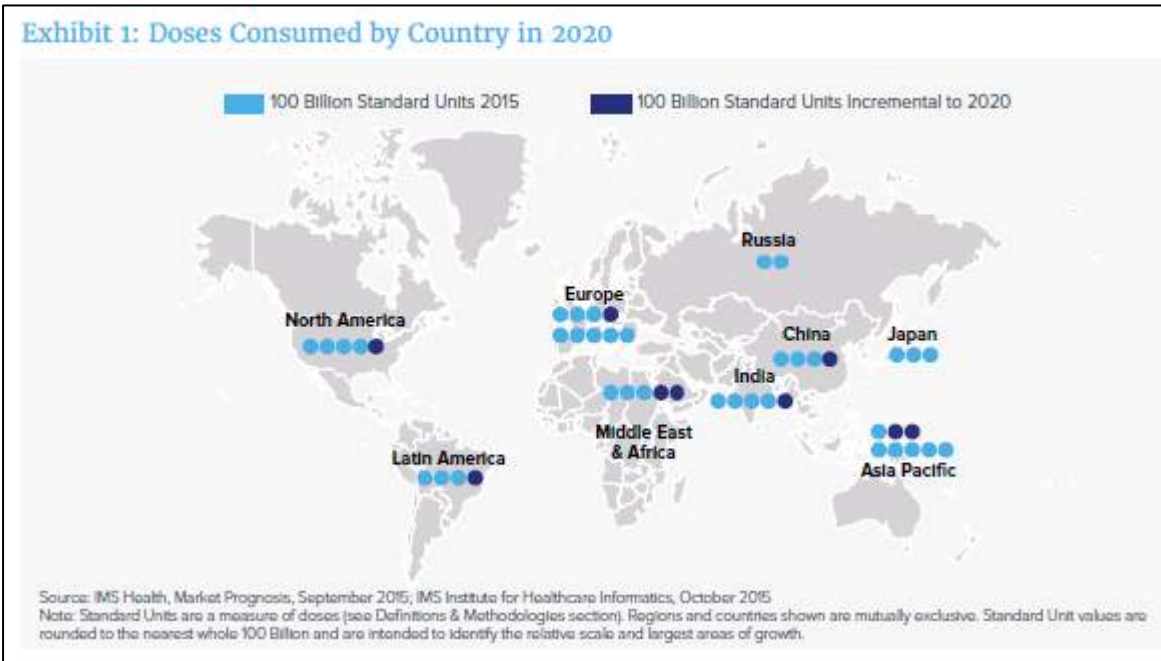
MEDICINE USE IN 2020 - ACCESS TO MEDICINES INCREASES BY 2020 BUT SIGNIFICANT DIFFERENCES EXIST BY COUNTRY

- Global medicine use in 2020 will reach 4.5 trillion doses, up 24% from 2015
- Over 50% of the world's population will consume more than 1 dose per person per day of medicines, up from one third of the world in 2005, driven by India, China, Brazil and Indonesia
- Closing the gap in per capita use of medicines differs by country; increased usage is primarily in emerging markets, while developed markets volumes remain more stable
- Developed markets will continue to use more original branded and specialty medicines per capita while pharmerging markets use more non-original brands, generics and over the counter medicines
- In 2020 the use of new medicines, introduced in the prior 10 years, will represent 0.1% of volumes in pharmerging markets, compared to 2-3% in developed markets

Medicines in 2020 will include a vast array of treatments ranging from those that provide symptom relief available without a prescription to lifesaving genetically personalized therapies unique to a single patient. Total use of medicines in 2020 will reach 4.5 trillion doses, up 24% from 2015 levels. Over half of the world's population will consume more than 1 dose per person per day of medicines, up from one-third in 2005 and driven by India, China, Brazil and Indonesia. Success in closing the gap in per capita use of medicines differs by country; increased usage is primarily in emerging markets, while developed markets' volumes remain more stable. Developed markets will continue to use more original branded and specialty medicines per capita while pharmerging markets will use more non-original brands, generics and over the counter products. Furthermore, the adoption of newer medicines will remain higher in developed markets than in pharmerging markets.

Medicine Use Comparisons

Most of the global increase in the volumes of medicines used in the 5 years to 2020 will be in India, China, Brazil, Indonesia, and Africa (see Exhibit 1). The largest increases align to areas with the most development gains and often in areas with the lowest usage previously.



Usage of medicines in Africa and Middle-Eastern countries will increase from 300 to 500 billion standard units in 2020. Within the region, Saudi Arabia and other gulf states will substantially close the gap to developed markets' per capita usage of medicines, while millions of people in sub-Saharan Africa will make modest gains from some of the lowest levels of volume usage in the world. China and India will have each completed ten years of healthcare access expansion by 2020, with nearly all of the Chinese population having basic medical insurance. Most of the rest of the Asia Pacific increased usage will come from Indonesia.

In 2020, Europe's 889 million people will have only modest increases in usage rising from about 818 billion to 916 billion doses, mostly occurring in central and eastern European countries such as Poland, which will approach developed market average usage. Asia Pacific, with 1.3 billion people (excluding China, India and Japan) will increase usage substantially, with half of the increase from Indonesia's shift to 3.26 standard units (SUs) per person per day in 2020. The Middle East and Africa region with 1.6 billion people and 2.5 times the population of Latin America (657 million) will have only 20% more usage overall.

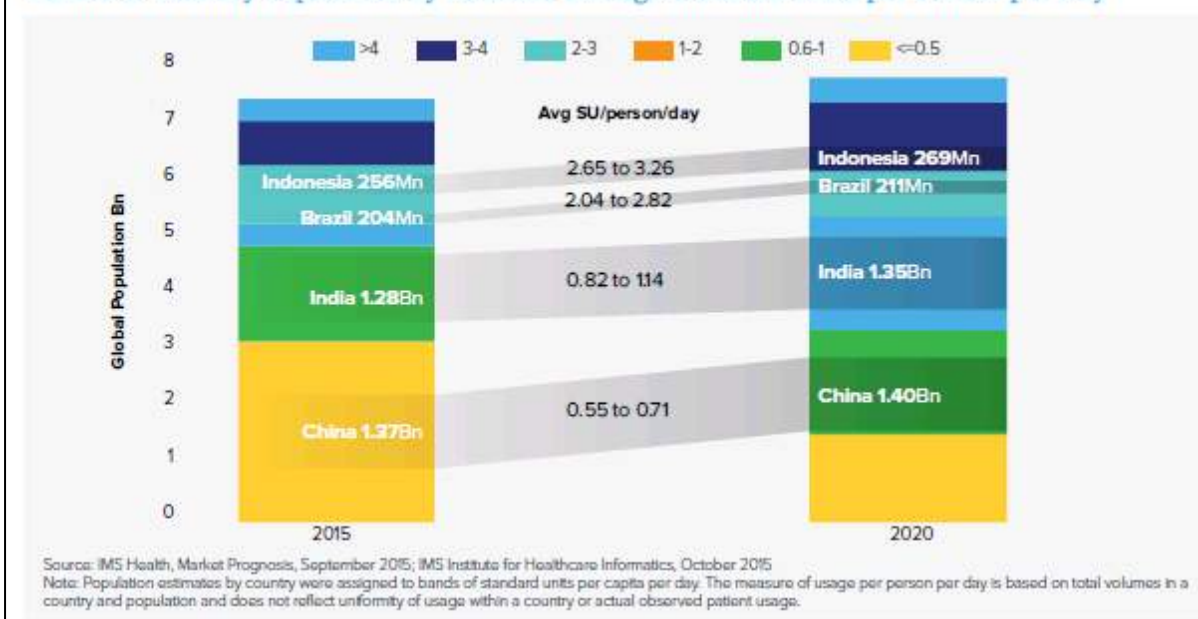
Rising per capita use in pharmerging markets

As the world's population tops 7.6 billion in 2020, per capita usage of medicine will reach about 1.6 Sus per person per day. Most developed countries have usage above 2 SUs per person per day and much of the increased usage in 2020 is driven by China, India, Brazil and Indonesia where substantial increases will have been made in average medicine volume usage (see Exhibit 2).

These four countries with a combined population of 3.23 billion in 2020 - up from 3.11 billion in 2015 - will account for nearly half of the increased volume in medicine usage globally from 2015-2020. India's level of medicine usage is a reflection of both a very basic healthcare infrastructure and the ease of access for medicines where even the most complex medicines can be obtained at a corner pharmacy if the patient can afford them.



Exhibit 2: Country Population by National Average Standard Units per Person per Day



China’s increased usage belies a more complex system where nearly all citizens will be covered by health insurance but access to medicines will usually require a hospital visit and out-of-pocket costs, discouraging some patients from seeking and adhering to treatment. The gap in average medicine usage between developed markets and pharmerging markets is closing, albeit slowly (see Exhibit 3). The use of medicines requires both the healthcare infrastructure to diagnose diseases and administer drugs appropriately, as well as the financial wherewithal to pay for them. While costs are often substantially lower for medicines in pharmerging markets, so is the ability to pay. The rise of government safety nets and private insurance is one key factor that will increase volume usage across pharmerging markets. The extent and pace of investments, both public and private, will be a key determinant of continued increases in usage.

Saudi Arabia’s commitment to wider healthcare access brings it to roughly the same level of usage as the average developed market by 2020, and represents the largest increase among the pharmerging countries. Other countries that will see a closing of the usage gap in 2020 by ten percentage points or more include Brazil, Egypt, Bangladesh, Indonesia, Turkey, Colombia and Algeria.

(Source: Global Medicines Use in 2020 - Outlook and Implications IMS Institute for Healthcare Informatics www.imshealth.com)

GLOBAL SPENDING ON MEDICINES IN 2020

Global spending on medicines will reach \$1.4 trillion by 2020, an increase of 29-32% from 2015 compared to an increase of 35% in the prior 5 years

- Spending on medicines in 2020 will remain concentrated to developed markets with more than half for original brands and focused on non-communicable diseases
- Specialty therapies will continue to be more significant in developed markets than in pharmerging markets and different medicines will be used in developed markets compared to pharmerging markets
- Traditional therapies will continue to focus on different diseases in developed and pharmerging markets
- Spending will increase by \$349 billion over 2015, driven by brands and increased usage in pharmerging markets and offset by patent expiries



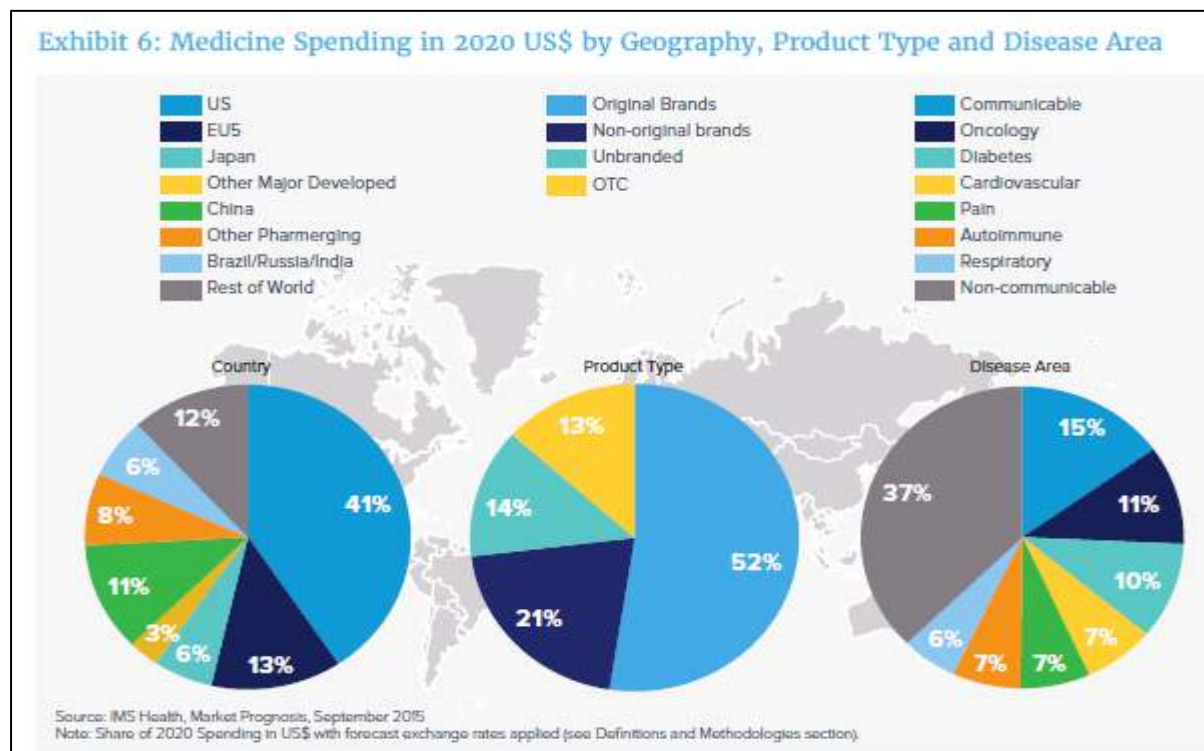
- Brand spending in developed markets will increase by \$298 billion in the 5 years to 2020 driven by new products, wider usage and price increases, primarily in the U.S., but will be offset by net price reductions
- Small molecule patent expiries will have a larger impact 2016-2020 than in the prior five years, and there will be an increased impact from biologics
- In 2020, the U.S., EU5 and Japan will have important differences in spending and growth from today
- Drug spending per capita will increase substantially for most pharmerging countries, however, China's growth is expected to slow to 2020

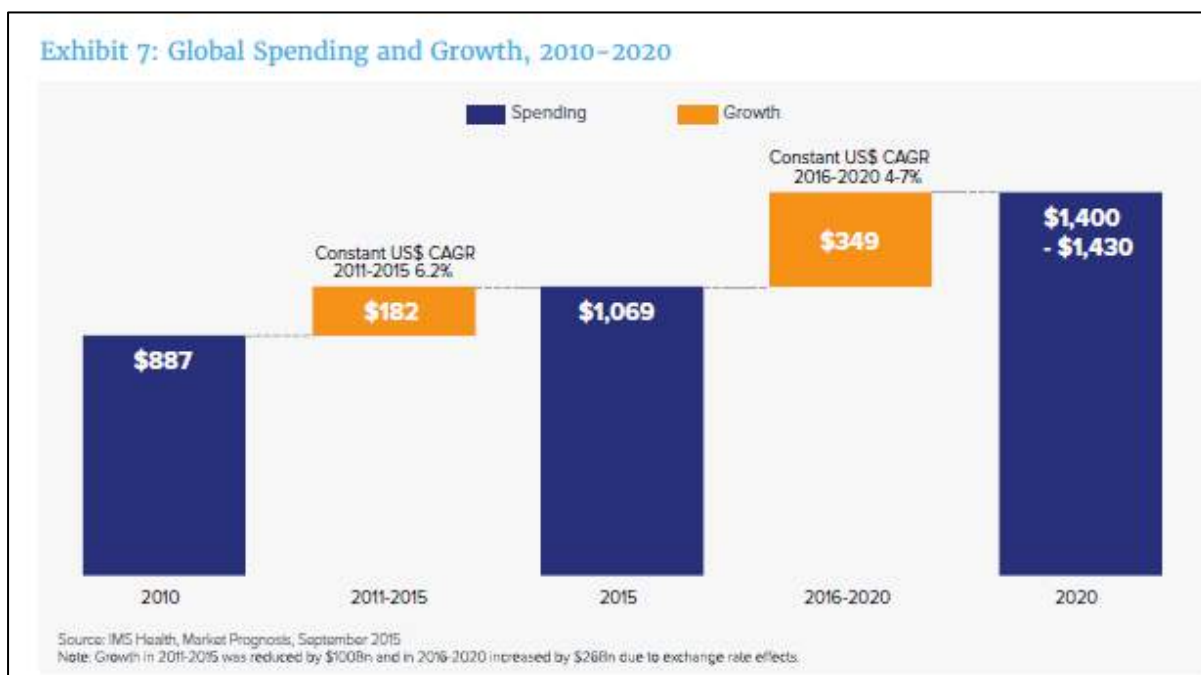
Global spending on medicines will reach \$1.4 trillion by 2020, an increase of 29-32% from 2015 compared to an increase of 35% in the prior 5 years. Spending on specialty therapies will continue to be more significant in developed markets than in pharmerging markets, and different traditional medicines will continue to be used in developed markets compared to pharmerging markets. Spending growth will be driven by brands, as well as increased usage in pharmerging markets, and will be offset by patent expiries and net price reductions. The patent expiry impact will be larger in 2016-2020 than in the prior five years on an absolute basis and will include \$41 billion of impact from biosimilars.

Spending and growth to 2020

Developed markets will contribute 63% of the spending, led by the U.S (see Exhibit 6). Original brands will represent 52% of spending and 85% of global spending will be for medicines to treat non-communicable diseases. These distributions of costs belie the very different perspective on a volume basis where lower-cost/higher-volume medicines dominate the overall use of medicines.

Using actual and forecast exchange rates, the absolute global spend for pharmaceuticals will change by \$349 billion in the 2016-2020 time period compared to \$182 billion in the 2010-2015 period (see Exhibit 7). The last five years had a \$100 billion reduction of growth due to currency effects, while the next five years will be lifted by \$26 billion by the weakening of the dollar against global currencies.





The global economic crisis has been a key global issue during the past five years though much of its worst effects have now passed. Some pharmerging countries like China, Brazil, Argentina, and Venezuela have had severe economic and social issues recently which are expected to contribute to slowing growth during the forecast period. Significant risks of further economic slowdown continue as a result of the ongoing disruption in the Middle East, the weaker Chinese economy, and Latin American countries with severe economic distress and some with hyperinflation.

Medicine spending will increase 31-34% over the next five years (29-32% on a constant dollar basis) compared to a 24% increase in the volumes of medicine used. Volume growth will be driven by demographic trends such as an aging population in developed markets and rising incomes and expanded access to healthcare in pharmerging markets. The remainder of the increase in spending will be driven by the costs of medicines which increase due to the wider adoption of newer more expensive therapies and an increase in prices per unit which occur in some countries, notably the United States.

U.S. spending on medicines

U.S. spending on medicines will reach \$560-590 billion in 2020, a 34% increase in spending over 2015 on an invoice price basis. This growth will be driven by innovation, invoice price increases (offset by off-invoice discounts and rebates) and the impact of loss of exclusivity (see Exhibit 13). Spending growth in the next five years will differ from the last four which included the largest patent expiry cluster ever in 2012 and the largest year for new medicines in 2014. Of the \$24 billion in new brand spending for 2014, \$12 billion was driven by hepatitis C treatments as 140,000 more patients were treated than in the prior year. This increased volume accounted for about \$9 billion of the increased spending with the remainder due to higher treatment cost per patient relative to earlier, less effective and less well tolerated treatments.

The impact of patent expiries over the next five years, while higher in absolute dollars, will be lower in percentage contribution than the past five years and no single year will reach the level of 2012. Generic medicines will continue to provide the vast majority of the prescription medicine usage in the U.S., rising from 88% to 91-92% of all dispensed prescriptions by 2020. Invoice price growth – which does not reflect discounts and rebates received by payers – will continue at historic levels through 2020 after a period from 2013 to 2015 where increases were much higher but substantially offset by off-invoice discounts and rebates. Net price trends for protected brands remain constrained by payer



negotiated discounts and rebates and net prices are expected to grow at 5-7% per year. Brands, on average, will concede as much as one-third of their invoice prices in discounts to payers over the forecast period.

The Affordable Care Act (ACA) will continue to have an effect on medicine spending during the next five years primarily due to expanded insurance coverage. ACA access expansion will be largely complete by 2020, bringing modest new demand for medicines, but an increasing share of medicines will be paid for by Medicare, Medicaid, and other government funded or mandated programs (including 340b) each commanding substantial discounts from list prices. The wider adoption of provisions of the law that encourage greater care coordination will see at least a third of healthcare covered by Accountable Care Organizations (ACOs) under the Medicare shared savings program or ACO-like arrangements negotiated between commercial insurers and institutions. These organizational and payment changes will reinforce the shift to outcomes and evidence-based payments as opposed to the volume of services provided.

By 2020, the Affordable Care Act will be ten years old and moving into adolescence in terms of major implementations, with further evolution and maturing still to come. The impacts of the various provisions of the law are cumulative and in important ways they are the underpinning of the general growth trend in the volume of medicines. Some parts of the ACA will enable conversion to a more rational system based on a better understanding of outcomes and costs. There will be some unintended consequences, that will likely impact patients before they are addressed with future policy amendments, and some of them can be expected to be non-trivial. The rising use of high-deductible insurance plans, for example, which have demonstrable impacts on patients' adherence rates, in some ways put employers and patients who choose these plans at odds with holistically-focused ACOs.

Japan spending on medicines

Japan's growth is expected to return to historic patterns through 2020 and the long-term effects of the new price regime will see average prices at a market level be essentially unchanged from 2015. Spending will increase by 3-4% over the next five years, the lowest aggregate increase of any developed market. The price regime, in effect since 2010, applies biennial price cuts differentially more to older off-patent brands, less to newer original brands, and separately incentivizes generic dispensing. Spending in 2020 will see wider use of specialty original brands but lower overall brand spending as older brands will face more severe price cuts.

The incentives to wider generic usage will double generic spending, as generic penetration of the unprotected market is targeted by the Ministry of Labor Health and Welfare (MLHW) to reach 80% by 2020, up from 54.4% for the quarter ending June 2015.¹ The 2010-2015 period saw substantial increase in the average prices of medicines as policies designed to reward innovators were implemented. The introduction of a value added tax (VAT) in 2014, as part of national economic reforms, slowed growth, but it is expected to return to historic levels of mid-single-digit growth to 2020. Further planned increases to sales taxes in the 2016-2018 time period could offset the expected growth and result in a zero growth scenario in those years.

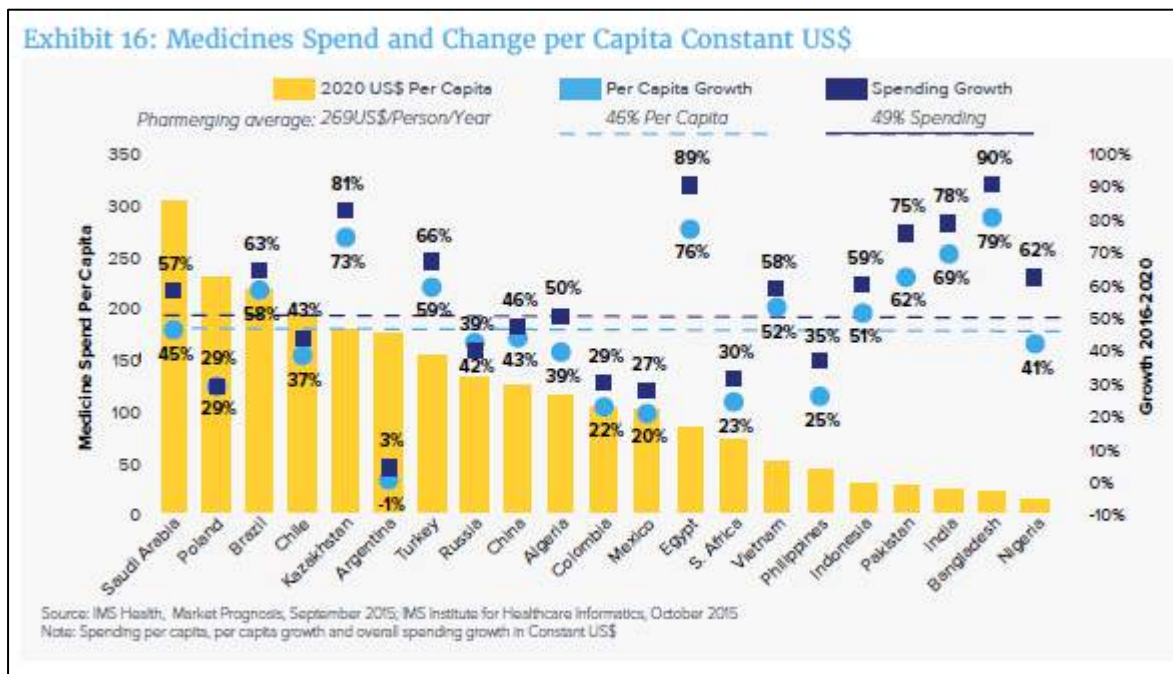
Pharmerging markets spending on medicines

Growth in spending on medicines in pharmerging markets of \$125 billion to 2020 is driven primarily by wider use of medicines. The per capita increases in volume and spending reflect the strong commitment to wider access to healthcare from government and expanded private insurance markets that many pharmerging countries are experiencing.

The difference in per capita spending growth and overall spending growth over the next five years is indicative of population growth, while the overall high level of per capita spending growth reflects both access expansions and the rising mix of higher cost medicines being used in pharmerging markets. Saudi Arabia is notable in that it will spend \$300 per person in 2020, with nearly the same volume per person as average developed markets. Many of the countries with the highest per capita



spending growth to 2020 have the lowest spend per capita, suggesting that most people in those countries have substantially worse healthcare than in higher spend pharmerging or developed markets and that the increases will go some way but ultimately still fail to address global healthcare inequities.



China spending on medicines

China’s decade long access expansion will have provided basic medical insurance to nearly the entire 1.4 billion populations by 2020 but further rapid growth in spending is not expected. Per capita medicine volumes will continue to increase but at a slower rate than earlier in the decade and spending growth will slow to below 10% through 2020 (see Exhibit 17). China’s economy has slowed recently and most medicine spending will still require substantial patient contributions, which will hamper increased spending overall. China remains the largest pharmerging market and, while slower than earlier in the decade, is expected to be at or above GDP growth through 2020.

(Source: Global Medicines Use in 2020 - Outlook and Implications IMS Institute for Healthcare Informatics www.imshealth.com)

TRANSFORMATIONS IN DISEASE TREATMENTS - INNOVATION DRIVES TRANSFORMATION OF DISEASE TREATMENTS IN 2020

- Use of medicines in 2020 will include 943 New Active Substances introduced in the prior 25 years; new medicines in recent years will be weighted to specialty and biologics.
- Patients will have greater access to breakthrough therapies and clusters of innovation around hepatitis C, autoimmune diseases, heart disease, orphan diseases and others by 2020
- Cancer treatments represent the largest category of the 225 new medicines expected to be introduced within the next five years
- Technology will enable changes to treatment protocols, shift patient engagement, accountability and patient-provider interaction accelerating the adoption of behaviour changes proven to increase patient adherence to treatments
- By 2020, over 470 drugs will be available to treat orphan diseases for the 7,000 rare diseases with no or limited treatments available



- While global medicine spending on orphan drugs is expected to be 1-2%, it will be as much as 10% in developed markets such as the U.S.

An increase in the number and quality of innovative new drugs will drive transformation of disease treatments by 2020, as the investments in research and development made in the last two decades emerge and reach patients in growing numbers. Key aspects of innovation include biomarkers, genomics, genetic testing to match patients with treatments, improved success rates in clinical development, and addressing concerns about rising costs. The evolution of development incentives including fast-track approvals for “breakthroughs”, continued pre-competitive collaborations, patient pooling of data, and large real-world evidence collaborations will all continue to stimulate research and development activities into the next decade.

New medicines available in 2020

In 2020, there will be 943 New Active Substances (NAS) introduced in the prior 25 years and the vast majority will be widely available to populations around the world (see Exhibit 18). These treatments often take years to reach patients outside the major developed markets, so the cluster of innovations in the next five years will be less widely available. Increasingly, the new medicines available will treat oncology and orphan diseases and provide a range of specialty small molecule medicines.

Patients will have greater access to breakthrough therapies and clusters of innovation around hepatitis C, cancer, autoimmune diseases, heart disease and orphan drugs by 2020. Cancer treatments represent the largest category of the 225 new medicines expected to be introduced within the next five years, including important new developments. For example, myeloma will see survival rates rise above 50% if the new treatments are as effective as early trials suggest. Over 90% of expected new cancer treatments will be targeted therapies – those that use a cancer cell process, mechanism or genetic marker to select or deliver treatment – of which one-third will use a biomarker. An estimated one-third of cancer treatments will target rare cancers deemed orphan diseases.

By 2020, over 470 drugs, including 75 incremental expected to be launched over the next five years, will be available to treat orphan diseases for the 7,000 rare diseases with no or limited treatments available. While global medicine spending on orphan drugs is expected to be 1-2% of global spending, it will be as much as 10% of in developed markets such as the U.S.

A number of transformational treatments will be available in 2020 including functional cures for hepatitis C, a cluster of small molecule and biologic immunology treatments for rheumatoid arthritis and new treatments for an array of diseases which have previously only been treated with decades old, often generic, small molecule treatments. By 2020, there will be a small but important number of cell- and gene-based therapies available to patients, often with short or one-time dosing, for treating diseases with significant challenges including but not limited to cancers, HIV, genetic disorders and autoimmune diseases.

Technology-enabled transformations

Technology is permeating all aspects of life globally with mobile phones more common in remote Indian villages than computers or landlines and the prevalence of electronic medical records now reach almost every developed nation and many emerging ones. Smartphones, mobile apps, wearable technology, and the modularity with which these technologies can be used together have reached such critical mass that innovations are happening more quickly, cheaply, and with greater specificity to individual micro-populations. Much of the mobile health available today is in its infancy, and the mining of healthcare big data for better decision making is still more promise than reality, but by 2020 major changes will have occurred. Researchers and payers will have substantial and exponentially growing volumes of data proving evidence supporting the benefits of specific approaches, interventions, and drugs as well as refined approaches for using technology to develop insights faster and at lower cost. There will be large consensus by 2020 on issues including:



Adherence initiatives will have been put into place as a result of substantial evidence around what works to manage and improve adherence encompassing technology, coordination of care and payer/provider incentives for improved performance and outcomes.

Wearable devices will be widely used for monitoring activity, vital signs, and effectiveness of recommended treatment to actual patient experience. High quality clinical grade devices will be commonplace for high-risk patients and will build upon the ubiquity of mobile devices and connect health data between patients and providers rapidly during critical diagnosis and around health events.

Big data will have driven a broad based normalization of care across a wide variety of diseases, informed by population health concepts, and measurable thanks to widely adopt electronic medical records in most developed and some pharmerging markets.

Diabetes patients from diagnosis will be supported by a range of technology solutions related to diet, exercise, blood sugar testing, and drug adherence. A continuing stream of new medicines will increase the options for doctors and patients but also create a confusing array of therapies to navigate and highlighting the need for scientific evidence to support usage.

Behaviour modification as a general concept, accounts for the majority of potential impact on patient outcomes with some diseases and more effective behaviour changes (e.g. diet and exercise) may be better enabled with wearable's and mobile health solutions.

In 2020, every patient with multiple chronic conditions will be able to use wearables, mobile apps and other technologies to manage their health, interact with providers, and connect with fellow patients and family members. Maximizing the benefit of these tools will still depend on evolving proof of concept technologies to evidence based and scalable solutions. By 2020, dozens of clinical trials will prove definitively which approaches are effective and enable the fundamental shifts in the use of technology to both advance healthcare outcomes and enable better outcomes at lower costs.

(Source: Global Medicines Use in 2020 - Outlook and Implications IMS Institute for Healthcare Informatics www.imshealth.com)

IMPLICATIONS

Evolutionary changes reframe stakeholders approach to medicine use and will ultimately determine how much of the promise of innovative healthcare reaches patients around the world in 2020 and beyond.

There will be several important and evolutionary changes by 2020 that will reframe stakeholders approach to medicine use. The interconnected nature of decisions in healthcare will inevitably lead to tensions, and resolving those conflicts, will ultimately determine how much of the promise of healthcare reaches patients around the world in 2020 and beyond.

Fundamental change across stakeholders

The combination of demographic pressures - population growth, aging populations - and relatively slow or slowing economic growth will have built substantial pressure for most countries to develop new funding models for healthcare by 2020. Medicines in 2020 will include a vast array of treatments ranging from those that provide symptom relief available without a prescription to lifesaving genetically personalized therapies unique to a single patient. The role of medicines in global healthcare will have evolved to one which often replaces more complex interventions and in many cases will be accompanied by a societal expectation that medicines can achieve tremendous results, and that whatever the innovation, it should be affordable and accessible to those who need it. This consensus is clearly present in the discussions of access to treatments for HIV, hepatitis C, and many other medicines, and is included in the policies or ideologies of both developed and developing world countries. While the U.S. has long dominated the world's spending on medicines, the next five years will likely see key pharmerging markets, particularly India and China pass the U.S. in using the



highest volumes of medicines, largely driven by their populations, and yet demonstrating that they continue to have limited access per capita to the most transformative innovative medicines.

The number of clinically desirable and costly breakthrough drugs, combined with the larger volume driven costs of existing lower-cost treatment options will strain even the most well managed budgets. The expected growth of medicine usage implies by its very nature that healthcare delivery capacity will need to expand or change significantly. The wider use of newer technologies is likely to enable system expansion without linear cost growth, but difficult decisions that balance overall population benefit and individual patient need will remain challenging issues for stakeholders to resolve.

Health systems globally will largely be on sounder footing in 2020 than today, with broader population access, better evidence basis for the treatment protocols, a faster cycle in adopting better protocols informed by larger volumes of real world data, and a more uniform set of policies to appropriately adopt innovation. Key to this set of improvements and an ongoing evolution of better health and healthcare will be a sustainable set of rewards for innovation, including transparent price negotiation systems, and the wider adoption of intellectual property protection for innovation.

(Source: Global Medicines Use in 2020 - Outlook and Implications IMS Institute for Healthcare Informatics www.imshealth.com)



GLOBAL PHARMACEUTICAL INDUSTRY – COUNTRY RANKINGS

Appendix 1 - Global Country Rankings								
Exhibit	2010	Index	Exhibit	2015	Index	Exhibit	2020	Index
1	U.S.	100	1	U.S.	100	1	U.S.	100
2	Japan	22	2	China	27	2	China	30
3	China	19	3	Japan	18	3	Japan	14
4	Germany	11	4	Germany	10	4	Germany	9
5	France	10	5	France	8	5	Brazil	8
6	Italy	7	6	U.K.	7	6	U.K.	6
7	U.K.	6	7	Brazil	6	7	Italy	5
8	Spain	6	8	Italy	6	8	France	5
9	Canada	6	9	Canada	5	9	India	5
10	Brazil	5	10	Spain	4	10	Canada	4
11	South Korea	4	11	Venezuela	4	11	Spain	4
12	Australia	3	12	India	4	12	Russia	3
13	India	3	13	Russia	3	13	South Korea	3
14	Mexico	3	14	South Korea	3	14	Mexico	2
15	Venezuela	3	15	Australia	3	15	Turkey	2
16	Russia	2	16	Mexico	2	16	Australia	2
17	Poland	2	17	Argentina	2	17	Saudi Arabia	2
18	Turkey	2	18	Turkey	2	18	Poland	2
19	Switzerland	2	19	Poland	2	19	Argentina	1
20	Netherlands	2	20	Saudi Arabia	1	20	Egypt	1

Source: IMS Health, Market Prognosis, September 2015 Change in ranking over prior five years

Appendix notes:
 Rankings based on Constant US\$. Argentina and Venezuela based on US\$ with variable exchange rates due to hyperinflation. Index reflects comparison to the U.S. of spending in Constant US\$.

(Source: Global Medicines Use in 2020 - Outlook and Implications IMS Institute for Healthcare Informatics www.imshealth.com)



INDIAN PHARMACEUTICALS MARKET

Introduction

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value, as per a report by Equity Master. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

The UN-backed Medicines Patent Pool has signed six sub-licences with Aurobindo, Cipla, Desano, Emcure, Hetero Labs and Laurus Labs, allowing them to make generic anti-AIDS medicine Tenofovir Alafenamide (TAF) for 112 developing countries.

Market Size

The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size, as stated by Mr Arun Singh, Indian Ambassador to the US. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues).

India has also maintained its lead over China in pharmaceutical exports with a year-on-year growth of 11.44 per cent to US\$ 12.91 billion in FY 2015-16, according to data from the Ministry of Commerce and Industry. In addition, Indian pharmaceutical exports are poised to grow between 8-10 per cent in FY 2016-17. Imports of pharmaceutical products rose marginally by 0.80 per cent year-on-year to US\$ 1,641.15 million.

Overall drug approvals given by the US Food and Drug Administration (USFDA) to Indian companies have nearly doubled to 201 in FY 2015-16 from 109 in FY 2014-15. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected to grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62 per cent of the total revenues at Rs 12,600 crore (US\$ 1.89 billion).

Investments

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 14.53 billion between April 2000 and December 2016, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Some of the major investments in the Indian pharmaceutical sector are as follows:



- Piramal Enterprises Ltd acquired a portfolio of spasticity and pain management drugs from UK-based specialty biopharmaceutical company Mallinckrodt Pharmaceuticals, in an all-cash deal for Rs1,160 crore (US\$ 171 million).
- Aurobindo Pharma has bought Portugal based Generis Farmaceutica SA, a generic drug company, for EUR 135 million (US\$ 144 million).
- Sun Pharmaceutical Industries Ltd, India's largest drug maker, has entered into an agreement with Switzerland-based Novartis AG, to acquire the latter's branded cancer drug Odomzo for around US\$ 175 million.
- Kedaara Capital Advisors LLP, a private equity (PE) firm, plans to invest Rs 430 crore (US\$ 64.5 million) to acquire a minority stake in Hyderabad-based diagnostics chain Vijaya Diagnostic Centre Pvt Ltd.
- Sun Pharmaceuticals Industries Limited plans to acquire 85.1 per cent stake in Russian company Biosintez for US\$ 24 million for increasing its presence in Russia through local manufacturing capability.
- Abbott Laboratories, a global drug maker based in US, plans to set up an innovation and development center (I&D) in Mumbai, which will help in developing new drug formulations, new indications, dosing, packaging and other differentiated offerings for Abott's global branded generics business.
- India's largest drug maker Sun Pharmaceutical Industries Limited has entered into a distribution agreement with Japan's Mitsubishi Tanabe Pharma Corporation to market 14 prescription brands in Japan.
- Syngene International Limited will be setting up its fourth exclusive Research and Development (R&D) center named Syngene Amgen Research and Development Center (SARC) for a US-based biotechnology company Amgen Incorporation in Bengaluru.
- India's third largest drug maker Lupin Limited plans to file its first biosimilar Etanercept for approval in Japan, world's second largest drug market, in 2017.
- Rubicon Research Pvt Ltd, a contract research and manufacturing services firm, is in advanced talks with Everstone Capital and a few high-net-worth Individuals (HNI) to raise up to Rs 240 crore (US\$ 36 million), which will be used to increase the company's manufacturing capabilities.
- Lupin Ltd plans to acquire a portfolio of 21 generic brands from Japan-based Shionogi & Co Ltd for Rs 10.08 billion (US\$ 151.2 million), which will help to strengthen its presence in the world's second largest pharmaceutical market.
- International Finance Corporation (IFC), the investment arm of the World Bank, plans to invest upto US\$ 75 million in Glenmark, which is looking to raise around US\$ 200 million for expansion and the launch of several new products in India and other emerging markets over the next three years.
- Cipla Limited plans to invest around Rs 600 crore (US\$ 90 million) to set up a biosimilar manufacturing facility in South Africa for making affordable cancer drugs and growing its presence in the market.
- Rusan Pharma, a firm which specialises in de-addiction and pain management products, plans to invest Rs 100 crore (US\$ 15 million) in a R&D centre and a manufacturing unit in Kandla, located in Kutch District in Gujarat.
- The Medicines Patent Pool (MPP) has signed a licencing agreement with six Indian drug makers for the generic manufacturing of four antiretrovirals (ARV) and hepatitis C direct-acting antiviral drug Daclatasvir.



- Dr Reddy's Laboratories, one of the major pharmaceutical companies of India, has entered into a strategic collaboration agreement with Turkey-based TR-Pharm, to register and subsequently commercialise three biosimilar products in Turkey.
- Lupin has completed the acquisition of US-based GAVIS Pharmaceuticals in a deal worth US\$ 880 million, which is expected to enhance its product pipeline in dermatology, controlled substances and high-value speciality products.
- Cipla Ltd, one of the major pharmaceutical and biotechnology companies in India, has acquired two US-based generic drug makers, InvaGen Pharmaceuticals Inc. and Exelan Pharmaceuticals Inc., for US\$ 550 million, which is expected to strengthen Cipla's US business.
- Emcure Pharmaceuticals has acquired Canada's International Pharmaceutical Generics Ltd and its marketing arm Marcan Pharmaceuticals in order to boost its global expansion drive.
- Cipla announced the acquisition of two US-based companies, InvaGen Pharmaceuticals Inc. and Exelan Pharmaceuticals Inc., for US\$550 million.
- Glaxosmithkline Pharmaceuticals has started work on its largest greenfield tablet manufacturing facility in Vemgal in Kolar district, Karnataka, with an estimated investment of Rs 1,000 crore (US\$ 150 million).
- Lupin has acquired two US based pharmaceutical firms, Gavis Pharmaceuticals LLC and Novel Laboratories Inc, in a deal worth at US\$ 880 million.
- Several online pharmacy retailers like PharmEasy, Netmeds, Orbimed, are attracting investments from several investors, due to double digit growth in the Rs 97,000 crore (US\$ 14.55 billion) Indian pharmacy market.
- StelisBiopharma announced the breakthrough construction of its customised, multi-product, biopharmaceutical manufacturing facility at Bio-Xcell Biotechnology Park in Nusajaya, Johor, Malaysia's park and ecosystem for industrial and healthcare biotechnology at a total project investment amount of US\$ 60 million.
- Strides Arcolab entered into a licensing agreement with US-based Gilead Sciences Inc to manufacture and distribute the latter's cost-efficient TenofovirAlafenamide (TAF) product to treat HIV patients in developing countries. The licence to manufacture Gilead's low-cost drug extends to 112 countries.

Government Initiatives

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments. Further, the government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines.

Mr Ananth Kumar, Union Minister of Chemicals and Petrochemicals, has announced setting up of chemical hubs across the country, early environment clearances in existing clusters, adequate infrastructure, and establishment of a Central Institute of Chemical Engineering and Technology.

Some of the major initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- The Government of India plans to set up around eight mini drug-testing laboratories across major ports and airports in the country, which is expected to improve the drug regulatory system and infrastructure facilities by monitoring the standards of imported and exported drugs and reduce the overall time spent on quality assessment.



- India is expected to rank among the top five global pharmaceutical innovation hubs by 2020, based on Government of India's decision to allow 50 per cent public funding in the pharmaceuticals sector through its Public Private Partnership (PPP) model.#
- Indian Pharmaceutical Association (IPA), the professional association of pharmaceutical companies in India, plans to prepare data integrity guidelines which will help to measure and benchmark the quality of Indian companies with global peers.
- The Government of India plans to incentivise bulk drug manufacturers, including both state-run and private companies, to encourage 'Make in India' programme and reduce dependence on imports of Active Pharmaceutical Ingredients (API), nearly 85 per cent of which come from China.
- The Department of Pharmaceuticals has set up an inter-ministerial co-ordination committee, which would periodically review, coordinate and facilitate the resolution of the issues and constraints faced by the Indian pharmaceutical companies.
- The Department of Pharmaceuticals has planned to launch a venture capital fund of Rs 1,000 crore (US\$ 149.11 million) to support start-ups in the research and development in the pharmaceutical and biotech industry.

Road Ahead

The Indian pharmaceutical market size is expected to grow to US\$ 100 billion by 2025, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

Exchange Rate Used: INR 1 = US\$ 0.0150 as on February 9, 2017

References: Consolidated FDI Policy, Department of Industrial Policy & Promotion (DIPP), Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council

Note:- According to a study by UBM India, the Indian arm of London-based media and events company; @ - According to India Ratings (a Fitch company); # - according to Assocham and TechSci Research

(Source: *Indian Pharmaceuticals Industry Analysis - India Brand Equity Foundation - www.ibef.org*)

INDIAN PHARMACEUTICALS SECTOR: OVERVIEW

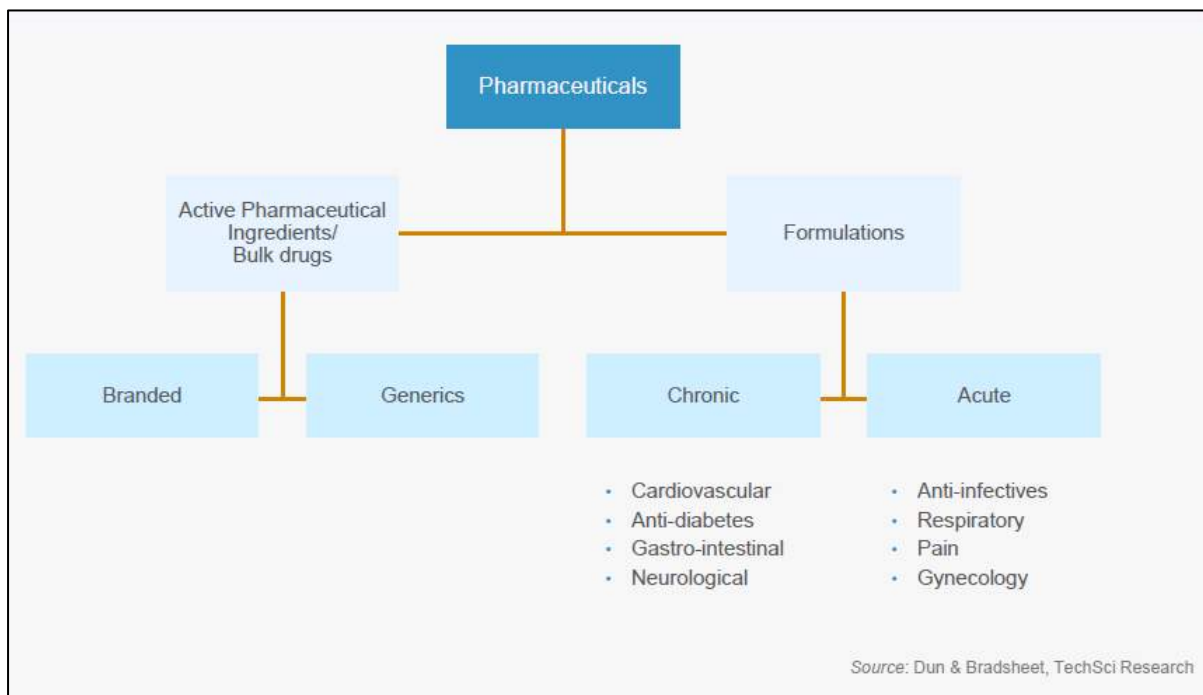
Indian pharmaceutical sector accounts for about 2.4 per cent of the global pharmaceutical industry in value terms & 10 per cent in volume terms. India accounts for 20 per cent of global exports in generics. In FY16, India exported pharmaceutical products worth USD16.89 billion, with the number expected to reach USD40 billion by 2020. Pharma exports in India grew at 9.44 per cent in FY16, registering an amount of US\$16.9 billion. The exports are expected to register double digit growth in FY17, with exports growing at 8 per cent in January 2017. The country's pharmaceutical industry is expected to expand at a CAGR of 12.89 per cent over 2015–20 to reach USD55 billion. Indian healthcare sector, one of the fastest growing sectors, is expected to advance at a CAGR of 17 per cent to reach USD250 billion over 2008–20. The generics market stood at USD26.1 billion in 2016 from USD21 billion in 2015. India's generics market has immense potential for growth. Pharmaceutical



sector in India attracted 4 per cent of the total FDIs into India, with, cumulative. FDI inflows worth USD14.53 billion were made during April 2000 to December 2016.

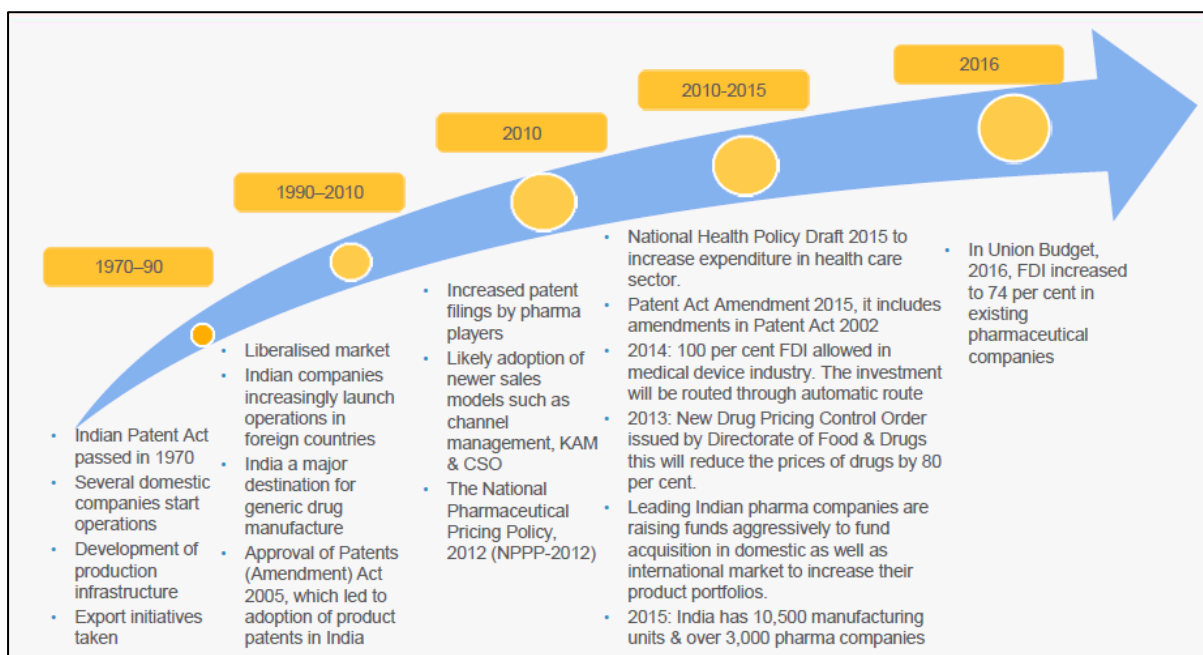
(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation - www.ibef.org*)

STRUCTURE OF PHARMA SECTOR IN INDIA



(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation - www.ibef.org*)

EVOLUTION OF INDIAN PHARMACEUTICAL SECTOR



(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation - www.ibef.org*)



SEGMENTS OF THE INDIAN PHARMACEUTICALS SECTOR

Active Pharmaceutical Ingredients (APIs)

India has become the 3rd largest global generic API merchant market by 2016, with a 7.2 per cent market share. The Indian pharmaceutical industry accounts for the 2nd largest number of Abbreviated New Drug Applications (ANDAs), is the world's leader in Drug Master Files (DMFs) applications with the US

Contract Research and Manufacturing Services (CRAMS)

Fragmented market with more than 1,000 players CRAMS industry is estimated to reach USD18 billion in 2018 & expected to witness a strong growth at a CAGR of 18-20 per cent between 2013-2018

Formulations

Largest exporter of formulations in terms of volume, with 14 per cent market share and 12th in terms of export value. Domestic market size currently valued at USD11.2 billion. Double-digit growth expected over the next 5 years

Biosimilars

Biosimilar's sector is expected to touch USD1.4 billion by 2016 & the sector is expected to grow annually at a rate of 30 per cent in India. The government plans to allocate USD70 million for local players to develop Biosimilars. The domestic market is expected to reach USD 40 billion by 2030

(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation* - www.ibef.org)

NOTABLE TRENDS IN THE INDIAN PHARMACEUTICALS SECTOR

Research and development

Indian pharma companies spend 8-11 per cent of their total turnover on R&D. Expenditure on R&D is likely to increase due to the introduction of product patents; companies need to develop new drugs to boost sales

Export revenue

India's pharmaceutical export market is thriving due to strong presence in the generics space. Pharmaceuticals Exports Promotion Council expects pharma exports exceeded USD15 billion in 2015 & reached USD16.89 billion in 2016

Joint Ventures

Multinational companies are collaborating with Indian pharma firms to develop new drugs. Cipla formed an exclusive partnership with Serum Institute of India to sell vaccines in South Africa. 6 leading pharmaceutical companies have formed an alliance 'LAZOR' to share their best practices, so as to improve efficiency & reduce operating costs

Expansion by Indian players abroad

Cipla, the largest supplier of anti-malarial drugs to Africa, sets up a USD32 billion plant in Africa for the production of anti-retroviral & anti-malarial drugs

PPP in R&D

Indian Government invited multi-billion dollar investment with 50 per cent public funding through its public private partnership (PPP). In April 2017, Clavita Pharma Pvt. Ltd., signed an MoU with GITAM University for research activities, exchange of visits between professionals of Clavita and GITAM University faculty, organise joint meetings and training programmes.



Draft Patents (Amendment) Rules, 2015

The time limit given for submitting the application for grant has been reduced to 4 months from 12 months, providing an extension of 2 months

Product Patents

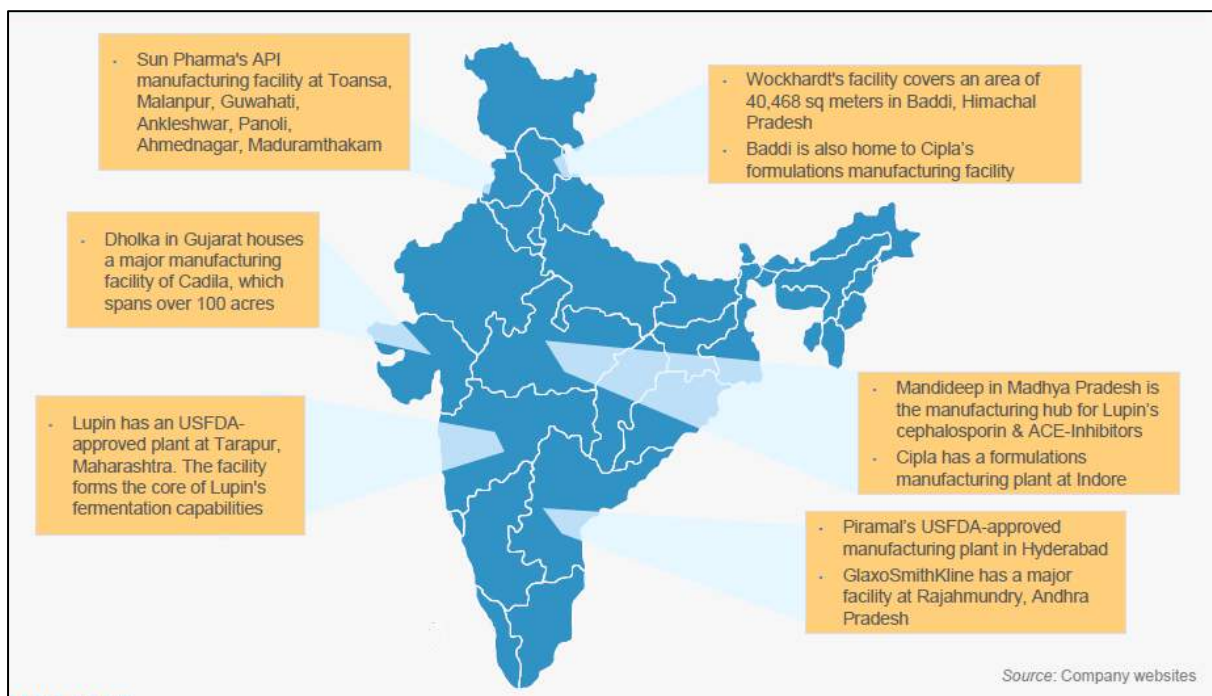
The introduction of product patents in India in 2005 gave a boost to the discovery of new drugs. India reiterated its commitment to IP protection following the introduction of product patents. In December 2016, Suven Life Sciences was granted product patent for the treatment of neurodegenerative diseases

Less time for approval

In order to compete with global players in pharmaceutical industries, approval process of drugs have been simplified by the authorities & approval time for new facilities has been drastically reduced

(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation* - www.ibef.org)

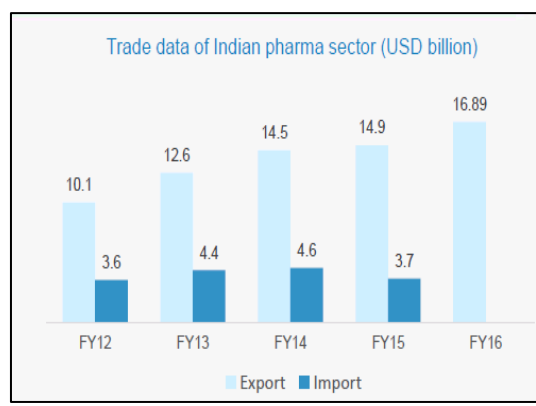
STATES HOSTING KEY PHARMACEUTICAL VENTURES



(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation* - www.ibef.org)

PHARMA EXPORT TO CONTINUE WITNESSING HIGH GROWTH

Indian pharma companies are capitalising on export opportunities in regulated & semi-regulated markets. In FY16, India exported pharmaceutical products worth USD16.89 billion, with the number expected to reach USD40 billion by 2020. Department of Pharmaceuticals targets to export USD18.02 billion worth of pharmaceuticals in 2016. Indian drugs are exported to more than 200 countries in the world, with the US as the key market. India is the world's largest provider of





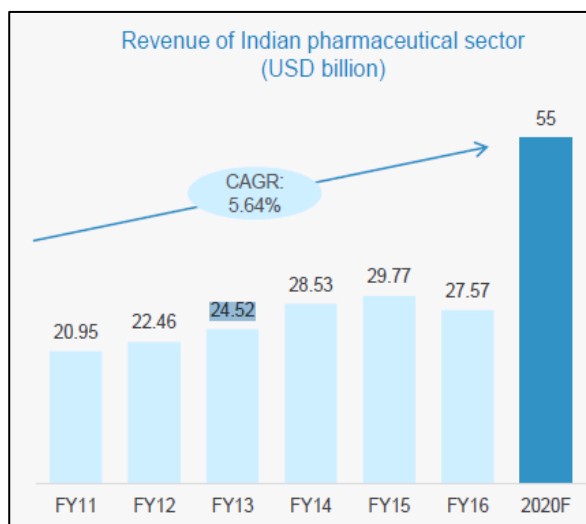
generic medicines; the country's generic drugs account for 20 per cent of global generic drug exports (in terms of volumes)

(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation* - www.ibef.org)

INDIA PHARMA SECTOR REVENUES TRENDING NORTH

The Indian pharmaceuticals market witnessed growth at a CAGR of 5.64 per cent, during 2011-16, with the market increasing from USD20.95 billion in 2011 to USD27.57 billion in 2016. By 2020, India is likely to be among the top 3 pharmaceutical markets by incremental growth & 6th largest market globally in absolute size.

India's cost of production is significantly lower than that of the US & almost half of that of Europe. It gives a competitive edge to India over others. Increase in the size of middle class households coupled with the improvement in medical infrastructure & increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector.



(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation* - www.ibef.org)

GROWTH DRIVERS

Demand-side drivers

- Increasing fatal diseases
- Accessibility of drugs to greatly improve
- Increasing penetration of health insurance
- Growing number of stress-related diseases due to change in lifestyle
- Better diagnostic facilities

Supply-side drivers

- Cost advantage
- Skilled manpower
- India a major manufacturing hub for generics
- In FY16, 546 sites registered at USFDA. India accounts for 22 per cent of overall USFDA approved plants
- Increasing penetration of Chemists

Policy Support

- National Health Policy 2015, which focuses on increasing public expenditure on healthcare segment
- Reduction in approval time for new facilities
- Plans to set up new pharmaceutical education & research institutes
- Exemptions to drugs manufactured through indigenous R&D from price control under NPPP-2012

(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation* - www.ibef.org)



SUPPLY SIDE DRIVERS

Launch of patented Drugs

Following the introduction of product patents, several multinational companies are expected to launch patented drugs in India. Growth in the number of lifestyle diseases in India could boost the sale of drugs in this segment. High Court allowing exporting patent drugs, to foreign players in the Indian market.

Medical infrastructure

Pharma companies have increased spending to tap rural markets and develop better medical infrastructure. Hospitals' market size is expected to increase by USD200 billion by 2024. In October 2016, the government gave a nod to set up the country's 1st medical devices manufacturing park in Chennai

Scope in generics market

India's generic drugs account for 20 per cent of global exports in terms of volume, making it country the largest provider of generic medicines globally. The generics drug market accounts for around 70 per cent of the India pharmaceutical industry & it is expected to reach USD27.9 billion by 2020.

Over-The-Counter (OTC) drugs

India's OTC drugs market is expected to rise at a CAGR of 16.3 per cent to USD6.6 billion over 2008–16 and is further expected to grow on the account of increased penetration of chemists, especially in rural regions

Patent Expiry

The total sales value of the drugs with expiring patent in 2015 is USD66 billion and drugs with expiry protection in 2014 valued around USD34 billion

(Source: Pharmaceuticals May 2017 - India Brand Equity Foundation - www.ibef.org)

DEMAND DRIVERS

Accessibility

Over USD200 billion to be spent on medical infrastructure in the next decade. New business models expected to penetrate tier-2 & 3 cities. Over 160,000 hospital beds expected to be added each year in the next decade. India's generic drugs account for 20 per cent of global exports in terms of volume, making the country the largest provider of generic medicines globally

Acceptability

Rising levels of education to increase acceptability of pharmaceuticals. Patients to show greater propensity to self-medicate, boosting the OTC market. Acceptance of biologics & preventive medicines to rise. A skilled workforce as well as high managerial & technical competence. Surge in medical tourism due to increased patient inflow from other countries

Affordability

Rising income could drive 73 million households to the middle class over the next 10 years. Over 650 million people expected to be covered by health insurance by 2020. Government-sponsored programmes set to provide health benefits to over 380 million BPL people by 2017. By 2017, the government plans to provide free generic medicines to half the population at an estimated cost of USD5.4 billion



Epidemiological factors

Patient pool expected to increase over 20 per cent in the next 10 years, mainly due to rise in population. New diseases & lifestyle changes to boost demand. Increasing prevalence of lifestyle diseases

(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation - www.ibef.org*)

FAVOURABLE POLICY MEASURES SUPPORT GROWTH

Reduction in approval timer new facilities

Steps taken to reduce approval time for new facilities. NOC for export licence issued in 2 weeks compared to 12 weeks earlier

Collaborations

MoUs with USFDA, WHO, Health Canada, etc. to boost growth in the Indian Pharma sector by benefiting from their expertise. In 2015, NIPER (Mohali) signed MoUs with pharmaceutical industry leaders Bharat Biotech, Dr Reddy, Cadila Healthcare, Sun Pharma & Panacea Biotech. In 2016, Strides Arcolab & US-based Gilead Sciences Inc. entered into a licensing agreement for manufacturing & distributing Gilead Sciences' cost-efficient TenofovirAlafenamide (TAF) product in order to treat HIV patients in developing economies

Support for technology upgrades and FDIs

Zero duty for technology upgrades in the pharmaceutical sector through the Export Promotion Capital Goods (EPCG) Scheme. Government is planning to relax FDI norms in the pharmaceutical sector. In March 2017, the government to create a digital platform to regulate and track the sale of quality drugs, and it can be used by people living in the country as well as abroad

Industry infrastructure

Under the Union Budget 2017-18, the government has announced to set up 1.5 lakh Health Care Centres & open 2 new AIIMS in Jharkhand & Gujarat. In 2016, the government has planned to set up 6 pharma parks at an investment of about USD27 million

Pharma Vision 2020

Pharma Vision 2020 by the government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery

Exceptions

Full exemption from excise duty is being provided for HIV/AIDS drugs & diagnostic kits supplied under National AIDS Control Programme funded by the Global Fund to fight AIDS, TB & Malaria (GFATM). The customs duties on the said drugs are also being exempted

(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation - www.ibef.org*)

NATIONAL PHARMA PRICING POLICY 2012

Market-based pricing

Cost-based pricing is complicated and time consuming than market based pricing. Market-based pricing is expected to create greater transparency in pricing information and would be available in public domain. Prices of NLEM drugs linked to WPI.

Essentiality of drugs

Essentiality of drugs is determined by including the drug in National List of Essential Medicines (NLEM) (348 drugs at present). Promote rational use of medicines based on cost, safety & efficacy



Price control of formulations only

The regulation of prices of drugs on the basis of regulating the prices of formulations only. Only finished medicines are to be considered essential which would prevent price control of APIs, which are not necessarily used for essential drugs.

(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation* - www.ibef.org)

OPPORTUNITIES: INDIAN PHARMACEUTICALS MARKET

Clinical trials market

India is among the leaders in the clinical trial market. Due to a genetically diverse population and availability of skilled doctors, India has the potential to attract huge investments to its clinical trial market. From 2009 to 2015, 3043 clinical trial has been carried out in India

High-end drugs

Due to increasing population & income levels, demand for high-end drugs is expected to rise. Demand for high-end drugs would reach USD7.5 billion in 2016. Growing demand could open up the market for production of high-end drugs in India.

Penetration in rural Market

With 70 per cent of India's population residing in rural areas, pharma companies have immense opportunities to tap this market. Demand for generic medicines in rural markets has seen a sharp growth. Various companies are investing in the distribution network in rural areas.

CRAMS

The Contract Research & Manufacturing Services industry (CRAMS) – estimated at USD8 billion in 2015, is expected to reach has a huge potential for Investments. The market has more than 1,000 players

(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation* - www.ibef.org)

ADVANTAGE INDIA

Cost efficiency

Low cost of production and R&D boosts efficiency of Indian pharma companies. India's cost of production is approximately 60 per cent lower than that of the US & almost half of that of Europe. Due to lower cost of treatment, India is emerging as a leading destination for medical tourism As of February 2017, India's ability to manufacture high quality, low priced medicines, presents a huge business opportunity for the domestic industry.

Economic drivers

Economic prosperity to improve drug affordability. Increasing penetration of health insurance. With increasing penetration of chemists, especially in rural India, OTC drugs will be readily available

Diversified portfolio

Accounts for over 10 per cent of the global pharmaceutical production. Over 60,000 generic brands across 60 therapeutic categories. Manufactures more than 500 different APIs. 35.7 per cent of all drug master filings from India are registered in the USA in 2015

Policy support

Government unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Reduced approval time for new facilities to boost investments. In this sector, 100 per cent FDI is allowed under automatic route



2016 Market size: USD27.57 Billion

2020F Market size: USD55 Billion

(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation* - www.ibef.org)



OUR BUSINESS

In this section, unless otherwise stated, references to “Company” or to “we”, “us” and “our” refers to Vaishali Pharma Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.

OVERVIEW

Our Company was incorporated on April 25, 2008 under the provisions of the Companies Act, 1956 as “Vaishali Pharma Private Limited” at Mumbai, Maharashtra. Our Company acquired the business of M/s. Vaishali Pharmachem which was the proprietorship concern of our Promoter Atul Vasani vide Business Assignment Agreement dated July 01, 2008. We started with trading and marketing of APIs and further in the year 2012, we ventured into marketing of pharmaceutical formulations, the manufacturing of which is outsourced by us to third parties. Our Company was converted into Public Company in the year 2017 and the name of our Company was changed to “Vaishali Pharma Limited”.

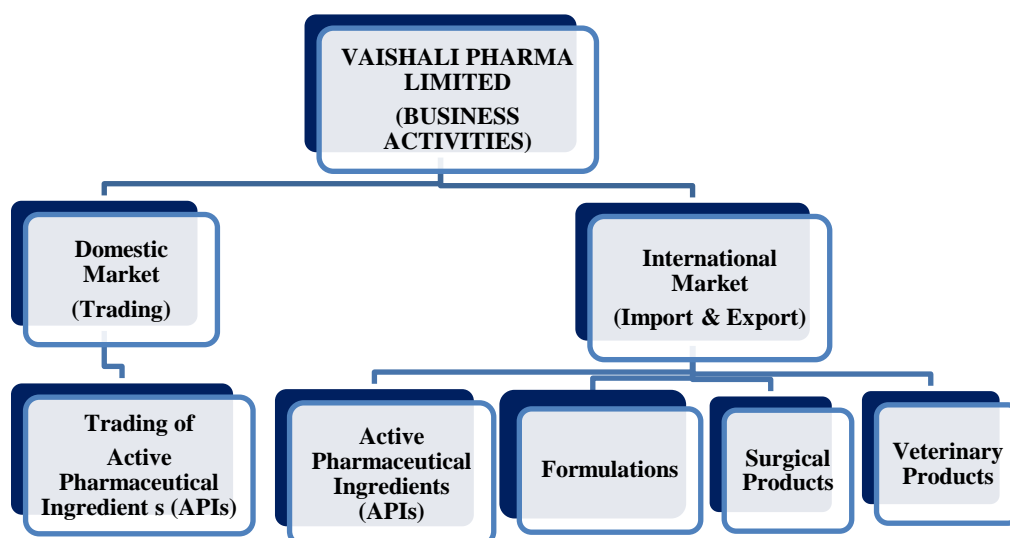
We are a pharmaceutical company, dealing in pharmaceutical formulations, APIs, surgical products, veterinary supplement.. We are operating both in domestic and export markets. In domestic markets, we are majorly into trading of APIs whereas in export markets, we are into trading and marketing of APIs, formulations, surgical products and others. For our export markets, we get the formulations manufactured by third parties whose facilities are approved and certified by the respective countries for developing the respective products. At present, we have applied for 186 registrations in 13 countries for some of our products, out of which we have successfully received 71 approvals from 7 countries and are in process of obtaining remaining approvals, which will give boost to our export business operations.

Our registered office is situated at Mumbai and warehousing facilities of our Company are located at Bhiwandi, Maharashtra and Vapi, Gujarat.

We have obtained ISO 9001:2015 Certification for the Quality Management System from Deutsche Accreditation Board, Germany and ISC Global, Dubai, UAE. We are also certified by European Certification Organisation and Compliance Certificate with regards to Council Directive 93/42/EEC as amended 2007/47/EC relating to Surgical Instruments & Medical Devices Directive. We have received Credit Rating Certification from NSIC CRISIL for the year 2017-18 as well. Our Company has also been recognized by Government of India as a “One Star Export House” and holds a valid certificate for the same from the Director General of Foreign Trade. Our total revenues have declined from Rs. 11,909.85 lakhs in FY 2012-13 to Rs. 6,711.22 Lakhs in FY 2016-17. However our profits have increased from Rs. 60.00 lakhs in FY 2012-13 to Rs. 66.37 lakhs in FY 2016-17. This is mainly due to our increased focus on exports during recent years.

We have a dedicated marketing team headed by our management looking after our business operations. Our domestic clientele are generally manufacturers who requires API in their manufacturing process whereas for our export marketing, we have around a distribution network of 15 distributors, agents and dealers and a team of marketing professionals. We have a product portfolio of more than 1000 products. In addition to being vast, our product portfolio is also diversified in nature, with our offerings ranging from Formulation brands to APIs to Veterinary Products to Surgical and Neutraceutical Products. Our Company is the brainchild of our promoter i.e. Atul Vasani who has been the guiding force behind our growth. Backed by his more than two decades of experience, our Promoter has been instrumental in shaping the values system of our Company. With his experience and thinking, we aim to continue grow in the pharmaceutical industry. We value our customers and aim to exceed the expectations of our customers by offering diverse products and fulfilling valuable commitments.

OUR BUSINESS ACTIVITIES



Domestic Market Operations

In domestic market, we are mainly engaged in trading of Active Pharmaceutical Ingredients (APIs). In domestic markets, our major customers are manufacturers of pharmaceutical products and at times we also supply to wholesalers.

International Market Operations

In export markets, we are majorly into trading and marketing of formulations and APIs.. We also deal in surgical products, veterinary products, in the international market. We aim to deal in herbal and nutraceutical products. At present we are supplying in more than 7 countries.

We identify potential market for our products and target the customers in such markets. Analysis of enquires are done and prices are quoted after detailed market research. Our offers are given to clients for approval and contract is signed. Export Documentation team prepares Dossier and send along with samples to clients. Necessary Registration fees are paid. Registration is done either in the name of Third party manufacturer or in the name of our Company subject to laws of the exporting country. If the registration is done in the name of third party manufacturer then we enter an agreement with them for manufacturing and supplying of our products. After registration is done, final order is placed with revised rates and advance payment is sought. Order is placed for execution to Third Party Manufacturer. Logistic arrangements are made for export including custom clearance and other legal requirements. Finally the goods are dispatched by prior decided mode of transport.

PRODUCT RANGE OF OUR COMPANY

Our Company has a diverse product portfolio. List of our major products is as follows:-

Bulk Drug/ API Products

Anti-Inflammatory/ Analgesic/ Anti-pyretic	Anti-malarial	Anti-Osteoarthritis
Anti-Platelet Agent	Anti-Protozoal Agent	Anti-spasmodic
Anti-helmintic	Laxative	Anti-allergic
Hepatic Disorder	Skeletal Muscle Relaxant	Anti Asthmatic
Vitamins	Sterile Penicillin	Antibiotic
Anti-diabetic	Antipsychotropic	Excipients
Anti Psychotic	Antifungal	Antidiarrheal /Anti-Protozoal/ Anti-parasitic
Anti-hypertensive	Anti-cancer	Topical Steroids



Corticosteroids	Inflammator	Anti-diuretic
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Formulations Products

Antibiotics/Antibacterial	Anti-ulcer/Enzymes	Anti-cold/Anti-allergic
Anti Asthmatic	Anti Platelet	Anti-Malarial
Anti-inflammatory/ Analgesic/ Anti-pyretic	Vitamins	Anti-fungal
Ointment	Psychotropic	Anti-diabetic
Cardiac	Laxative	Miscellaneous Formulations

Formulation Brand

Tablets/Capsules	Suspensions/Syrups	Injections
Ointments	Sachet (Powder)	Intravenous Injections

Veterinary Products

Multivitamins & Minerals	Multivitamin Injection	Calcium Borogluconate Injection
	Calcium Borogluconate with Injection	Vitamin with Liver Crude Injection
Anifost	Anti Bacterial with Amoebic	Anthelmintic
Analgesic	Antidiarrheal	Antipyretics & Analgesic

Feed Supplements

Calcium, Phosphorus with Enzyme Bolus	Iron with Vitamins Bolus	Amino Acid with Minerals Powder
Calcium, Phosphorus with Vitamin Suspension	Probiotics, Vitamins & Minerals Powder	Probiotics Bolus and Probiotics & Mineral Bolus

Anti Bacterial

Sulfamethoxazole & Trimethoprim Bolus 1200mg + 2400mg	Sulphadimidine Bolus 5gm	Tetracycline Bolus 500mg
Ciprofloxacin & Tinidazole Bolus 1500mg + 1800mg	Norfloxacin & Tinidazole Bolus 1200mg + 1800mg	Norfloxacin Injection
Sulphadiazine & Trimethoprim Injection	Enrofloxacin Injection 100mg	Enrofloxacin 10% Suspension 100mg/ml

Iron with B Complex Injection – with Iron Sorbitol Citric Acid Complex, Folic Acid, Hydroxocobalmin Acetate B.P.

Surgical Products

Surgical Sets	Set (With all type of Chamber),
	Infusion Infusion Set with Vent luer lock & Y Connector
	Blood Transfusion Test
	Scalp Vain Set
	Measured Volume Set
Needles	Spinal Needles
	IV Cannula
	Disposable Needles
	Disposable Syringes with Needles
	Disposable Syringes without Needles



Gloves	Surgical Latex Gloves (All Size)
	Latex Examination Gloves (All Size)
Catheter	Foley Balloon Catheter
	Suction Catheter
	Urethral Catheter
	Rectal Catheter
	Gibbon's Catheter
	Nelaton Catheter
	Male External Catheter
	Chest Drainage Catheter
Tubes	Ryles Tubes (All size)
	Infant Feeding Tube
	Infant Mucus Extractor
	Levin's Tube
Mask	Disposable Face Mask
	Disposable Surgeon Mask
	Disposable Nurse Cap
	Disposable Shoe Cover
	Oxygen Mask (Adult/Paediatric)
Kits	Nebulizer Kit (Adult/Pediatric)
	Disposable HCG Detection Test Kit (Pregnancy Checking Kit)
	Disposable Dengue Detection Test Kit
	Disposable Malaria Detection Test Kit
	Disposable Typhoid Detection Test Kit
Miscellaneous	Urine Bags, Absorbent Cotton, Gauze Swab, Roll Bandage, Umbilical Chord Clamp, Surgical Blade, Pedia Drip Set

OUR KEY PRODUCTS

Some of our key products are as follows:

API	Formulation	Surgical
Ciprofloxacin	Vmox CV	Vensor (Syringe)
Metronidazole	Vitband 126	Iveny (Cannula)
Levofloxacin	Fofecy	Cotton
Ofloxacin	Zynosi	Blood Transfusion Set
Enrofloxacin	VCeftri	Infusion Set
	Mositon	Surgical Gloves

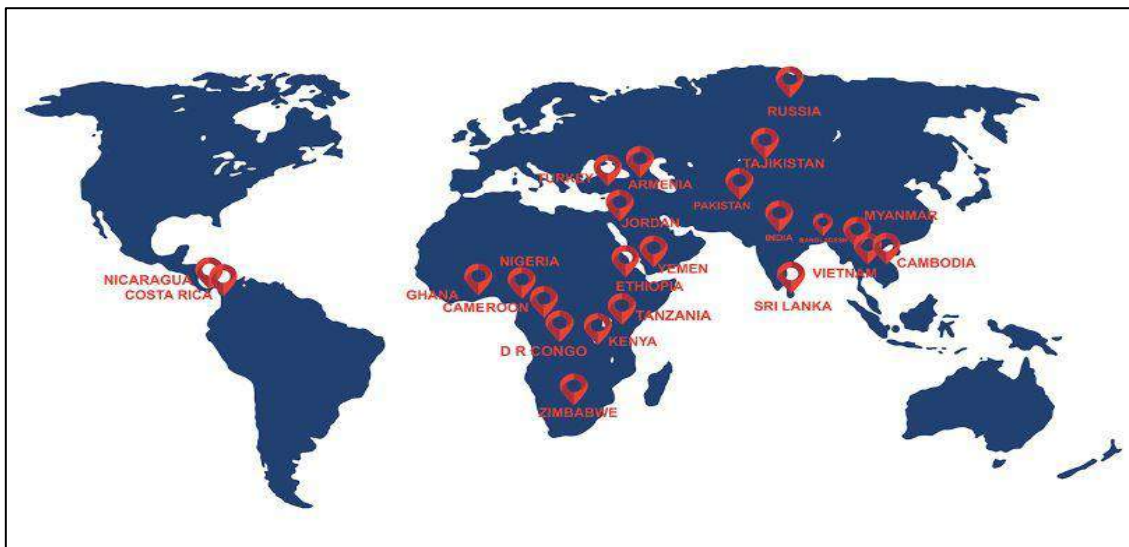
In Veterinary supplements category we deal mainly in Nimoflin

PRODUCT CATEGORY WISE REVENUE FOR YEAR ENDED MARCH 31, 2017

Particulars	Revenue (Amount Rs. in Lakhs)
APIs	5,047.51
Formulations	936.26
Surgicals	104.91
Others	222.47
Total	6,311.15



GLOBAL PRESENCE



For the year ended March 31, 2017, our export operations contributed 27.16% of our total revenue from operations. With a vision to spread our wings across the globe and under the leadership of our Promoter Atul Vasani, we currently export formulations, surgical & APIs to Kenya, Russia, DR Congo, Cameroon, Jordan, Yemen, Ghana, C.A.R., Armenia, Nigeria, Moldova, Nicaragua, Pakistan, Tajikistan and Guinea-Bissau. We have applied for 186 registrations in 13 countries for some of our products, out of which we have successfully received 71 approvals from 7 countries and are in process of obtaining remaining approvals, which will give boost to our export business operations

COUNTRY WISE EXPORT SALES FOR THE YEAR ENDED MARCH 31, 2017

Name of the Country	Amount Rs. In Lakhs
Armenia	16.00
Cameroon	38.00
D R Congo	1,030.20
Congo	1.13
Kenya	181.30
Nigeria	177.20
Russia	327.30
Yemen	23.00

SALES & MARKETING STRATEGY

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our channels that are associated with our Company. Our team through their experience and good rapport with distributors owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. We have Marketing Professionals for our domestic operations and 15 direct distributors/agents for our Export operations.

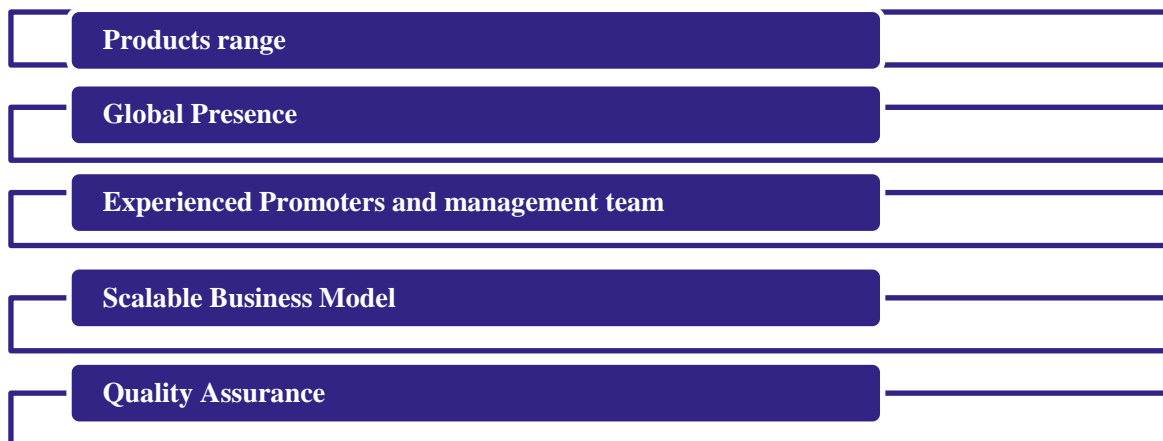
We believe our relationship with our distributors is cordial and established as we receive repeat order flows. To retain our distributors, our team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. We intend to expand our existing customer base by reaching out to other geographical areas and expanding our export operations. Our marketing team is ready to take up challenges so as to scale new heights.



END USERS

In domestic market, we sale our products to pharmaceutical manufacturers. In export market, we sale our products to distributors who in turn sale the products to end users.

OUR COMPETITIVE STRENGTHS



1. Product Range

Our Company has diverse product portfolio across various segments to fulfill customer's requirements. Our offerings range from Formulations, Bulk Drugs to APIs to Veterinary Products to Surgical and Neutraceutical Products. We supply products on the basis of trends, needs and requirements in the market. Our Company markets approximately 400 products in domestic market and has a portfolio of more than 1000 products for overseas market. We believe that we have necessary resources, experience and network to launch additional products in future.

2. Global Presence:

Our Company is operating both in domestic and export markets. Currently our Company caters to Asian, African, CIS and Latin American countries and is in the process of obtaining product registration approvals from other countries as well. We have generated export revenue of Rs. 1,794.13 lakhs for the year ended March 31, 2017 which is 27.16% of our total revenue from operations. Our footsteps in international market will help us mitigate risk for any unforeseen circumstances in the domestic market and expand our business operations. Our Company has also been recognized by Government of India as a "One Star Export House" and holds a valid certificate for the same from the Director General of Foreign Trade.

3. Experienced Promoter and management team

One of our Promoter Mr. Atul Vasani is engaged in the pharmaceutical business since more than two decades and has good experience in the pharmaceutical industry. Also, our Company is managed by a team of dedicated personnel. Our management team's experience and our dedicated personnel enable us to continue to take advantage of both current and future market opportunities thus expanding our business horizons.

4. Scalable Business Model

Our Business model is customer centric and order driven, and requires optimum utilisation of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to development of new markets and products both domestic and international by exploring customer needs, marketing expertise and by maintaining the consistent quality output. We believe that our business model is scalable.



5. Quality assurance

We believe that quality is an ongoing process of building and sustaining relationships. We have obtained ISO 9001:2015 Certification for the Quality Management System from Deutsche Accreditation Board, Germany and ISC Global, Dubai, UAE. We are also certified by European Certification Organisation and Compliance Certificate with regards to Council Directive 93/42/EEC as amended 2007/47/EC relating to Surgical Instruments & Medical Devices Directive. We have received Credit Rating Certification from NSIC CRISIL for the year 2017-18 as well. Further we ensure that our third party manufacturing facilities are accredited with the necessary approvals and provide quality output for our customers.

OUR BUSINESS STRATEGY

Increase our global presence

Leveraging our Market Skills and relationship

Customer Satisfaction

Brand Image

We envisage long term growth by supplying qualitative products and building long term relations with customers. In line with this vision, our Company is implementing a business strategy with the following key components. Our strategy will be to focus on capitalizing on our strengths and expanding the operations of our business. We intend to focus on our existing range of products with specific emphasis on the following factors as business and growth strategy:

1. Global presence

Currently we have presence in some Asian, African, CIS and Latin American countries. Our revenues from exports have increased from Rs. 47.74 lakhs in the FY 2012-13 to Rs. 1,794.13 lakhs in the FY 2016-17. Our product portfolio is primarily focused on offering differentiated products and register formulations based on customer's requirements. At present, we have applied for 186 registrations in 13 countries for some of our products, out of which we have successfully received 71 approvals from 7 countries and are in process of obtaining remaining approvals, which will give boost to our export business operations. We intend to continue to grow our sales by registering more and new products in these markets. Our growth strategy will vary from country to country depending on their specific regulatory requirements. We may either form important relationships with companies having strong local presence or alternatively appoint local distributors through which we can undertake our own sales and marketing.



2. Leveraging our Market Skills and relationship

Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our market skills and relationships and further enhancing customer satisfaction.

3. Customer Satisfaction

The business of our Company is customer oriented and always strives to maintain good relationship with the customers. Our Company's marketing team approaches existing customers for their feedback and based on their feedback any changes in the products if required are carried out. Our Company provides quality products and effective follow-ups with customers who ensure that the customers are satisfied with the product and do not have any complain.

4. Brand Image

We would continue to associate ourselves with good quality customers and execute projects to their utmost satisfaction. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

SWOT ANALYSIS

Strengths	Weakness
<ul style="list-style-type: none"> ➤ Experienced Management with sound knowledge of the Industry ➤ Global Presence ➤ Diversified and varied product range 	<ul style="list-style-type: none"> ➤ Intense competition from several unorganized players ➤ Long gestation period in registration and product commercialization ➤ Lack of Research and Development facilities ➤ Restrictive Margins on Domestic Business
Opportunity	Threats
<ul style="list-style-type: none"> ➤ Exploring Export Market ➤ Achieving Scale of Business Operations ➤ Exploring formulations in Domestic Trade ➤ Going for Patented Products 	<ul style="list-style-type: none"> ➤ Change in regulatory norms in our country/ exporting countries ➤ Malpractices by some players in industry affect overall performance of emerging companies

UTILITIES & INFRASTRUCTURE

Our registered office is at Mumbai, Maharashtra and we have two warehouses at Bhiwandi, Maharashtra and Vapi, Gujarat. Our registered office is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly. Our registered office and warehouses has facilities of water and electricity provided by respective authorities. Generally power requirements are met through normal distribution channel like State Electricity Board.

CAPACITY AND CAPACITY UTILISATION

In domestic market, we are engaged in trading of Active Pharmaceutical Ingredients (APIs) and for Exports we do not have any own manufacturing facility. We are mainly dependent on several contract manufacturers and hence any specific data relating to capacity and capacity utilization does not exist.



COLLABORATIONS

As on date of this Red Herring Prospectus, our Company has not entered into Collaboration/ Tie-Ups/ Joint Ventures.

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business. As at March 31, 2017, we have 30 employees at our registered office and warehouses. These employees look after our business operations including Exports, Marketing, Accounts, Stores and administration, secretarial and other functions etc.

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our management team have enabled us to successfully implement our growth plans. Our employees are not currently unionized, and there have been no work disruptions, strikes, lock-outs or other employee unrest to date. The Company believes that its relations with its employees are good.

COMPETITION

Our Company operates in the pharmaceutical sector which faces competition from domestic as well as international players. Competition emerges from both organized and unorganized sector. The primary competitive factors consist of quality, price, size of product portfolio and customer service. Moreover, as we seek to diversify into new geographical areas globally, we may face competition local companies, multinational corporations and companies from other emerging markets operating in such markets.

EXPORT AND EXPORT OBLIGATIONS

As on date of this Red Herring Prospectus, our Company does not have any Export Obligation.

INSURANCE POLICIES

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. Further, our contractual obligations to our lenders also require us to obtain specific insurance policies. We have taken Standard Fire & Special Perils Policy for a substantial majority of our assets at our office, factory and warehouse. These policies also insure us against the risk of earthquakes (fire and shock). We also have a Marine Cargo Open Policy that covers our products while in transit. Our policies are subject to customary exclusions and customary deductibles.

We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained.

OUR PROPERTIES

We have our properties located at following:

- **Owned Properties:**

Sr. No.	Address of the property	Area of the property	Current Usage
1	706 - 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off Sodawala Lane, Borivali (West), Mumbai – 400092, Maharashtra, India	1650 Sq. Ft.	Registered and Corporate Office



- **Leased Properties:**

Sr. No.	Name of the Licensor	Name of the License	Location of the property	Area of the Property	Consideration	Period of the Agreement	Usage
1.	Shri Jignesh R. Vakharia, Sole Proprietor of M/s. Store-N-Shift	Shri Atul Vasani, Director Vaishali Pharma Private Limited	Godown Number W-1(Loft & Ground), Radhe-Gopal Compound Warehousing Complex, Opposite North Kanchan Compound, Anjur Valgaon Road, Anjur Phatta, Near Rahanal Village, Opposite Mumbai-Agra Road, Bhiwandi (Thane) – 421 302, Maharashtra, India	2000 Sq. Ft.	Monthly Fixed Rent of Rs.38,000/- + Security Deposit of Rs. 1,10,000/-	From April 01, 2015 to March 31, 2020	Storage of Different types of Drugs & Pharma Material
2.	Chaganlal G. Tandal	Shri Atul Vasani, Director Vaishali Pharma Private Limited	Shop No. 5, Sayona Complex, Ground Floor, Plot No. CM/20, GIDC, Vapi Notified Area, Valsad District, Gujarat, India	250 Sq. Ft.	Monthly Fixed Rent of Rs.7,700/-	From October 01, 2016 to August 31, 2017	Warehouse and Business Purpose

INTELLECTUAL PROPERTY RIGHTS

At present our Company has 9 registered trademarks. Further we have applied for 56 other trademarks, of which some are opposed/abandoned/objected. For details of registered and applied trademarks, please refer the chapter titled “Government and Other Statutory Approvals” beginning on page 260 of this Red Herring Prospectus.



KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, we are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be 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.

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page no. 260 of this Red herring Prospectus.

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise”, where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

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

The DCA acts as a regulator for import, manufacture, distribution and sale of drugs in India as well as aspects relating to labelling, packing, testing and licensing. Matters pertaining to drug formulations, biological and APIs are also governed by the DCA. Under the DCA, while regulation of manufacture, sale and distribution of drugs is primarily the responsibility of the state authorities, the central authorities are responsible for approval of new drugs, clinical trials, laying down standards, control over imported drugs and coordination of activities of state drug control organizations. These procedures involve obtaining a series of approvals for different stages at which drugs are tested, before the Drug Controller General of India (the “DCGI”), an authority constituted under the DCA, which is empowered to grant the final license to allow drugs to be



manufactured and marketed. The Central Drugs Standard Control Organization (the “CDSCO”) is responsible for testing and approving APIs and formulations in consultation with the DCGI.

The DCA also regulates the import of drugs into India, and prohibits the import of certain categories of drugs into India, for instance (i) any drug which is not of standard quality, (ii) any misbranded drug, (iii) any adulterated or spurious drug, (iv) any drug for the import of which a licence is prescribed, otherwise than under, and in accordance with, such licence, (v) any patent or proprietary medicine, unless there is displayed in the prescribed manner on the label or container thereof the true formula or list of APIs contained in it together with the quantities thereof, (vi) any drug which by means of any statement, design or device accompanying it or by any other means, purports or claims to cure or mitigate any such disease or ailment, or to have any such other effect, as may be prescribed, and (vii) any drug the import of which is prohibited under the DCA or the Drugs Rules. This restriction shall not apply, subject to prescribed conditions, to the import of small quantities of any drug for examination, testing, analysis or personal use. The Government of India may, after consultation with the Drugs Technical Advisory Board, by notification in the official gazette, permit, subject to any conditions specified in the notification, the import of any drug or class of drugs not being of standard quality. Further, if the GoI is satisfied that the use of any drug involves any risk to human beings or animals or that any drug does not have the therapeutic value claimed for it or contains ingredients and in such quantity for which there is no therapeutic justification and that in the public interest it is necessary or expedient so to do, it may, by notification in the official gazette, prohibit the import of such drug or cosmetic.

Essential Commodities Act, 1955 (the “ECA”)

The ECA gives powers to the Government of India to, among other things, regulate production, distribution and quality of essential commodities including drugs, for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices. Using the powers under it, various ministries/departments of the 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 issued various control orders to regulate various aspects of trading in essential commodities.

Drugs (Prices Control) Order, 1995 (the “DPCO”)

The first drug price control orders in India were issued under the Defence of India Act, 1963. Thereafter, from 1970 onwards and until the promulgation of the DPCO, drug price control orders were issued under the ECA. The DPCO was promulgated under the ECA and is to be read with the DCA. The DPCO fixes the price for certain APIs and formulations, which are called scheduled drugs and scheduled formulations, respectively. The National Pharmaceutical Pricing Authority (the “NPPA”), established under the DPCO on August 29, 1997, is an independent body of experts responsible for the collection of data and study of the pricing structure of APIs and formulations and to enforce prices and availability of medicines in the country, under the DPCO. The NPPA monitors the prices of medicines as per monthly audit reports. Upon recommendation of the NPPA, the Ministry of Chemicals and Fertilizers, Government of India, fixes the ceiling prices of the APIs and formulations and issues notifications on drugs which are scheduled drugs and formulations. The NPPA arrives at the recommended prices for the scheduled drugs and formulations after collection and analysis of data on costing which includes data on raw material, composition, packing materials, process losses, overhead allocation and appointment, capacity utilization, technical data on manufacturing work orders and packing work orders.



Drug Policy, 2002

The main objectives of the Drug Policy 2002 are several and include ensuring abundant availability at reasonable prices within the country of good quality essential pharmaceuticals of mass consumption. It also concentrates on strengthening the indigenous capability for cost effective quality production and exports of pharmaceuticals by reducing barriers to trade in the pharmaceutical sector and strengthening the system of quality control over drug and pharmaceutical production and distribution to make quality an essential attribute of the Indian pharmaceutical industry and promoting rational use of pharmaceuticals. The Policy further encourages the R&D in the pharmaceutical sector in a manner compatible with the country's needs and with particular focus on diseases endemic or relevant to India by creating an environment conducive to channelizing a higher level of investment into R&D in pharmaceuticals in India. Creating an incentive framework for the pharmaceutical industry which promotes new investment into pharmaceutical industry and encourages the introduction of new technologies and new drugs is another important aspect which has been examined by this Policy.

The Drugs and Cosmetics Rules, 1945 (“DC Rules”)

The Drugs and Cosmetics Rules, 1945 enacted to give effect to the provisions of the DCA to regulate the manufacture, distribution and sale of drugs and cosmetics in India. The DC Rules prescribe the procedure for submission of report to the Central Drugs Laboratory, of samples of drugs for analysis or test, the forms of Central Drugs Laboratory's reports thereon and the fees payable in respect of such reports. The DC Rules also prescribe the drugs or classes of drugs or cosmetics or classes of cosmetics for the import of which a licence is required, and prescribe the form and conditions of such licences, the authority empowered to issue the same and the fees payable therefore. The DC Rules provide for the cancellation or suspension of such licence in any case where any provisions or rule applicable to the import of drugs and cosmetic is contravened or any of the conditions subject to which the licence is issued is not complied with. The DC Rules further prescribe the manner of labelling and packaging of drugs. The DC Rules lay down the process mechanics and guidelines for clinical trial, including procedure for approval for clinical trials. Clinical trials require obtaining of free, informed and written consent from each study subject. The DC Rules also provide for compensation in case of injury or death caused during clinical trials. The Central Drugs Standard Control Organization has issued the guidance for industry for submission of clinical trial application for evaluating safety and efficacy, for the purpose of submission of clinical trial application as required under the DC Rules. The Indian Council of Medical Research has issued the Ethical Guidelines for Biomedical Research on Human Participants, 2006 which envisages that medical and related research using human beings as research participants must, necessarily, inter alia, ensure that the research is conducted in a manner conducive to, and consistent with, their dignity, well-being and under conditions of professional fair treatment and transparency. Further such research is subjected to evaluation at all stages of the same.



Standards of Weights and Measures Act, 1976 and Standards of Weights and Measures (Packaged Commodities) Rules, 1977

The Standards of Weights and Measures Act, 1976 aims at introducing standards in relation to weights and measures used in trade and commerce. The rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 lay down the norms to be followed, in the interests of consumer safety, when commodities are sold or distributed in packaged form in the course of inter-state trade or commerce. This Act and rules formulated thereunder regulate inter alia inter-state trade and commerce in weights and measures and commodities sold, distributed or supplied by weights or measures.

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

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 2013, inter alia, provides that the Central Government may issue 94 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 2013 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 2013 prescribes certain instances in which case the provision of the DPCO 2013 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.

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 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 Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA)

COFEPOSA came into force for the reason to provide preventive detention and to protect and augment the guidelines of foreign exchange. The Act also aims to control smuggling activities and other issues in relation to these activities. COFEPOSA confers power on the Central and the State Governments to issue orders for detaining a person if it is satisfied that the person has acted detrimental to the protection and intensification of foreign exchange. The Government shall also issue order of detention on the ground that the person has engaged in the activity of smuggling goods, assists any person in smuggling goods, transports or conceals such goods, harbouring any person employed in the smuggling activities or does any other activity related with smuggling. Such an order shall be issued by the Joint Secretary to the Central Government or Secretary to the State Government or any senior officer authorized by the Government.

Anti-Trust Laws

Competition Act, 2002

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

GENERAL CORPORATE COMPLIANCE

The Companies Act 1956 and the Companies Act, 2013

The consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013. The Companies act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing



Director or Manager of the firm. The provisions relating to remuneration of the directors' payable by the companies is under Part II of the said schedule.

EMPLOYMENT AND LABOUR LAWS

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year covered to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

Payment of Gratuity Act, 1972

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five



years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 (“MWA”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Equal Remuneration Act, 1976

The Equal Remuneration Act 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.



The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee “and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

TAX RELATED LEGISLATIONS

Value Added Tax (“VAT”)

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons Liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

Gujarat Value Added Tax Act, 2003 (“GVAT”)

Gujarat Value Added Tax, 2003 (GVAT Act) is made effective in the state of Gujarat from 1st April, 2006. On its implementation following Acts are repealed.

- The Gujarat Sales Tax Act, 1969,
- The Bombay Sales of Motor Spirit Taxation Act, 1958,
- The Purchase Tax on Sugarcane Act, 1989.



However provisions relating to pending assessment, appeals, recovery etc., under the above Acts will survive. The basic requirement of charging tax under GVAT Act is that where any sale in the course of business is affected, in the State of Gujarat, VAT is payable under GVAT Act. Transactions made in the course of business only are covered under the GVAT Act.

The Maharashtra Value Added Tax, 2002

As per the provisions of MVAT, a dealer is liable to pay tax on the basis of turnover of sales within the State. The term dealer has been defined u/s. 2(8) of the Act. It includes all person or persons who buys or sells goods in the State whether for commission, remuneration or otherwise in the course of their business or in connection with or incidental to or consequential to engagement in such business. The term includes a Broker, Commission Agent, Auctioneer, Public Charitable Trusts, Clubs, Association of Persons, Departments of Union Government and State Government, Customs, Port Trusts, Railways, Insurance & Financial Corporations, Transport Corporations, Local authorities, Shipping and Construction Companies, Airlines, Advertising Agencies and also any corporation, company, body or authority, which is owned, constituted or subject to administrative control of the Central Government, any State Government or any local authority.

However an agriculturist, educational institution and transporters shall not be deemed to be a dealer (subject to fulfilment of conditions).

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', as specified in entry 39 defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5th / 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Central Sales Tax Act, 1956 ("CST")

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for Levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is



calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance.

The Central Excise Act, 1944

The Central Excise Act, 1944 (“Central Excise Act”) consolidates and amends the law relating to Central Duties of Excise on goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates set forth in the First Schedule to the Central Excise Tariff Act, 1985.

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products. The rate of tax for CGST and SGST/UTGST shall not exceed –

- a. 2.5% in case of restaurants etc.
- b. 1% of the turnover in state/UT in case of manufacturer
- c. 0.5% of the turnover in state/ UT in case of other supplier

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

Maharashtra State Tax On Professions, Trades, Callings And Employments Act, 1975 And The Gujarat State Tax On Professions, Trades, Callings And Employments Act, 1976

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the



responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The State of Maharashtra, Karnataka, Tamil Nadu and Andhra Pradesh have their own professional tax structure and tax is levied on every person who exercises any profession or calling or is engaged in any trade or holds any appointment, public or private, or is employed in any manner in state is liable to pay the profession tax at the specified rate provided that no tax shall be payable by the person who have attained sixty five year of age and handicapped person with more than 40% disability or parent of a physically disabled or mentally retarded child. The tax payable under the State Acts as mentioned above by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

OTHER LAWS

Shops and establishments laws in various states

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

INTELLECTUAL PROPERTY LEGISLATIONS

In general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999



The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

OTHER LAWS

Foreign Trade (Development and Regulation) Act, 1992

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the



realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India

THE FOREIGN DIRECT INVESTMENT

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), has issued consolidated FDI Policy Circular of 2016 ("**FDI Policy 2016**"), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. Further, DIPP has issued Press note 5, dated June 24, 2016 which introduces few changes in FDI Policy 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2016 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India ("**RBI**") also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master 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 and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2016, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present, FDI is permitted upto 100 % in Greenfield projects and 74% in Brownfield projects under the automatic route and FDI beyond 74% in Brownfield projects requires FIPB approval. FDI is permitted up to 100 percent under the automatic route in the hospital sector and in the manufacture of medical devices.



OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

CORPORATE PROFILE AND BRIEF HISTORY

Our Company was originally incorporated as “Vaishali Pharma Private Limited” at Mumbai, Maharashtra as a Private Limited Company under the provision of Companies Act, 1956 vide Certificate of Incorporation dated April 25, 2008 bearing Corporate Identification Number U52310MH2008PTC181632 issued by the Registrar of Maharashtra, Mumbai. On July 01, 2008 our Company acquired the business of proprietorship concerns of our promoter Atul Vasani viz. M/s. Vaishali Pharmachem through Business Assignment agreement. Consequently business of this proprietorship firm was merged into Vaishali Pharma Private Limited. Subsequently our Company was converted into a public limited company pursuant to special resolution passed by the members in Extraordinary General Meeting held on June 13, 2017 and the name of our Company was changed to Vaishali Pharma Limited vide a Fresh Certificate of Incorporation dated June 21, 2017, issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification number of our Company is U52310MH2008PLC181632.

Atul Vasani and Jagruti Vasani are the promoters and the initial subscribers to the Memorandum of Association of our Company.

For information on our Company’s profile, activities, market, products, etc., market of each segment, capacity built-up, exports and profits due to foreign operations together with country wise analysis, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled “Our Business”, “Financial Statements as Restated”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation”, “Government and Other Statutory Approvals” beginning on page 140, 189, 237 and 260 respectively of this Red Herring Prospectus.

CHANGES IN OUR REGISTERED OFFICE:

At the time of Incorporation, registered office of our Company was situated at 9, Neeldhara Apts, Devidas Cross Lane, S .V .P Road, Borivali, Mumbai – 400103, Maharashtra, India. The registered office of our company was then shifted to:

Date	From	To	Reason
February 20, 2014	9, Neeldhara Apts., Devidas Cross Lane, S .V .P Road, Borivali, Mumbai – 400103, Maharashtra, India	Aravali Business Centre, A Wing, 7 th Floor, R.C. Patel Road, Borivali (West), Mumbai – 400092, Maharashtra, India	Administrative convenience
July 27, 2014	Aravali Business Centre, A Wing, 7 th Floor, R.C. Patel Road, Borivali (West), Mumbai – 400092, Maharashtra, India	706 to 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off Sodawala Lane, Borivali (West), Mumbai – 400092, Maharashtra, India	Administrative convenience



KEY EVENTS AND MILESTONES

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

YEAR	EVENTS
1989	Inception of Vaishali Pharmachem; an API Trading company
1994	Vaishali Pharmachem entered into a joint venture with, API Manufacturing Company, Arochem Industries
2002	Added one more Office at Gujarat –Vapi for organizational efficiency
2008	Incorporation of Vaishali Pharma Private Limited and acquisition of Vaishali Pharmachem
2008	ISO 9001: 2008 Certification
2012	Ventured into new Vertical in Formulation Manufacturing and Exports.
2012	Achieved Sales Turnover of Rs. 120 Cr.
2016	Added a vertical of surgical division
2017	Certified with One Star Export House by Director General of Foreign Trade
2017	Conversion of Company from Private to Public
2017	ISO 9001:2015 Certification

MAIN OBJECTS OF OUR COMPANY

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

To carry on, whether in India or outside India, the business of importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, preservers, stockiest, agents, sub – agents, merchants, manufacturers, distributors, consignor, jobbers, producers, processors, fermentators, distillers, refiners, makers, inventors concessionaries or dealers of all types of active pharmaceutical ingredients (API), basic drugs, drug intermediates, medicines, mixtures, powders, syrups, antibiotics, capsules, injections, patent drugs, ointments, compounds, tonics, fertilizers, essences, solvents, catalysts, lotions, shampoos, skin – eye and ear preparations, pharmaceutical, chemical, medicinal, biological, biochemical, electrolytic drugs, fine chemicals, chemical compounds (whether organic and inorganic) in all forms and by products, insecticides, pesticides, deodorants, drug intermediate, ingredients, products and compounds.

AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION

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

DATE OF AGM / EGM	CHANGES
May 5, 2008	The Authorised Share Capital of the Company is Rs. 10,00,000 divided into 1,00,000 equity shares of Rs. 10 each, was reclassified into Rs. 10,00,000 divided into 95,000 equity shares of Rs. 10 each, and 50,000 7% Non-Cumulative Redeemable Preference shares of Re. 1 each.
March 31, 2010	Increase of Authorised Capital from Rs. 10,00,000 consisting of 95,000 equity shares of Rs.10/- each and 50,000 7% Non- Cumulative Redeemable Preference shares of Re. 1 each to Rs. 15,00,000 consisting of 1,45,000 equity shares of Rs.10/- each and 50,000 7% Non Cumulative Redeemable Preference shares of Re. 1 each
December 26, 2012	Increase of Authorised Capital from Rs. 15,00,000 consisting of 1,00,000 equity shares of Rs.10/- each and 50,000 7% Non- Cumulative Redeemable Preference shares of Re. 1 each to Rs. 55,00,000 consisting of 5,45,000 equity shares of Rs.10/- each and 50,000 7% Non Cumulative Redeemable Preference shares of Re. 1 each.



DATE OF AGM / EGM	CHANGES
July 30, 2013	Increase of Authorised Capital from Rs. 55,00,000 consisting of 5,45,000 equity shares of Rs.10/- each and 50,000 7% Non- Cumulative Redeemable Preference shares of Re. 1 each to Rs. 1,55,00,000 consisting of 15,45,000 Equity Shares of Rs.10/- each and 50,000 7% Non Cumulative Redeemable Preference Shares of Re. 1 each.
March 06, 2017	Increase of Authorised Capital from Rs. 1,55,00,000 consisting of 15,45,000 equity shares of Rs.10/- each and 50,000 7% Non- Cumulative Redeemable Preference shares of Re. 1 each to Rs. 7,50,00,000 consisting of 74,95,000 Equity Shares of Rs.10/- each and 50,000 7% Non Cumulative Redeemable Preference Shares of Re. 1 each.
June 13, 2017	Conversion of our Company from Private Limited Company to Public Limited Company and Clause I of the Memorandum of Association of the Company changed to reflect changed name of the Company as Vaishali Pharma Limited on conversion of Company into a public Company.

COUNTRY WISE EXPORT SALES FOR MONTH PERIOD ENDED MARCH 31, 2017

Name of the Country	Amount Rs. In Lakhs
Armenia	16.00
Cameroon	38.00
D R Congo	1,030.20
Congo	1.13
Kenya	181.30
Nigeria	177.20
Russia	327.30
Yemen	23.00

OUR HOLDING / SUBSIDIARY COMPANY

Our Company has neither holding nor subsidiary Company as on date of filing of this Red Herring Prospectus.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details in relation to our capital raising activities through equity and debt, please refer to the chapters titled “*Financial Statements as Restated*” and “*Capital Structure*” beginning on page 189 and 72, respectively, of this Red Herring Prospectus.

REVALUATION OF ASSETS

Our Company has not revalued its assets since its incorporation.

CHANGES IN THE ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS

There has been no change in the activities being carried out by our Company in the last five years.

INJUNCTIONS OR RESTRAINING ORDERS

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

MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY

Our Company has not merged/ amalgamated itself since incorporation. However, our Company acquired the business of proprietorship concern of our promoter Atul Vasani Viz. Vaishali Pharmachem through Business Assignment agreement dated July 01, 2008.

SHAREHOLDERS' AGREEMENTS



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

OTHER AGREEMENTS

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

STRIKES AND LOCK-OUTS

There have been no strikes or lockouts in our Company since incorporation.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

As on the date of this Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company

STRATEGIC PARTNERS

Our Company does not have any strategic partner(s) as on the date of this Red Herring Prospectus.

CONVERSION OF LOANS INTO EQUITY SHARES

There has been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Red Herring Prospectus.

FINANCIAL PARTNERS

As on the date of this Red Herring Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS

There have been no defaults or rescheduling of borrowings with any financial institutions / banks as on the date of this Red Herring Prospectus.

NUMBER OF SHAREHOLDERS

Our Company has 7 shareholders as on date of this Red Herring Prospectus.



OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association, Our Company is required to have not less than 3 directors and not more than 15 directors, subject to the applicable provisions of the Companies Act. Our Company currently has 5 directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment/ Re-appointment	Other Directorship
1.	Name: Atul Vasani Age: 52 Years Father's Name: Arvindbhai Vasani Designation: Chairman & Managing Director Address: Ganjawala Apartment, 128-A, Ganjawala Lane, Borivali, Mumbai – 400092, Maharashtra, India Occupation: Business Nationality: Indian Term: Three Years from May 25, 2017 subject to liable to retire by rotation. DIN: 02107085	May 25, 2017	Public Limited Company – Nil Private Limited Company – Nil
2.	Name: Jagruti Vasani Age: 51 Years Husband's Name: Atul Vasani Designation: Whole Time Director Address: 128/A, Ganjawala Apts., 11th Floor, S.V.P. Road, Borivali (West), Mumbai – 400092, Maharashtra, India Occupation: Business Nationality: Indian Term: Three Years from May 25, 2017 subject to liable to retire by rotation DIN: 02107094	May 25, 2017	Public Limited Company – Nil Private Limited Company – Nil
3.	Name: Priyanka Vasani Age: 25 Years Father's Name: Atul Vasani Designation: Additional Director Address: A/128 Ganjawala Apartment, S V P Road, Near Gokul Hotel Borivali (West) – 400092, Maharashtra, India Occupation: Business Nationality: Indian Term: Till ensuing AGM DIN: 07832635	May 25, 2017	Public Limited Company – Nil Private Limited Company – Nil



Sr No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment/ Re-appointment	Other Directorship
4.	Name: Pratap Gandhi Age: 75 Years Father's Name: Panachand Gandhi Designation: Additional Director Address: B-305, Rahul Classic, Sai Baba Nagar, Opp. Kale College, Borivali (West), Mumbai – 400092, Maharashtra, India Occupation: Service Nationality: Indian Term: until ensuing AGM DIN: 07832673	May 25, 2017	Public Limited Company – Nil Private Limited Company – Nil
5.	Name: Bhavesh Shah Age: 55 Years Father's Name: Devidas Shah Designation: Additional Director Address: 1002,La-Serena building, Dadabhai Cross Road JN of J P Road Near Rajkumar, Andheri (West), Mumbai - 400058 Maharashtra, India Occupation: Business Nationality: Indian Term: until ensuing AGM DIN: 07832656	May 25, 2017	Public Limited Company – Nil Private Limited Company – Nil

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Atul Vasani

Atul Vasani, aged 52 years is the Promoter, Chairman and Managing Director of our Company. He has been associated with our Company since incorporation and has been designated as Chairman and Managing Director w.e.f May 25, 2017. He has passed his higher secondary certificate examination from Maharashtra state Board of secondary and Higher Secondary education. He has been in the pharmaceutical Industry since 1987, and has experience of around. three decades in pharmaceutical Industry. He has been instrumental in formulating the business strategies of our Company and is entrusted with the responsibility of looking after the overall management and maintaining customer relations.

Jagruti Vasani

Jagruti Vasani, aged 51 years is the Promoter and Whole Time Director of our Company. She was appointed as director of our Company on November 12, 2009 and has been designated as Whole Time Director w.e.f May 25, 2017. She has completed her Bachelor of Commerce degree from Saurashtra University. She looks after Human and Administrative Department of our Company. She has an experience of more than seven years in the industry in which we operate.



Priyanka Vasani

Priyanka Vasani, aged 25 years is appointed as Additional Director Non Executive Director of our Company w.e.f. May 25, 2017. She has completed her BMS (Bachelor of Management) from University of Mumbai.

Pratap Gandhi

Pratap Gandhi, aged 75 years is originally appointed as Additional Director of our Company pursuant to section 149(4) of the Companies Act, 2013 with effect from May 25, 2017. He has completed his M.Sc. (Bio-Physics) from University of Mumbai.

Bhavesh Shah

Bhavesh Shah, aged 55 years is originally appointed as Additional Director of our Company pursuant to section 149(4) of the Companies Act, 2013 with effect from May 25, 2017.

CONFIRMATIONS

As on the date of this Red Herring Prospectus:

1. Except as stated below; none of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013

Directors	Other Directors	Relation
Atul Vasani	Jagruti Vasani	Husband-wife
Atul Vasani	Priyanka Vasani	Father –daughter
Jagruti Vasani	Priyanka Vasani	Mother – daughter

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 the above mentioned Directors are on the RBI List of willful defaulters. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.
5. 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.

REMUNERATION/COMPENSATION PAID TO DIRECTORS

Except as mentioned below, no other current Directors have received remuneration during the last financial year ended on March 31, 2017.

Name of the Directors	Amount (in Lakhs)
Atul Vasani	54.00
Jagruti Vasani	12.00



Terms and conditions of employment of our Director:

A. Atul Vasani

Atul Vasani, has been designated as Chairman and Managing Director *vide* shareholders resolution at the Extra Ordinary Meeting of the Company held on June 21, 2017 for a term of Three years with effect from May 25, 2017 at a remuneration of Rs. 54.00 Lakhs p.a.

Leave as per rules of the Company

All other benefits are as applicable to other employees of the Company including but not limited to gratuity and leave entitlement.

B. Jagruti Vasani

Jagruti Vasani, has been designated as Whole Time Director *vide* shareholders resolution at the Extra Ordinary Meeting of the Company held on June 21, 2017 for a term of Three years with effect from May 25, 2017 at a remuneration of 12.00 Lakhs p.a.

All other benefits are as applicable to other employees of the Company including but not limited to gratuity and leave entitlement.

Sitting Fees

Non-Executive Directors and Independent Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by our Board in accordance with the provisions of the Articles of Association, the Companies Act, 2013 and other applicable laws and regulations.

OTHER CONFIRMATIONS

As on the date on this Red Herring Prospectus:

1. There is no contingent or deferred compensation payable to any Director, Managing Director which has accrued for this year and payable in current or any future period.
2. No compensation was paid to any Director pursuant to bonus or profit sharing plan.

SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. Except as stated below no other directors have shareholding of our

The following table details the shareholding of our Directors as on the date of this Red Herring Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Atul Vasani	43,15,385	93.39	65.37
2.	Jagruti Vasani	2,99,995	6.39	4.47
3.	Priyanka Vasani	1	0.00	0.00

INTERESTS OF DIRECTORS

Interest in promotion of our Company

Directors of our Company, is interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. For further details, refer to chapter titled “*Our Promoter and Promoter Group*” beginning on page 181 of this Red Herring Prospectus.



Interest in the property of our Company

Our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of filing of this Red Herring Prospectus

Interest as member of our Company

As on date of this Red Herring Prospectus, our Directors together hold 46,15,381 Equity Shares in our Company i.e. 100.00% of the pre Issue paid up Equity Share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared, if any, by our Company.

Interest as a Creditor of our Company

As on the date of this Red Herring Prospectus, our Company has not availed loans from the Promoter of our Company. For further details, refer to chapter titled “*Financial Indebtedness*” and heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*” beginning on page 245 and 189 respectively of this Red Herring Prospectus

Interest as Director of our Company

Except as stated in the chapters titled “*Our Management*”, “*Financial Statements as Restated*” and “*Capital Structure*” beginning on pages 167, 189 and 72 respectively, of this Red Herring Prospectus our Directors, may deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AoA of our Company.

Interest as Key Managerial Personnel of our Company

Atul Vasani, Chairman and Managing Director and Jagruti Vasani, Whole Time Director of the Company is the Key Managerial Personnel of the Company and may deemed to be interested to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AoA of our Company and to the extent of Equity Shares held by them in our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. Other than as disclosed above, no other Director is interested as Key Managerial Personnel of the Company. For further details, please refer to heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*” beginning on page 189 of this Red Herring Prospectus.

Interest in transactions involving acquisition of land

Our Promoters are not currently interested in any transaction with our Company involving acquisition of land. Except as stated/referred to under the heading titled “*Land and Property*” under chapter titled “*Our Business*” beginning on page 140 of this Red Herring Prospectus, our Promoter has not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Promoter is interested directly or indirectly and no payments have been made to him in respect of these contracts, agreements or arrangements or are proposed to be made to him.

Other Indirect Interest

Except as stated in chapter titled “*Financial Statements as Restated*” beginning on page 189 of this Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

Interest in the Business of Our Company



Except as stated in “*Related Party Transactions*” in the chapter titled “*Financial Statements as Restated*” beginning on page 189 of this Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Red Herring Prospectus.

SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

Our Company does not have any associate or subsidiary company as on date of filing of this Red Herring Prospectus.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Following are the changes in directors of our Company in last three years prior to the date of this Red Herring Prospectus:

Name	Date of event	Nature of event	Reason
Atul Vasani	May 25, 2017	Re-Designation	Designated as Chairman and Managing Director
Jagruti Vasani	May 25, 2017	Re-Designation	Designated as Whole Time Director
Priyanka Vasani	May 25, 2017	Appointment	Appointment as Additional Director (Non Executive Director)
Bhavesh Shah	May 25, 2017	Appointment	Appointment as Additional Director (Independent Director)
Pratap Gandhi	May 25, 2017	Appointment	Appointment as Additional Director (Independent Director)

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at the Extraordinary General Meeting of our Company held on June 21, 2017 and pursuant to provisions of Section 180(1)(a) and 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under and the Board of Directors (including committees) of the Company be and is hereby authorized to borrow money on such terms and conditions as may be considered and suitable by the Board of Directors up to a limit of Rs.500/- Five Hundred Crores notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from the Temporary Loans obtained from the Company’s Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves of the Company.

CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

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. We have complied with the requirements of the applicable regulations, including 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.

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Red Herring Prospectus, there are five Directors on our Board out of which more than one third are independent Directors. Our Company is in compliance with the corporate



governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations, the Equity Listing Agreements and the Companies Act, 2013.

The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013.

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee

A) Audit Committee

Our Company has constituted an audit committee ("**Audit Committee**"), as per section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; vide resolution passed at the meeting of the Board of Directors held on June 21, 2017.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three (3) directors:

Name of the Director	Status	Nature of Directorship
Bhavesh Shah	Chairman	Additional Director (Independent Director)
Pratap Gandhi	Member	Additional Director (Independent Director)
Atul Vasani	Member	Chairman and Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers:

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;
- c. To obtain outside legal or other professional advice; and
- d. To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The role of the Audit Committee not limited to but includes:

- 1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is 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:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly 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, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Red Herring Prospectus / Red Herring Prospectus / /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. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors any significant findings and follow up there on.
15. 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.
16. 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.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and



also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.

19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board.
20. 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.
21. To investigate any other matters referred to by the Board of Directors.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

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's Relationship Committee

Our Company has constituted a shareholder / investors grievance committee ("*Stakeholders' Relationship Committee*") to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on June 21, 2017.

The Stakeholders' Relationship Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Pratap Gandhi	Chairman	Additional Director (Independent Director)
Bhavesh Shah	Member	Additional Director (Independent Director)
Priyanka Vasani	Member	Additional Director (Non Executive Director)

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

A. Tenure: The Stakeholder's Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder's Relationship Committee as approved by the Board.

B. Meetings: The Stakeholder's Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on quarterly basis regard the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

C. Role of the Stakeholder's Relationship Committee:

The Committee shall consider and resolve grievances of security holders, including but not limited to:

1. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.



2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and
3. Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
4. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
5. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
6. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
7. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting.
8. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

C) Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on June 21, 2017. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Pratap Gandhi	Chairman	Additional Director (Independent Director)
Bhavesh Shah	Member	Additional Director (Independent Director)
Priyanka Vasani	Member	Additional Director (Non Executive Director)

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

1) Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

2) Meetings: The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration Committee shall be called by at least seven day's notice in advance.

3) Role of the Nomination and Remuneration Committee not limited to but includes:

- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration for directors, KMPs and other employees.
- Identifying persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.



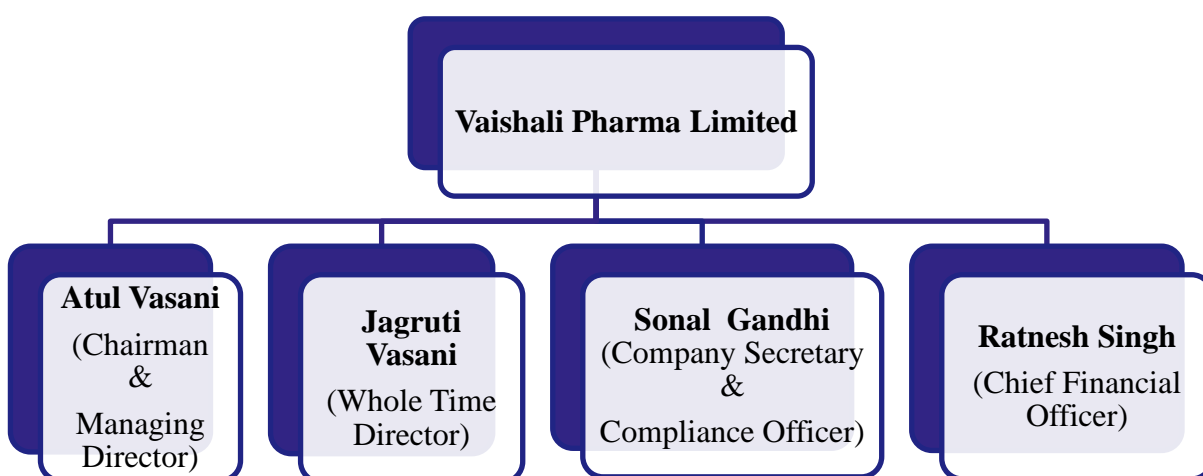
- Formulation of criteria for evaluation of performance of independent directors and Board of Directors
- Devising a policy on diversity of board of directors
- Deciding on, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Director / Managing Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- To formulate and administer the Employee Stock Option Scheme.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading:

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Emerge Platform of NSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on June 21, 2017 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

Sonal Gandhi, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

ORGANISATIONAL STRUCTURE





KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

The details of our Key Managerial Personnel are set out below:

Atul Vasani

Atul Vasani, aged 52 years is the Promoter, Chairman and Managing Director of our Company. He has been associated with our Company since incorporation and has been designated as Chairman and Managing Director w.e.f May 25, 2017. He has passed his higher secondary certificate examination from Maharashtra state Board of secondary and Higher Secondary education. He has been in the pharmaceutical Industry since 1987, and has experience of around. three decades in pharmaceutical Industry. He has been instrumental in formulating the business strategies of our Company and is entrusted with the responsibility of looking after the overall management and maintaining customer relations.

Jagruti Vasani

Jagruti Vasani, aged 50 years is the Promoter and Whole Time Director of our Company. She was appointed as director of our Company on November 12, 2009 and has been designated as Whole Time Director w.e.f May 25, 2017. She has completed her Bachelor of Commerce degree from Saurashtra University. She looks after Human and Administrative Department of our Company. She has an experience of more than seven years in the industry in which we operate.

Ratnesh Singh

Ratnesh Singh aged 36 years has been appointed as the Chief Financial Officer of our Company with effect from May 25, 2017. He has completed his Mater of Business Administration (MBA) from Sam Higginbonttom Institute of Agriculture, Technology & Sciences He is responsible for looking after accounting, finance and taxation of our Company.

Sonal Gandhi

Sonal Gandhi, aged 25 years is Company Secretary and Compliance Officer of our Company with effect from May 25, 2017. She is a Company Secretary by qualification and a member of Institute of Company Secretaries of India. She looks after the Legal and Compliance Department of the Company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Except as stated below, none of the key managerial personnel are related to the each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of Key Managerial Personnel are permanent employees of our Company.

Name of the Key Managerial Personnel	Name of the Key Managerial Personnel	Relationship
Atul Vasani	Jagruti Vasani	Husband-wife

RELATIONSHIP OF DIRECTORS AND PROMOTER BETWEEN KEY MANAGERIAL PERSONNEL

Except as stated below, none of the key managerial personnel are related to the each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of Key Managerial Personnel are permanent employees of our Company.



Name of the Director	Name of the Key Managerial Personnel	Relationship
Atul Vasani	Jagruti Vasani	Husband-wife

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Key Managerial Personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Except as mentioned below, none of our Key Managerial Personnel holds any Equity shares of our company as on the date of this Red Herring Prospectus.

Sr. No.	Name of the KMPs	No. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Atul Vasani	43,15,385	93.39	63.37
2.	Jagruti Vasani	2,99,995	6.39	4.47

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.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

LOANS TO KEY MANAGERIAL PERSONNEL

Our company has not given any loans and advances to the Key Managerial Personnel as on the date of this Red Herring Prospectus.

INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company have interest in our Company 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 and dividends payable thereon and other distributions in respect of such equity shares, if any. Except as disclosed in this Red Herring Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Red Herring Prospectus in which the Key Managerial Personnel 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.

Except as stated in the chapters “*Our Management*” and “*Related Party Transactions*” beginning on pages 167 and 187 respectively of this Red Herring Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.



CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

Name of Managerial Personnel	Date of Event	Nature of event	Reason
Atul Vasani	May 25, 2017	Re -Designation	Re-Designated as Chairman and Managing Director
Jagruti Vasani	May 25, 2017	Re-Designation	Re-Designated as Whole Time Director
Sonal Gandhi	May 25, 2017	Appointment	Appointment as Company Secretary and Compliance Officer
Ratensh Singh	May 25, 2017	Appointment	Appointment as Chief Financial Officer

ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for employees.

PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)

Except as disclosed in the heading titled “*Related Party Transactions*” in the section titled “*Financial Statements as Restated*” beginning on page 189 of this Red Herring Prospectus, no amount or benefit has been paid or given within the three preceding years 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 PROMOTER AND PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company are Atul Vasani and Jagruti Vasani. As on date of this Red Herring Prospectus, our Promoters holds 46,15,380 equity shares representing almost 100.00% of the pre-issue Paid up Capital of our Company.

Brief profile of our Promoters is as under:

	<p>Atul Vasani, Promoter, Chairman and Managing Director</p> <p>Atul Vasani, aged 52 years is the Promoter, Chairman and Managing Director of our Company. He has been associated with our Company since incorporation and has been designated as Chairman and Managing Director w.e.f May 25, 2017. He has passed his Higher secondary certificate examination from Maharashtra state Board of secondary and Higher Secondary education. He has been in the pharmaceutical Industry since 1987, and has experience of around three decades in pharmaceutical Industry. He has been instrumental in formulating the business strategies of our Company and is entrusted with the responsibility of looking after the overall management and maintaining customer relations.</p> <p>Nationality: Indian Passport No: Z3493870 Driving License: MH02 19840012370 Voters ID: KDD8722084 Address: Ganjawala Apartment, 128-A, Ganjawala Lane, Borivali, Mumbai – 400092, Maharashtra, India</p> <p>For further details, relating to Atul Vasani, including terms of appointment as Chairman & Managing Director and other directorships please refer to the chapter titled “Our Management” beginning on page 167 of this Red Herring Prospectus.</p>
	<p>Jagruti Vasani, Whole Time Director</p> <p>Jagruti Vasani, aged 51 years is the Promoter and Whole Time Director of our Company. She was appointed as director of our Company on November 12, 2009 and has been designated as Whole Time Director w.e.f May 25, 2017. She has completed her Bachelor of Commerce degree from Saurashtra University. She looks after Human and Administrative Department of our Company. She has an experience of more than seven years in the industry in which we operate.</p> <p>Nationality: Indian Passport No: Z3813620 Driving License: MH 02-95-42699* Voters ID: KDD8721961 Address: 128/A, Ganjawala Apts., 11th Floor, S.V.P. Road, Borivali (West), Mumbai – 400092, Maharashtra, India</p> <p>For further details relating to Jagruti Vasani, including terms of appointment as Whole Time Director and other directorships please refer to the chapter titled “Our Management” beginning on page 167 of this Red Herring Prospectus.</p>

*As on date of this Red Herring Prospectus Driving License of Jagruti Vasani is expired



DECLARATION

Our Company confirms that the permanent account number, bank account number and passport Number of our Promoters shall be submitted to the Stock Exchange at the time of filing of this Red Herring Prospectus with it.

INTEREST OF PROMOTER

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend receivable, if any and other distributions in respect of the equity shares held by them. For details regarding shareholding of our promoters in our Company, please refer “*Capital Structure*” on page 72 of this Red Herring Prospectus.

Some of our Promoters may also be deemed to be interested in our Company to the extent of their shareholding in our Group Companies with which our company transacts during the course of its operations.

Our Promoters are the Director of our Company and may be deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any and AoA of our Company. For details please refer to the chapter titled “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 167, 189 and 72 respectively of this Red Herring Prospectus.

Except as mentioned in the chapter titled “*Our Business*” under “*Land & Property*”, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

For details of related party transactions entered into by our Company during last financial year with our Promoters and Group Companies, the nature of transactions and the cumulative value of transactions, see “*Related Party Transactions*” on page no 187 of this Red Herring Prospectus.

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in the chapter titled “*Our Promoter and Our Promoter Group*” and “*Our Group Companies*” beginning on page 181 and 185 respectively of this Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests / other interests.

RELATED PARTY TRANSACTIONS

For details of related party transactions entered into by our Promoters, members of our Promoter Group and Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer chapter titled “*Related Party Transactions*” on page 187 of this Red Herring Prospectus.

PAYMENT OR BENEFITS TO PROMOTER

Except as stated otherwise in the chapter titled “*Related Party Transactions*” on page 187 of this Red Herring Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Red Herring Prospectus.



OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations is as under:

A. Individuals related to our Promoter:

Relationship with Promoters	Atul Vasani	Jagruti Vasani
Father	Arvind Vasani	Amrutlal Jobalia
Mother	Manjula Vasani	Saroj Jobalia
Brother	Ajay Vasani	Chetan Jobalia
		Ketan Jobalia
Sister	Vaishali Vasani	Bharti Tolia
		Parul Ajmera
		Punita Gandhi
Spouse	Jagruti Vasani	Atul Vasani
Son	Kevin Vasani	Kevin Vasani
Daughter	Priyanka Vasani	Priyanka Vasani
Spouse's Father	Amrutlal Jobalia	Arvind Vasani
Spouse's Mother	Saroj Jobalia	Manjulaben Vasani
Spouse's Brother	Chetan Jobalia	Ajay Vasani
	Ketan Jobalia	
Spouse's Sister	Bharti Tolia	Vaishali Vasani
	Parul Ajmera	
	Punita Gandhi	

B. Companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:

1. Quadra Impex Limited
2. Arochem Industries

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

Except as disclosed herein, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Promoters	Director	Relationship
Atul Vasani	Jagruti Vasani	Husband-Wife
Atul Vasani	Priyanka Vasani	Father -daughter
Jagruti Vasani	Priyanka Vasani	Mother - daughter

DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEAR

Except as disclosed below, Our Promoters have not disassociated themselves from any entities/firms during preceding three years: Atul Vasani has transferred his shares in Arochem Lifescience Private Limited to Omprakash Agrawal vide a transfer dated December 21, 2015.

CHANGES IN CONTROL

There has been no change in the management or control of our Company in the last three years.

LITIGATION INVOLVING OUR PROMOTER

For details of legal and regulatory proceedings involving our Promoters, refer to the chapter titled "Outstanding Litigation and Material Developments on page 249 of this Red Herring Prospectus.



CONFIRMATIONS

Our Company, our Promoters and their relatives (as defined under the Companies Act, 2013) are not Wilful Defaulters and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters and members of the Promoter Group 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.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in *“Related Party Transactions* on page 187 of this Red Herring Prospectus, our Promoters are not related to any of the sundry debtors or are not beneficiaries of Loans and Advances given by/to our Company.



OUR GROUP COMPANY

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of “Group Companies”, our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and such other companies as considered material by our Board. Pursuant to a resolution dated June 21, 2017, our Board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 no other Company is material in nature.

For avoidance of doubt it is clarified that our subsidiaries shall not be considered as group companies.

OUR GROUP COMPANY:

The Details of our group Company are provided below:

QUADRA IMPEX LIMITED (QIL)

Quadra Impex Limited is a Company incorporated in Kenya on April 12, 2016 under the Companies Act, 2015. Identification No is PVT/2016/008191 and has its registered office at: P.O. Box 191-00623, Plot No. LR No11880/11, Abacus Complex, Ruaraka, Abacus Lane, Nairobi, Kenya .The paid-up capital of the QIL is KShs. 1,00,000. The Company is dealing in the business of Pharma raw materials, Pharma formulation and surgical items.

Financial Performance

Since the Company is incorporated in the current F.Y. 2016-17, hence there are no past financial records.

Nature and Extent of Interest of Promoters

Atul Vasani Promoter of our Company holds 400 Equity Shares constituting 40.00% of total number of Equity shares in QIL.

CONFIRMATION

None of the securities of our Group Company are listed on any stock exchange and none of our Group Company has made any public or rights issue of securities in the preceding three years.

Our Group Company has not been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them.

Our Group Companies have become not been declared sick companies under the SICA. Additionally, Group Company has not been restrained from accessing the capital markets for any reasons by SEBI or any other authorities.

LITIGATION

For details related to litigations and regulatory proceedings involving our Group Companies and defaults made by them, please refer to the chapter titled, “*Outstanding Litigations and Material Developments*” on page 249 of this Red Herring Prospectus.

DISSOCIATION BY THE PROMOTER IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any of the companies during the last three years preceding the date of the Red Herring Prospectus.

NEGATIVE NET WORTH

Our Group Company does not have negative net worth as on the date of their respective last audited financial statements.



DEFUNCT / STRUCK-OFF COMPANY

Our Group Company has not become defunct or struck – off in the five years preceding the filing of this Red Herring Prospectus.

INTEREST OF OUR GROUP COMPANIES

Interest in the promotion of our Company

Our Group Company does not have any interest in the promotion of our Company.

Interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Red Herring Prospectus

Our Group Company does not have any interest in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of Red Herring Prospectus or proposed to be acquired by it.

Interest in the transactions for acquisition of land, construction of building and supply of machinery.

Our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

COMMON PURSUITS

Our Group Company M/s Quadra Impex Limited is authorised to deal in similar business as dealt by our company. However we do not have any non–compete agreements in place with our Group Company and hence there may be a conflict of interest between our Company and the said Group Company. For associated risk factor, please refer to the section titled “Risk Factors” beginning on page 20 of this Red Herring Prospectus.

SALES/PURCHASES BETWEEN OUR COMPANY & GROUP COMPANIES

Other than as disclosed in the chapter titled “*Related Party Transactions*” on page 187 of this Red Herring Prospectus, there are no sales / purchases between the Company and the Group Companies.

PAYMENT OR BENEFIT TO OUR GROUP COMPANIES

Except as stated in chapter titled “*Related Party Transactions*” beginning on page 187 of this Red Herring Prospectus, there has been no payment of benefits to our Group Companies during the financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 nor is any benefit proposed to be paid to them.



RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure XXVI of restated financial statement under the section titled, “Financial Statements as restated” beginning on page 189 of this Red Herring Prospectus.



DIVIDEND POLICY

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend for the last five years. Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the record date are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.



SECTION V – FINANCIAL STATEMENTS

FINANCIAL STATEMENTS AS RE-STATED

Independent Auditor's Report for the Restated Financial Statements of Vaishali Pharma Limited

Report of Auditors on the Restated Financial Information of Vaishali Pharma Limited for each of the period / years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

To,
The Board of Directors
Vaishali Pharma Limited
706 to 709, 7th Floor, Aravali Business Center,
R. C. Patel Road, Off Sodawala Lane, Borivali (West),
Mumbai- 400092, Maharashtra, India

Dear Sirs,

1. We, N. K. Aswani & Co., have examined the attached Restated Statement of Assets and Liabilities of **Vaishali Pharma Limited** (the "Company") as at 31st March 2017, 2016, 2015, 2014 and 2013 and the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the years / period ended as at 31st March 2017, 2016, 2015, 2014 and 2013, annexed to this report for the purpose of inclusion in the offer document prepared by the Company (collectively the "**Restated Summary Statements**" or "**Restated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in EMERGE Platform of National Stock Exchange of India Limited.
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
 - (i) Part I of Chapter III to the Companies Act, 2013("Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - (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 requesting us to carry out the assignment, in connection with the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in EMERGE Platform of National Stock Exchange of India 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**").
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial year ended on 31st March 2017, 2016, 2015, 2014 and 2013.
4. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
 - (i) The "**Statement of Assets and Liabilities as Restated**" as set out in **Annexure I** to this report, of the Company as at 31st March 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and



Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.

- (ii) The “**Statement of Profit and Loss as Restated**” as set out in **Annexure II** to this report, of the Company for the years ended 31st March 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.
 - (iii) The ” **Statement of Cash Flow as Restated**” as set out in **Annexure III** to this report, of the Company for the years ended 31st March 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV(A)** to this Report.
5. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
 - a) Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
 - b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
 - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments.
 - d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period/year ended on 31st March 2017, 2016, 2015, 2014 and 2013 which would require adjustments in this Restated Financial Statements of the Company.
 - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure IV(A)** to this report.
 6. Audit for the financial year ended on 31st March 2017, 2016, 2015, 2014 and 2013 was conducted by M/s. S.K. Bobra & Co. (Chartered Accountants). Accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them. Further financial statements for the period / financial year ended on 31st March, 2017 have been reaudited by us as per the relevant guidelines.
 7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period/year ended on 31st March 2017, 2016, 2015, 2014 and 2013 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (“**Offer Document**”).



Annexure of Restated Financial Statements of the Company:-

- a. Significant Accounting Policies and Notes to Accounts as restated in Annexure IV(A);
 - b. Reconciliation of Restated Profit as appearing in Annexure IV(B) to this report.
 - c. Details of Share Capital as Restated as appearing in Annexure V to this report;
 - d. Details of Reserves and Surplus as Restated as appearing in Annexure VI to this report;
 - e. Details of Long Term Borrowings as Restated as appearing in Annexure VII to this report;
 - f. Nature of Security and Terms of Repayment for Long term Borrowings as appearing in Annexure VIII to this report
 - g. Details of Deferred Tax Liabilities (Net) as Restated as appearing in Annexure IX to this report;
 - h. Details of Short Term Borrowings as Restated as appearing in Annexure X to this report;
 - i. Nature of Security and Terms of Repayment for Short term Borrowings as appearing in Annexure XI to this report
 - j. Details of Trade Payables as Restated as appearing in Annexure XII to this report;
 - k. Details of Other Current Liabilities as Restated as appearing in Annexure XIII to this report;
 - l. Details of Short Term Provisions as Restated as appearing in Annexure XIV to this report;
 - m. Details of Fixed Assets as Restated as appearing in Annexure XV to this report;
 - n. Details of Non-Current Investments as Restated as appearing in Annexure XVI to this report;
 - o. Details of Long Term Loans & Advances as Restated as appearing in Annexure XVII to this report;
 - p. Details of Inventories as Restated as appearing in Annexure XVIII to this report;
 - q. Details of Trade Receivables as Restated enclosed as Annexure XIX to this report;
 - r. Details of Cash and Cash Equivalents as Restated enclosed as Annexure XX to this report;
 - s. Details of Short Term Loans & Advances as Restated as appearing in Annexure XXI to this report;
 - t. Details of Revenue from operations as Restated as appearing in Annexure XXII to this report;
 - u. Details of Other Income as Restated as appearing in Annexure XXIII to this report;
 - v. Details of Related Parties Transactions as Restated as appearing in Annexure XXIV to this report;
 - w. Details of Summary of Accounting Ratios as Restated as appearing in Annexure XXV to this report
 - x. Capitalization Statement as Restated as at 31st March 2017 as appearing in Annexure XXVI to this report;
 - y. Statement of Tax Shelters as Restated as appearing in Annexure XXVII to this report;
8. We, N. K. Aswani & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
 9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the



Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. In our opinion, the above financial information contained in Annexure I to XXVII of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV(A) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

For, N. K. Aswani & Co.
Chartered Accountants
Firm Registration No.: 100738W

N. K. Aswani & Co.
Proprietor
Membership No.: 033278
Date: June 22, 2017
Place: Ahmedabad



STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE-I

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share capital	300.00	50.00	50.00	50.00	50.00
(b) Reserves and surplus	86.85	270.47	273.50	257.36	227.30
Sub-Total	386.85	320.47	323.50	307.36	277.30
2. Share application money pending allotment					
Sub-Total					
3. Non-current liabilities					
(a) Long-term borrowings	579.36	447.81	821.62	298.03	279.26
(b) Deferred tax liabilities (Net)	-	-	0.43	10.90	-
(c) Other Non Current Liabilities	19.82	17.55	13.75	10.00	8.73
Sub-Total	599.18	465.36	835.80	318.93	287.99
4. Current liabilities					
(a) Short-term borrowings	1537.67	1528.54	1582.73	1576.61	681.44
(b) Trade payables	1611.85	2465.60	1717.46	3109.72	3591.06
(c) Other current liabilities	259.33	130.41	104.22	1.59	0.23
(d) Short-term provisions	69.99	30.93	15.79	28.77	20.15
Sub-Total	3478.84	4155.48	3420.20	4716.68	4292.88
TOTAL	4464.87	4941.31	4579.50	5342.97	4858.17
II. ASSETS					
1. Non-current assets					
(a) Fixed assets	114.98	139.63	167.89	60.84	17.72
(b) Non-current investments	37.52	37.52	37.52	17.06	0.01
(c) Deferred tax assets (net)	2.14	1.03	-	-	0.29
(d) Long-term loans and advances	37.98	37.98	5.54	89.58	81.13
(e) Other Non Current Assets					
Sub-Total	192.62	216.16	210.95	167.48	99.15
2. Current assets					
(a) Current investments	-	-	-	-	-
(b) Inventories	115.47	336.00	331.93	814.69	534.31
(c) Trade receivables	3790.92	4041.64	3436.29	3819.70	3763.95
(d) Cash and cash equivalents	106.58	104.52	100.74	101.19	180.36
(e) Short-term loans and advances	259.28	242.97	499.59	439.91	280.40
Sub-Total	4272.25	4725.15	4368.55	5175.49	4759.02
TOTAL	4464.87	4941.31	4579.50	5342.97	4858.17



STATEMENT OF PROFIT AND LOSS AS RESTATED

ANNEXURE-II

(Amount in Lakhs)

Particulars	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
I.Revenue from operations	6605.48	6670.72	9456.06	12070.82	11881.00
II.Other income	105.74	318.41	426.31	86.08	28.85
III. Total Revenue (I + II)	6711.22	6989.13	9882.37	12156.90	11909.85
IV. Expenses:					
Cost of materials consumed					
Purchases of Stock-in-Trade	5521.50	6207.39	8642.35	11702.50	11311.28
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	220.53	(4.08)	482.76	(280.37)	43.85
Employee benefits expense	157.63	155.69	184.54	200.24	119.49
Finance costs	312.18	336.77	336.95	267.55	93.56
Depreciation and amortization expense	24.99	36.74	45.30	4.41	3.43
Other expenses	373.10	256.99	175.30	201.15	249.38
Total expenses	6609.93	6989.49	9867.20	12095.48	11821.00
V. Profit before exceptional and extraordinary items and tax (III-IV)	101.29	(0.36)	15.17	61.42	88.85
VI. Exceptional items					
VII. Profit before extraordinary items and tax (V - VI)	101.29	(0.36)	15.17	61.42	88.85
VIII. Extraordinary Items-					
IX. Profit before tax (VII- VIII)	101.29	(0.36)	15.17	61.42	88.85
X. Tax expense:					
(1) Current tax	36.01	4.14	9.49	20.18	29.15
(2) Deferred tax	(1.10)	(1.47)	(10.46)	11.19	(0.29)
(3) Current tax expense relating to prior years	-	-	-	-	-
XI. Profit (Loss) for the period from continuing operations (VII-VIII)	66.37	(3.03)	16.15	30.05	60.00
XII. Profit/(loss) from discontinuing operations	-	-	-	-	-
XIII. Tax expense of discontinuing operations	-	-	-	-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-
XV. Profit (Loss) for the period (XI + XIV)	66.37	(3.03)	16.15	30.05	60.00
XVI Earnings per equity share:					
(1) Basic	2.21	(0.10)	0.54	1.00	2.19
(2) Diluted	2.21	(0.10)	0.54	1.00	2.19



STATEMENT OF CASH FLOW AS RESTATED

**ANNEXURE-III
(Amount in Lakhs)**

Particulars	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>					
Restated Net profit Before Tax and Extraordinary Items	101.29	(0.36)	15.17	61.42	88.85
Adjustments For:					
Depreciation	24.99	36.74	45.30	4.41	3.43
Interest Received	(68.32)	(313.80)	(350.66)	(32.43)	(14.74)
Dividend Received	(3.77)	(2.07)	(0.57)	(0.00)	(0.00)
Net (gain) / loss on Foreign exchange	(16.63)	(2.36)	-	(2.38)	-
Net (gain) / loss on Sale of Investments					
Goods in transit	-	-	-	-	1.18
Amount received from LIC	-	-	-	(8.18)	-
Interest and Finance Charges	312.18	336.77	336.95	267.55	93.56
Operating Profit before working capital changes	349.74	54.92	46.19	290.40	172.29
Adjustment For:					
Decrease/(Increase) in Inventories	220.53	(4.08)	482.76	(280.37)	43.85
Decrease/(Increase) in Trade receivables	250.73	(605.35)	383.41	(55.75)	(1378.59)
Decrease/(Increase) in short term loans & Advances	(16.31)	256.61	(59.67)	(159.51)	(21.96)
Decrease/(Increase) in Long Term Loans and Advances	-	(32.44)	84.04	(8.45)	(13.20)
(Decrease)/Increase in Trade Payables	(853.75)	748.14	(1392.26)	(481.34)	1623.70
(Decrease)/Increase in Other Current Liabilities	128.92	26.19	102.63	1.36	(9.32)
(Decrease)/Increase in Short Term Provisions	39.07	15.13	(12.98)	8.62	(7.47)
(Decrease)/Increase in Other Non current Liabilities	2.27	3.80	3.75	1.26	(0.43)
Cash Generated from Operations	121.19	462.93	(362.13)	(683.79)	408.86
Taxes Paid	36.01	4.14	9.49	20.18	29.15
Net Cash From /(Used In) Operating Activities (A)	85.18	458.79	(371.62)	(703.97)	379.71
Cash Flow From Investing Activities					
(Purchase)/Sale Of Fixed Assets/ Capital Work In Progress	(0.35)	(8.47)	(152.36)	(47.52)	(1.23)
Decrease/(Increase) in Non Current investments	-	-	(20.46)	(17.05)	-
Purchase Of Investment					
Amount received from LIC	-	-	-	8.18	-
Net gain / loss on Sale of Investments					
Interest Received	68.32	313.80	350.66	32.43	14.74
Dividend Received	3.77	2.07	0.57	0.00	0.00
Net Cash From /(Used In) Investing	71.74	307.40	178.41	(23.97)	13.51



Particulars	For the period ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Activities (B)					
Cash Flow From Financing Activities					
Proceeds from Issue of Shares	250.00	-	-	-	40.00
Redemption of shares	(0.00)	-	-	-	-
Issue of bonus share	(250.00)				
Interest and Finance Charges	(312.18)	(336.77)	(336.95)	(267.55)	(93.56)
Dividend Paid					
(Decrease)/Increase in Short Term Borrowing	9.13	(54.19)	6.12	895.17	(282.97)
(Decrease)/Increase in Long Term Borrowing	131.55	(373.81)	523.58	18.78	(23.29)
Net gain / loss on Foreign Exchanges	16.63	2.36	-	2.38	-
Net Cash From Financing Activities (c)	(154.87)	(762.41)	192.76	648.78	(359.82)
Net Increase / (Decrease) in Cash (A)+(B)+(C)	2.05	3.78	(0.45)	(79.17)	33.41
Cash and Cash equivalents at the beginning of the year	104.52	100.74	101.19	180.36	146.95
Cash and Cash equivalents at the end of the year	106.58	104.52	100.74	101.19	180.36

- I. The Cash Flow statement has been prepared under Indirect method as per Accounting Standard-3 "Cash Flow Statements"
- II. Figures in Brackets represent outflows
- III. The above statement should be read with the Restated Statement of Assets and Liabilities, Statement of Profit and loss, Significant Accounting Policies and Notes to Accounts as appearing in Annexure I,II, IV(A) respectively.



Significant Accounting Policies and Notes to Accounts

ANNEXURE-IV(A)

(A) Corporate Information:

Our Company was incorporated on April 25, 2008 under the provisions of the Companies Act, 1956 as “Vaishali Pharma Private Limited” at Mumbai, Maharashtra. Our Company acquired the business of M/s. Vaishali Pharmachem which was the proprietorship concern of our Promoter Atul Vasani vide Business Assignment Agreement dated July 01, 2008. We started with trading and marketing of APIs and further in the year 2012, we ventured into marketing of pharmaceutical formulations, the manufacturing of which is outsourced by us to third parties. Our Company was converted into Public Company in the year 2017 and the name of our Company was changed to “Vaishali Pharma Limited”.

We are a pharmaceutical company, dealing in pharmaceutical formulations, APIs, surgical products, veterinary supplements. We are operating both in domestic and export markets. In domestic markets, we are majorly into trading of APIs whereas in export markets, we are into trading and marketing of APIs, formulations, surgical products and others. For our export markets, we get the formulations manufactured by third parties whose facilities are approved and certified by the respective countries for developing the respective products. At present, we have applied for 186 registrations in 13 countries for some of our products, out of which we have successfully received 71 approvals from 7 countries and are in process of obtaining remaining approvals, which will give boost to our export business operations.

(B) Basis of Preparation:

The Restated Summary Statements of Assets and Liabilities of the Company as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and the related Restated Summary Statements of Profits and Losses and Cash Flows Statement for the period / years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013, have been compiled by management from the financial statements of the company for the period ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013.

"The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets & Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized."

(C) Significant Accounting Policies :

(a) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on 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.



(b) Fixed Assets :

Fixed Assets are stated at their acquisition cost less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use where applicable together with any incidental expenses of acquisition/installation. Cost of acquisition includes borrowing costs that are directly attributable to the acquisition/construction of qualifying assets.

(c) Depreciation:

Depreciation on fixed assets is provided on written down value method (WDV) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life. w.e.f April 1st, 2014 depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013 except non charging of 100% depreciation on assets costing below Rs. 5000/-. The carrying amount as on April 1st, 2014 is depreciated over the balance useful life of asset.

Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on prorata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.

Depreciation on the Building has not been taken into consideration as per the company policy and the same has been treated as Loan Term Asset eligible for Indexation Benefit as per the Income Tax Act, whenever sold.

(d) Revenue Recognition:

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.

(D) Foreign Currency Transactions :

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated into Rupees at the exchange rate prevailing at the Balance Sheet Date. All exchange differences are dealt with in Profit and Loss Account.

(E) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises 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 Investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.



(F) Employee Benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services. The company has no obligations, other than the contribution payable to the provident fund.

(G) Taxation :

Tax expenses comprises of 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 or substantively enacted at the reporting date.

Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable income and accounting income. Deferred Tax Assets or Differed Tax Liability is measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

(H) Borrowing Cost :

Borrowing Cost includes interest and amortization of 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(I) Segment Reporting :

The company is primarily engaged in developing and manufacturing (on contract basis) Pharmaceutical Formulations, APIs, Surgical Products, Veterinary Supplements and marketing the same. Considering the nature of the Business and Financial Reporting of the Company, the company is operating in Two Geographical Segments, i.e. Domestic and Export Market. The company has not maintained separate data for the purpose of the Segmental Reporting and hence in absence of the data from the company we are unable to report on the same.

(J) Provisions and Contingent Liabilities :

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements. (Amount inLacs)

Particulars	March 31 st 2017	March 31 st 2016	March 31 st 2015	March 31 st 2014	March 31 st 2013
(a) Bills Discounted from Banks	-	-	-	-	-
(b) Bank Guarantee issued by bank	-	-	-	-	-
(c) Corporate Guarantee given by company	-	-	-	-	-
(d) Duty saved against Advanced Authorization/EPCG	-	-	-	-	-
(e) Claim against company not acknowledge as debt.	-	-	-	-	-
(1)In respect of Income tax	2.25	5.87	-	-	-
(2) In respect of Sales tax	31.76	31.76	31.76	31.76	31.76
(3) In respect of Service tax	-	-	-	-	-
(4) in respect of Capital account transaction	-	-	-	46.86	2.98

(K) Earnings 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.

RECONCILIATION OF RESTATED PROFIT

**ANNEXUREIV(B)
(Amount in Lakhs)**

Adjustments for	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Net profit/(loss) after tax as per audited statement of profit & loss	50.81	1.76	14.68	44.80	61.16
Adjustments for:					
Gratuity Provision	18.18	(4.06)	(3.85)	(1.31)	(1.76)
Preliminary Expenses (Refer Note 1)	-	-	-	-	0.08
Prior Period Adjustments (Refer Note 2)	0.02	0.44	(2.02)	(3.31)	0.24
Excess/ short term provision for tax (Refer Note 3)	(2.36)	0.28	0.69	1.06	(0.03)
Differed Tax Liability / Assets Adjustments (Refer Note 4)	(0.28)	(1.47)	6.65	(11.19)	0.29
Net profit/ (loss) after tax as restated	66.37	(3.03)	16.15	30.05	60.00



Explanatory Notes to the above restatements made in Audited Financial Statements of the Company for the respective years / period.

Adjustments having impact on Profit:

Note: 1

The Company has amortized preliminary and pre operative expenses in 5 consecutive year in the audited balance sheet while in the restated financial statements, the company has amortized total amount of preliminary and pre operative expenses in the financial year in which it has been incurred.

Note: 2

Amounts relating to the Prior Period have been adjusted in the Year to with the same related to.

Note: 3

The company has provided Excess or Short Provision in the year in which the income tax return has been filled. But in restated account, the company has provided Excess or Short Provision in the year to which it relates.

Note: 4

There is change in Deffered Tax Assets / Liabilities as per Audited Books of Accounts and as per Restated Books and the same has been given effect in the year to which the same relates.

To give Explanatory Notes regarding Adjustments

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the Company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009.

DETAILS OF SHARE CAPITAL AS RESTATED

**ANNEXURE-V
(Amount in Lakhs)**

1. Statement of Share Capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Authorised					
Equity shares of Rs. 10/- each	749.50	154.5	154.5	154.5	154.5
7% non cumulative redeemable preference share of RS. 1/- each	0.50	0.50	0.50	0.50	0.50
Issued , Subscribed and Fully paid up Capital	300.00	50.00	50.00	50.00	50.00



Terms/rights attached to equity shares :

1. During the Financial Year 2012-13 the Company has increased its Authorised Share Capital from Rs. 15.00 Lac to Rs. 55.00 Lacs by passing an Ordinary Resolution in the Extra Ordinary General Meeting on 26th December, 2012.
2. During the Financial Year 2012-13 the Company has issued and allotted 4,00,000 Equity Shares of Rs. 10 each on 31st December, 2012 at a Price of Rs. 10.00 per Equity Share.
3. During the Financial Year 2013-14 the Company has increased its Authorised Share Capital from Rs. 55.00 Lac to Rs. 155.00 Lacs by passing an Ordinary Resolution in the Extra Ordinary General Meeting on 30th July, 2013.
4. During the Financial Year 2016-17 the Company has redeemed its 11 preference shares of 7% Non Cumulative Redeemable Preference Shares Rs. 1 each by passing a Board Resolution in the Board Meeting held on March 30, 2017.
5. During the Financial Year 2016-17 the Company has increased its Authorised Share Capital from Rs. 155.00 Lac to Rs. 750.00 Lacs by passing an Ordinary Resolution in the Extra Ordinary General Meeting on 06/03/2017.
6. During the Financial Year 2016-17, the Company has issued Bonus Shares of Rs. 25,000,000 in the Ratio of 5:1 by passing an Ordinary Resolution in the Extra Ordinary General Meeting of member on 06/03/2017.

Terms/rights attached to equity shares :

1. The company was having only one class of Equity Shares with par value of Rs. 10.00 per share. Each holder of Equity shares was entitled to one Vote per share.
2. In the Liquidation of the company, the holders of Equity Shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

2. Reconciliation of Shares outstanding at the beginning and at the end of the Period

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Equity Shares					
At the beginning of the period	500000	50000 0	50000 0	50000 0	10000 0
Issued during the year	2500000	-	-	-	40000 0
Redeemed or bought back during the period					
Outstanding at the end of the Period	3000000	50000 0	50000 0	50000 0	50000 0
7% Non Cumulative Redeemable Preference Share					
At the beginning of the period	-	11	11	11	11
Issued during the year	-	-	-	-	-
Redeemed or bought back during the period	-	11	-	-	-
Outstanding at the end of the Period	-	-	11	11	11



3. For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	-	-	-	-	-
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	2500000	-	-	-	-
Aggregate number and class of shares bought back.	-	-	-	-	-

**4a. Details of Shareholders holding more than 5% shares in the company
(In terms of No. of Shares Holding)**

Particulars	AS at March 31, 2017	AS at March 31, 2016	AS at March 31, 2015	AS at March 31, 2014	AS at March 31, 2013
7% Non Cumulative Redeemable Preference Share					
Name of Shareholders	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Mr. Dilip Parekh	-	1	1	1	1
Ms Kumudi Upadhyay	-	1	1	1	1
Mr. Vishal Dilip Parekh	-	1	1	1	1
Mr. Mukund Machhar	-	1	1	1	1
Harshad Sheth (HUF)	-	1	1	1	1
Mr. Manaharlal Ajmera	-	1	1	1	1
H G Mirani (HUF)	-	1	1	1	1
Mr. Atul Vasani	-	2	2	2	2
Jayesh M Ajmera Family Trust	-	1	1	1	1
Rajesh M Ajmera Family Trust	-	1	1	1	1
Total	-	11	11	11	11
Equity Shares					
Name of Shareholders	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Atul Vasani	2700000	450000	450000	450000	450000
Jagruti Vasani	299995	50000	50000	50000	50000
Total	2999995	500000	500000	500000	500000



4b. Details of Shareholders holding more than 5% shares in the company (In terms of % Holding)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Name of Shareholders	% holding	% holding	% holding	% holding	% holding
Atul Vasani	90.00%	90.00%	90.00%	90.00%	90.00%
Jagruti Vasani	9.99%	10.00%	10.00%	10.00%	10.00%
Total	99.99%	100.00%	100.00%	100.00%	100.00%

DETAILS OF RESERVES AND SURPLUS AS RESTATED

ANNEXURE-VI

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
A. Security premium account					
Opening Balance	-	-	-	-	-
Add: Securities premium accounts credited on account of share issue					
Less : Deletion for issue of Bonus Shares					
Closing Balance	-	-	-	-	-
B. Profit loss account					
Opening Balance	270.48	273.50	257.36	227.31	167.30
Add: Net Profit/(Loss) for the year	66.37	(3.03)	16.15	30.05	60.00
Add: Transfer from Reserves	-	-	-	-	-
Less: Proposed Dividend	-	-	-	-	-
Less: Interim Dividend	-	-	-	-	-
Less: Transfer to Reserves	-	-	-	-	-
Less: Issue of bonus shares	250.00	-	-	-	-
Less: Other Adjustment	-	-	-	-	-
Closing Balance	86.85	270.47	273.50	257.36	227.30
C. Capital Redemption reserve					
Opening Balance					
Add: Transfer from P & L Statement					
Closing Balance					
D.General Reserve					
Opening Balance					
Add: Transfer from P & L Statement					
Closing Balance					
Total(A+B+C+D)	86.85	270.48	273.50	257.36	227.31



Notes:

1. The figures disclosed above are based on the Unconsolidated restated summary statement of assets and liabilities of the Company
2. The above statement should be read with the notes to Unconsolidated restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure I,II and III.
3. Pursuant to the Enactment of the Companies Act, 2013, the Company has applied the estimated useful lives as specified in the Schedule II. The Written Down Value of the Fixed Assets whose lives have expired as at 01st April, 2015 has been adjusted, in the Opening balance of Profit and Loss Account.

DETAILS OF LONG TERM BORROWINGS AS RESTATED

**ANNEXUREVII
(Amount in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
A1. From Banks (Secured)					
Janata Sahkari Bank Ltd., Pune Wctl	186.51				
A2. From Banks (Unsecured)					
Hdfc Bank Ltd		14.37	27.76		
ICICI Bank Unsecured Loan		12.97	26.59		
Kotak Mahendra Bank Ltd		16.51	33.24		
B. From Other Parties (Unsecured)					
Relience Capital Fund				48.86	35.31
L & T Housing Finance Ltd -1	40.92	44.68	47.86		
L & T Housing Finance Ltd-2	52.73				
	280.16	88.53	135.45	48.86	35.31
B1. From Promoter Group					
Loan From Promoters					
Jagruti Vasani	8.97	23.02	23.58	12.48	-
Atul Vasani	228.38	279.15	351.87	56.92	61.40
Aneree Vasani		-	1.96	-	-
Dewansh A Vasani	-	-	2.87	-	-
Priyanka Atul Vasani	-	-	1.00	-	-
B2. From Financial Institutions					
- Non Banking Finance Companies					
Bajaj Finserv Limited	-	11.78	23.68	-	-
Bajaj Finserv Limited [1]	1.67	7.28	-	-	-
Edelweiss Retail Finance Ltd	-	11.89	21.77	-	-
Fullerton India Credit Co Ltd.	-	-	15.06	-	-
Religare Finvest Ltd-1	-	-	17.71	-	-
Religare Finvest Ltd-2	21.06	-	-	-	-
Capital First Ltd	12.94	-	-	-	-
Tata Capital Finance Service Ltd	-	-	17.65	-	-
B3. From Others					
Inter Corporate Deposits					
International Financial Services Limited	26.18	26.18	26.18	26.18	26.18
- Others Parties					
Arvind Vasani	-	-	-	-	4.00
Dami Investment Pvt.Ltd.	-	-	-	8.96	8.96
Dilipkumar Chandulal Parikh(Huf)	-	-	47.00	47.69	72.97



Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Harshad M.Sheth(Huf)	-	-	28.75	39.02	49.16
Haryali Vishal Parikh	-	-	14.00	14.19	9.12
Hemlata Investment Pvt.Ltd.	-	-	-	7.00	-
International Financial Services Limited	-	-	-	-	-
Jignesh N.Jobalia	-	-	-	1.30	-
Jitu Maheta	-	-	5.00	-	-
Jitesh Mehta Huf	-	-	4.44	3.00	-
Mayur Parikh	-	-	3.78	-	-
Nina D Parikh	-	-	10.00	10.14	-
Vishal Dilip Parikh	-	-	52.00	22.28	12.16
Vishal Dilip Parikh- Huf	-	-	10.00	-	-
Rekha Parikh	-	-	2.00	-	-
Vinod G Parikh	-	-	2.89	-	-
Varsha H Maheta	-	-	3.00	-	-
Total(B)	299.20	359.28	686.17	249.17	243.95
Total A+B	579.36	447.81	821.62	298.03	279.26



ANNEXURE VIII

NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS INCLUDING CURRENT MATURITIES

Sr. No.	Lender	Nature of facility	Amount outstanding as at March 31, 2017	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
1	Janta Shahkari Bank Ltd	Working Capital Term Loan Of Rs. 225.00 Lakhs	Rs.223.00 Lacs	13.50%	Repayable in 60 Monthly Installment OF Rs.5,25,000/- Each	(i) Mortgage Of Residential House Situated at 508, 5th Floor , B Wing, Silver Plaza C.H.A. Ltd ,Mira Road , Thane -401 107 (ii) Mortgage Of Commercial Property Situated At Shop No. 8 , Ground Floor, Nildhara C.H.S Ltd,Borivali (W) , Mumbai 400 103 (iii) Mortgage Of Commercial Property Situated At Shop No. 9 , Ground Floor, Nildhara C.H.S Ltd,Borivali (W) , Mumbai 400 103 (iv) Mortgage Of Commercial Property Situated At Shop No. 4 , Ground Floor, Nildhara C.H.S Ltd,Borivali (W) , Mumbai 400 103 (v)Mortgage Of Residential Property Situated At 128 , 11th floor , Ganjawala C.H.S Ltd , Ganjawala Lane , Borivali(W) ,Mumbai 400103 (VI) Mortgage Of Fixed Deposit In Name Of Company



Sr. No.	Lender	Nature of facility	Amount outstanding as at March 31, 2017	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
2	L & T Housing Finance Ltd	Loan Against Property Of Rs. 174.50/- Lacs	Rs. 44.55 Lacs	Floating Rate Interest (BPLR-5.50% Margin)	Repayable In 120 Monthly Instalments Out Of Which 119 Instalments are OF Rs.2,52,886 /- Each & Last Installment Is OF Rs.2,52,691/-	Mortgage Of Combined Office No 706 To 709 7th Floor Aravali Business Centre , R C Patel Road, Borivali (W) , Andheri (e) Mumbai-400091 Maharashtra , India
	L & T Housing Finance Ltd	Loan Against Property Of Rs. 64/- Lacs	Rs.64.00 Lacs	Floating Rate Interest (BPLR-5.85% Margin)	Repayable In 120 Monthly Instalments OF Rs. 89,982 /- Each	



(Amount in Lakhs)

Particulars	Jagruti A. Vasani		
	AS AT		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	NIL	NIL	NIL
Opening Balance Cr/(Dr)	23.02	23.58	12.48
Amount Received / Credited	0.50	13.25	12.38
Interest on Loan	-	-	-
Amount Repaid / Adjusted	14.55	13.81	1.28
Outstanding Amount	8.97	23.02	23.58
Terms of Repayment: Repayable On demand			

(Amount in Lakhs)

Particulars	Atul Vasani		
	As At		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	NIL	NIL	NIL
Opening Balance Cr/(Dr)	279.15	351.87	56.92
Amount Received / Credited	175.50	221.79	423.78
Interest on Loan	-	-	-
Amount Repaid / Adjusted	226.27	294.51	128.83
Outstanding Amount	228.38	279.15	351.87
Terms of Repayment: Repayable On demand			



(Amount in Lakhs)

Bajaj Finance			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	19.00%	19.00%	19.00%
Opening Balance Cr/(Dr)	23.68	33.53	-
Amount Received / Credited		-	35.00
Interest on Loan	3.50	5.54	1.10
Amount Repaid / Adjusted	15.40	15.40	2.57
Outstanding Amount	11.78	23.68	33.53
Terms of Repayment: Repayable In 36 Monthly Instalments OF Rs. 1,28,297/- Each			

(Amount in Lakhs)

Bajaj Finance-2			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	18.01%	18.01	Nil
Opening Balance Cr/(Dr)	14.60	-	-
Amount Received / Credited	-	14.60	-
Interest on Loan	1.87	-	-
Amount Repaid / Adjusted	9.20	-	-
Outstanding Amount	7.27	14.60	-
Terms of Repayment: Repayable In 36 Monthly Instalments Out of which first 12 Instalments are of Rs. 83,648/- each, Next 12 instalments are of Rs. 50,916/-Each & Remaining instalments are of Rs. 10,911/- Each			



(Amount in
Lakhs)

Capital First			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	22.00%	NIL	NIL
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	25.25	-	-
Interest on Loan	0.46	-	-
Amount Repaid / Adjusted	1.31	-	-
Outstanding Amount	24.40	-	-
Terms of Repayment: Repayable In 24 Monthly Instalments Of Rs.1,30,993/- Each			

(Amount in Lakhs)

Religare Finvest LTD			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	19.30%	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	38.46	-	-
Interest on Loan	-	-	-
Amount Repaid / Adjusted	-	-	-
Outstanding Amount	38.46	-	-
Terms of Repayment: Repayable In 24 Monthly Instalments Of Rs.1,94,409/- Each			



(Amount in Lakhs)

HDFC Bank			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	16.50%	16.50%	16.50%
Opening Balance Cr/(Dr)	27.76	39.13	-
Amount Received / Credited	-	-	40.00
Interest on Loan	3.60	5.62	0.55
Amount Repaid / Adjusted	16.99	16.99	1.42
Outstanding Amount	14.37	27.76	39.13
Terms of Repayment: Repayable In 36 Monthly Instalments Of Rs.1,41,618/- Each			

(Amount in Lakhs)

ICICI Bank			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	17.00%	17.00%	17.00%
Opening Balance Cr/(Dr)	26.59	38.10	-
Amount Received / Credited	-	-	40.00
Interest on Loan	3.49	5.61	0.95
Amount Repaid / Adjusted	17.11	17.11	2.85
Outstanding Amount	12.97	26.59	38.10
Terms of Repayment: Repayable In 36 monthly Instalments Out OF Which First 35 Instalments are Of Rs. 142,611/- Each & Last Instalments Is Of Rs. 114793/-			



(Amount in Lakhs)

Kotak Mahindra Bank			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	18.70%	18.70%	18.70%
Opening Balance Cr/(Dr)	33.24	47.13	-
Amount Received / Credited	-	-	49.50
Interest on Loan	4.83	7.66	1.22
Amount Repaid / Adjusted	21.55	21.55	3.59
Outstanding Amount	16.51	33.24	47.13

Terms of Repayment: Repayable In 36 Monthly Instalments Of Rs.1,79,576/- Each

(Amount in Lakhs)

Neogrowth Credit Ltd			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	18.25%	Nil	Nil
Opening Balance Cr/(Dr)	-	-	-
Amount Received / Credited	25.00	-	-
Interest on Loan	1.33	-	-
Amount Repaid / Adjusted	5.37	-	-
Outstanding Amount	20.96	-	-

Terms of Repayment: Rs.67084/- On Weekly Basis On 4th, 11th , 18th, & 25th Of Every Month Up To 300 Day



(Amount in Lakhs)

Edelweiss			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	18.50%	18.50%	18.50%
Opening Balance Cr/(Dr)	21.77	30.00	-
Amount Received / Credited	-	-	30.00
Interest on Loan	3.22	4.88	0.23
Amount Repaid / Adjusted	13.11	13.11	0.23
Outstanding Amount	11.88	21.77	30.00
Terms of Repayment: Repayable In 37 Monthly Instalments Out Of Which 1st Installment Is Of Rs.23,125/			
Next 35 Instalments Are OF Rs.109,212/- Each & Last Installment Is Of Rs.109,187/-			

(Amount in Lakhs)

International Financial Services td			
Particulars	As at		
	31st March, 2017	31st March, 2016	31st March, 2015
Rate of Interest	20.00%	20.00%	20.00%
Opening Balance Cr/(Dr)	26.18	26.18	-
Amount Received / Credited	-	-	26.18
Interest on Loan	5.25	5.25	5.25
Amount Repaid / Adjusted	5.25	5.25	5.25
Outstanding Amount	26.18	26.18	26.18
Terms of Repayment: Repayable On Demand			



DETAILS OF DEFERRED TAX LIABILITIES (NET) AS RESTATED ANNEXURE IX
(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Total Timing Difference	(6.46)	(3.36)	1.40	45.27	(9.68)
Tax Rate as per Income Tax	33.06	30.90	30.90	30.90	30.90
(DTA) / DTL	(2.14)	(1.03)	0.43	10.90	(0.29)
Net deferred tax liability	(2.14)	(1.03)	0.43	10.90	(0.29)

Deffered Tax Assets & Liabilities Summary

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Opening Balance of (DTA) / DTL	(1.04)	0.43	10.90	(0.29)	-
Add: Provision for the Year	(1.10)	(1.47)	(10.46)	11.19	(0.29)
Closing Balance of (DTA) / DTL	(2.14)	(1.04)	0.43	10.90	(0.29)

DETAILS OF SHORT TERM BORROWINGS AS RESTATED ANNEXURE X
(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
A.Repayable On Demand					
From Bank					
Standard Chartered Bank L/c Account	-	-	-	-	296.02
Standard Chartered Bank L/c Account	-	-	-	-	385.41
JANATA SAHAKARI BANK LTD,PUNE 11158	1537.67	1528.53	1582.73	1576.61	-
Total (A)	1537.67	1528.54	1582.73	1576.61	681.44
B. Loans and advances from related parties	-	-	-	-	-
Total (B)	-	-	-	-	-
Total A+B	1537.67	1528.54	1582.73	1576.61	681.44



NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWINGS

ANNEXURE XI

Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at March 31, 2017	Rate of interest (%)	Repayment Terms	Security / Principal terms and conditions
1	JANATA SAHAKARI BANK LTD	Cash Credit	1500	1537.67	13.50%	Repayable on demand	<p>Primary</p> <p>1) Hypothecation of Stock & Book Debts</p> <p>Collateral</p> <p>1) EM of Property situated at Flat No. 508, B Wing, Silver Plaza CHS Ltd., Village Navghar, Mira Road (e), Thane - 401107 in the name of Shri Atul Vasani</p> <p>2) EM of Shop No. 8, Nildhara CHS Ltd, Devidas Lane of SVP Road, Borivali (W), Mumbai - 400103 in the name of Arvind Khimchand Vasani</p> <p>3)EM of Shop No. 9, Nildhara CHS Ltd, Devidas Lane of SVP Road, Borivali (W), Mumbai-400103 in the name of Smt. Manujulaben Arvind Vasani.</p> <p>4)EM of Shop No.4, Nildhara CHS Ltd, Devidas Lane of SVP Road, Boriwali (W), Mumbai 400103 in the name of Shri Atul Vasani.</p> <p>5)EM of Flat No. 128, Ganjwala CHS Ltd, Ganjwala Lane, Boriwali (W) in the name of Shri</p>



Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at March 31, 2017	Rate of interest (%)	Repayment Terms	Security / Principal terms and conditions
							Atul Vasani 6) Fixed Deposit of Vaishali Pharma Pvt. Ltd having no. 2114/149774/1


DETAILS OF TRADE PAYABLES AS RESTATED
**ANNEXURE XII
(Amount in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Sundry Creditors for Goods	1538.09	2404.45	1618.23	3073.03	3538.00
Sundry Creditors for Expenses	73.40	52.68	23.38	25.18	50.16
Sundry Creditors for Capital Goods/Fixed Assets	0.36	8.47	75.85	11.51	2.90
Total	1611.85	2465.60	1717.46	3109.72	3591.06

Notes

- Outstanding against Purchase / Acquisition of Capital Goods / Assets have been shown under "Sundry Creditors for Capital Goods / Fixed Assets"
- Trade Payables as on March 31, 2017 has been taken as certified by the management of the company

DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED
**ANNEXURE XIII
(Amount in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Current Maturities of Term Liabilities					
Reliance Capital Ltd	-	-	-	1.31	-
L & T Housing Finance-2	11.27	-	-	-	-
L & T Housing Finance-1	3.62	3.16	2.87	-	-
Bajaj Finance	11.78	11.90	9.85	-	-
Bajaj Finance-2	5.60	7.32	-	-	-
Edelweiss Retail Financial Ltd	11.88	9.89	8.23	-	-
Fullerton India Credit Co Ltd.	-	15.06	13.86	-	-
Hdfc Bank Ltd	14.37	13.40	11.37	-	-
Icici Bank Unsecured Loan	12.97	13.62	11.51	-	-
Janata Sahkari Bank Ltd., Pune – Wctl	36.49	-	-	-	-
Kotak Mahindra Bank Ltd.	16.51	16.72	13.89	-	-
Religare Finvest Ltd	17.39	17.71	16.08	-	-
Capital First Ltd	11.46	-	-	-	-
Neogrowth Credit Pvt Ltd	20.96	-	-	-	-
Tata Capital Finance Service Ltd	-	17.65	16.17	-	-
Gratuity Provision Current Cost	1.33	0.64	0.39	0.28	0.23
Other Payables					
Employee Benefits	1.65	-	-	-	-
Advances From Customers	76.73	3.35	-	-	-
Other Current Liabilities	5.30	-	-	-	-
Total	259.33	130.41	104.22	1.59	0.23



Notes:

-Advances Received from Customers have been taken as certified by the management of the company and no security has been offered by the company against the same.

DETAILS OF SHORT TERM PROVISIONS AS RESTATED

**ANNEXURE XIV
(Amount in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Provision For Indirect Tax	20.60	16.67	4.31	0.09	1.85
Provision for Taxation	21.90	0.00	0.00	0.00	0.00
Provision for Dividend	-	-	0.00	0.00	0.00
Provision For Others	27.49	14.26	11.48	28.68	18.30
Total	69.99	30.93	15.79	28.77	20.15

Notes:

- Provision for Direct Tax have been adjusted against the Advance Tax and TDS Receivables, if any
- Provision for Audit Fees for the Period ended on March 31, 2017 have not been made



DETAILS OF FIXED ASSETS AS RESTATED

**ANNEXURE XV
(Amount in Lakhs)**

Particulars	Building	Land	Capital WIP	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Computer	Intangible	Total
Gross Block :									
As at April 1, 2012	7.49	-	-	6.58	0.36	23.78	7.27		45.48
Additions / (Deletion)	-	-	-	0.79	-	(5.20)	1.53	-	(2.88)
As at March 31, 2013	7.49	-	-	7.36	0.36	18.59	8.79	-	42.60
As at April 1, 2013	7.49	-	-	7.36	0.36	18.59	8.79	-	42.60
Additions / (Deletion)	-	-	36.09	1.03	0.25	7.67	1.45	0.68	47.18
As at March 31, 2014	7.49	-	36.09	8.40	0.61	26.26	10.24	0.68	89.78
As at April 1, 2014	7.49	-	36.09	8.40	0.61	26.26	10.24	0.68	89.78
Additions / (Deletion)	76.51	-	(36.09)	11.22	81.33	-	19.40	-	152.36
As at March 31, 2015	84.00	-	-	19.61	81.94	26.26	29.64	0.68	242.14
As at April 1, 2015	84.00	-	-	19.61	81.94	26.26	29.64	0.68	242.14
Additions / (Deletion)	-	-	-	3.46	0.91	-	1.01	3.09	8.47
As at March 31, 2016	84.00	-	-	23.07	82.85	26.26	30.65	3.77	250.61
As at April 1, 2016	84.00	-	-	23.07	82.85	26.26	30.65	3.77	250.61
Additions / (Deletion)	-	-	-	-	0.05	-	0.30	-	0.35
As at March 31, 2017	84.00	-	-	23.07	82.90	26.26	30.95	3.77	250.96
Accumulated									



Particulars	Building	Land	Capital WIP	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Computer	Intangible	Total
Depreciation :									
As at April 1, 2012	3.70	-	-	2.68	0.16	12.04	6.97	-	25.55
Charge for the year	0.38	-	-	0.67	0.02	1.60	0.76	-	3.43
Additions / (Deletion)	-	-	-	-	-	(4.11)	-	-	(4.11)
As at March 31, 2013	4.08	-	-	3.35	0.18	9.52	7.74	-	24.87
As at April 1, 2013	4.08	-	-	3.35	0.18	9.52	7.74	-	24.87
Charge for the year	0.34	-	-	0.74	0.04	1.95	1.13	0.20	4.41
Additions / (Deletion)	-	-	-	-	-	(0.34)	-	-	(0.34)
As at March 31, 2014	4.42	-	-	4.09	0.22	11.14	8.86	0.20	28.94
As at April 1, 2014	4.42	-	-	4.09	0.22	11.14	8.86	0.20	28.94
Charge for the year	3.39	-	-	7.09	16.88	6.49	11.16	0.30	45.30
As at March 31, 2015	7.81	-	-	11.19	17.10	17.62	20.02	0.50	74.25
As at April 1, 2015	7.81	-	-	11.19	17.10	17.62	20.02	0.50	74.25
Charge for the year	3.68	-	-	5.03	17.05	3.47	6.67	0.83	36.74
Adjustments in Depreciation under the Companies Act ' 2013	-	-	-	-	-	-	-	-	-
As at March 31, 2016	11.50	-	-	16.21	34.15	21.10	26.70	1.33	110.98
As at April 1, 2016	11.50	-	-	16.21	34.15	21.10	26.70	1.33	110.98



Particulars	Building	Land	Capital WIP	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Computer	Intangible	Total
Charge for the period	3.51	-	-	3.15	12.65	1.95	2.61	1.12	24.99
Additions / (Deletion)	-	-	-	-	-	-	-	-	-
As at March 31, 2017	15.00	-	-	19.37	46.79	23.05	29.31	2.46	135.98
Net Block :	-	-	-	-	-	-	-	-	-
As at March 31, 2013	3.41	-	-	4.01	0.18	9.06	1.05	-	17.72
As at March 31, 2014	3.07	-	36.09	4.30	0.39	15.12	1.38	0.48	60.84
As at March 31, 2015	76.19	-	-	8.42	64.84	8.64	9.62	0.18	167.89
As at March 31, 2016	72.50	-	-	6.86	48.70	5.16	3.96	2.44	139.63
As at March 31, 2017	69.00	-	-	3.71	36.11	3.21	1.65	1.31	114.98



**DETAILS OF NON-CURRENT INVESTMENTS AS RESTATED
ANNEXURE XVI**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
(a) Investment in Equity instruments					
'-Janata Sahakari Bank Ltd., Pune	37.50	37.50	37.50	17.05	-
The City Co-op Bank Ltd., Mumbai	0.01	0.01	0.01	0.01	0.01
The Shamrao Vithal Co-Operative Bank Limited	0.01	0.01	0.01	-	-
Total	37.52	37.52	37.52	17.06	0.01
(b) Investments in preference shares	-	-	-	-	-
(c) Investments in Government or Trust securities	-	-	-	-	-
(d) Investments in Debentures or Bonds	-	-	-	-	-
(e) Investments in Mutual Funds	-	-	-	-	-
(f) Investments in partnership firms*	-	-	-	-	-
(g) Other non-current investments	-	-	-	-	-
Aggregate Amount of Unquoted Investments	37.52	37.52	37.52	17.06	0.01
Aggregate Cost of Quoted Investments	-	-	-	-	-
Aggregate Market Value of Quoted Investments	-	-	-	-	-



DETAILS OF LONG TERM LOANS & ADVANCES AS RESTATED ANNEXURE XVII
(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Unsecured & Considered Good					
Capital Advances					
Security Deposits					
AARTI DRUGS Ltd.INDUSTIRES	4.00	4.00	4.00	4.00	4.00
LILABEN K. KHANDELWAL	-	-	-	2.00	2.00
RELIANCE ENERGY	0.42	0.42	0.06	0.04	0.04
RELIANCE FOR MOBILE	-	-	-	0.03	0.03
SAINI HOTELS PVT.LTD.	-	-	-	0.14	0.14
SYNERGY UNITED PHARMACHEM PVT LTD	-	-	-	7.63	7.63
TATA POWER	0.06	0.06	0.06	0.06	0.06
VICHARE COURIER	0.01	0.01	0.01	0.01	0.01
M.T.N.L.	0.21	0.21	0.21	0.21	0.21
ALPS PHARMACEUTICALS PVT LTD	32.18	32.18	-	-	-
STORE-N-SHIFT	1.10	1.10	1.10	1.10	1.10
First flight Couriers Ltd	-	-	0.10	-	-
Deposit for Godown-Jaipur	-	-	-	-	-
Deposit for Shop- Jaipur	-	-	-	-	-
Deposit for CST	-	-	-	-	-
Loans & Advances To Related Parties	-	-	-	-	-
Loans & Advances To Other Parties	-	-	-	74.37	65.92
Total	37.98	37.98	5.54	89.58	81.13


DETAILS OF INVENTORIES AS RESTATED
**ANNEXURE XIII
(Amount in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
a. Raw Materials and components (Valued at Cost or NRV unless otherwise stated)	-	-	-	-	-
Goods-in transit	-	-	-	-	-
	-	-	-	-	-
b. Work-in-progress (Valued at Cost or NRV unless otherwise stated)	-	-	-	-	-
Goods-in transit	-	-	-	-	-
	-	-	-	-	-
c. Stock in trade (Valued at Cost or NRV unless otherwise stated)	112.68	333.32	320.48	814.69	534.31
Goods-in transit	-	-	-	-	-
	112.68	333.32	320.48	814.69	534.31
d. Stores & Spares (Valued at Cost or NRV unless otherwise stated)	2.79	2.68	11.45	-	-
Goods-in transit	-	-	-	-	-
	2.79	2.68	11.45	-	-
Total	115.47	336.00	331.93	814.69	534.31

Notes: Value of Inventories as on 31st March, 2017 has been taken as certified by the management of the company

DETAILS OF TRADE RECEIVABLES AS RESTATED
**ANNEXURE XIX
(Amount in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
<u>Unsecured & Considered Good</u>					
<u>a. From Director / Promoters / Promoter Group / Associates / Relatives of Directors / Group Companies</u>					
Over Six Months	-	-	-	-	-
Less than Six Months	-	-	-	-	-
<u>b. From Others</u>					
Over Six Months	2529.56	1870.08	459.67	418.05	250.92
Less than Six Months	1261.36	2171.57	2976.63	3401.65	3513.03
Total	3790.92	4041.64	3436.29	3819.70	3763.95



Notes:

- Trade Receivables as on 31st March, 2017 has been taken as certified by the management of the company
- As per the view of the management of the company there is no doubtful debt and hence provision for doubtful debts have not been made

DETAILS OF CASH AND CASH EQUIVALENTS AS RESTATED

**ANNEXURE XX
(Amount in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Balances with banks	4.88	13.92	6.37	25.23	64.83
Cash on hand	13.31	9.15	19.52	7.95	37.53
Other Cash Equivalents					
Balances with banks in fixed deposit to the extent held as security against borrowings	88.39	81.45	74.85	68.01	78.00
Total	106.58	104.52	100.74	101.19	180.36

DETAILS OF SHORT TERM LOANS & ADVANCES AS RESTATED

**ANNEXURE XXI
(Amount in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
A. Loans And Advances Given To Related Parties					
Secured, Considered Good	16.06	10.74	6.41	5.93	-
Unsecured, Considered Good					
Doubtful	-	-	-	-	-
Less: Provision For Doubtful Loans And Advances	-	-	-	-	-
	16.06	10.74	6.41	5.93	-
B Inter Corporate Deposits	-	-	-	-	-
C. Balances With Government Authorities					
(I)Tax Pending Adjustment					
-Service Tax Paid	-	-	-	2.58	4.64
-TDS /Adv. Tax	5.99	14.66	8.43	9.13	2.14
-VAT Receivable	139.90	130.81	283.00	308.41	229.89
	145.90	145.48	291.44	320.12	236.69
D. Others (Specify Nature)					
- Prepaid Expenses	19.10	22.38	21.27	5.69	3.51
- Advance To Suppliers	73.57	60.35	173.97	104.09	25.62



Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
- Loan Advance To Staff	4.66	4.02	6.50	4.08	14.59
	97.33	86.75	201.74	113.86	43.72
Total A+B+C+D	259.28	242.97	499.58	439.91	280.39

Notes:

- Advances Given to Suppliers has been taken as certified by the management of the company.
- No Securities have been taken by the company against the advances given to the suppliers
- Advance Tax and TDS Receivables have been adjusted against the Provision for Direct Tax

DETAILS OF REVENUE FROM OPERATIONS AS RESTATED

ANNEXURE XXII

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Sale of products					
Export Sales	1794.14	889.62	91.83	191.81	47.74
Local Sales	4597.50	5696.43	9309.39	11823.07	11808.80
Revenue from sale of products	6391.64	6586.05	9401.22	12014.88	11856.54
Commission Income	145.04	49.41	52.67	47.35	24.46
	6536.68	6635.46	9453.89	12062.22	11881.00
Other operating revenues					
Rate Difference	-	0.45	-	-	-
Revenue From Sale Of Licence	48.26	-	-	-	-
Quality Compliance Failure	-	-	-	8.60	-
Duty Draw Back	20.54	34.81	2.17	-	-
	68.80	35.26	2.17	8.60	-
Gross revenue from operations	6605.48	6670.72	9456.06	12070.82	11881.00
Less: Adjustments	-	-	-	-	-
Revenue from operations	6605.48	6670.72	9456.06	12070.82	11881.00



DETAILS OF OTHER INCOME AS RESTATED

**ANNEXURE XXIII
(Amount in Lakhs)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	Nature of Income
Interest Income	68.32	313.80	350.65	32.43	14.74	Recurring & Not Related to Business Activity
Foreign Exchange & Currency Trading Income	16.63	2.36	-	2.37	-	Recurring & Related to Business Activities
Dividend Income	3.77	2.07	0.57	0.00	0.00	Recurring & Not Related to Business Activity
<u>Other non-operating income</u>						
Sundry Balances Written Back	15.67	0.06	75.09	43.08	13.11	Non Recurring & Not Related to Business Activities
Amount Received From LIC	-	-	-	8.17	-	Non Recurring & Not Related to Business Activities
Misc. Income	1.35	0.12	-	0.01	1.00	Non Recurring & Not Related to Business Activities
Total	105.74	318.41	426.31	86.07	28.85	



DETAILS OF RELATED PARTIES TRANSACTIONS AS RESTATED

ANNEXURE XXIV

Name of the Party	Nature Of Relation	Nature of Transaction	Amount Outstanding as on 31.03.2012 (payable)/ Receivable	Amount of Transaction in Credited in 2012-13	Amount of Transaction in Credited in 2012-13	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on 31.03.13 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on 31.03.17 (Payable)/ Receivable
Aneree Ajay Vasani	BRO THE R'S DAUGHTER	Gross Salary	0.45	0.45	-	3.00	3.00	-	3.03	3.03	-	3.00	3.00	-	1.25	1.25	-
Aneree Ajay Vasani		Loan	-	-	-	0.90	(0.90)	0.00	0.38	(2.34)	(1.96)	2.65	(0.69)	0.00	0.00	0.00	0.00
Atul Vasani	SEL F	Remuneration-Gross including TDS	18.00	18.00	0.00	54.00	54.00	0.00	36.00	36.00	0.00	12.00	12.00	0.00	54.00	54.00	0.00
Atul Vasani	SEL F	Unsecured Loan	64.50	(20.00)	(61.40)	26.62	(22.14)	(56.92)	128.83	(423.78)	(351.87)	294.51	(221.79)	(279.15)	226.27	(175.50)	(228.38)



Name of the Party	Nature Of Relation	Nature of Transaction	Amount Outstanding as on 31.03.2012 (payable)/ Receivable	Amount of Transaction Debited in 2012-13	Amount of Transaction Credited in 2012-13	Amount Outstanding as on 31.03.13(Payable)/ Receivable	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on 31.03.17(Payable)/ Receivable
Dewansh Vasani	BROTHERSON	Gross Salary	0.00	0.00	0.00	0.24	0.24	0.00	0.83	0.83	0.00	1.86	1.86	0.00	2.06	2.06	0.00	
Dewansh Vasani	BROTHERSON	Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.38	(3.25)	(2.87)	2.87	0.00	0.00	0.07	(0.07)	0.00	
Jagruti Vasani	SELF	Remuneration-Gross including TDS	12.00	12.00	0.00	36.00	36.00	0.00	26.00	26.00	0.00	12.00	12.00	0.00	12.00	12.00	0.00	
Jagruti Vasani	SELF	Unsecured Loan	0.24	0.24	0.00	4.03	16.50	(12.48)	1.28	12.38	(23.58)	13.81	13.25	(23.02)	14.55	0.50	(8.97)	
Kevin Vasani	SON	Gross Salary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	3.00	0.00	



Name of the Party	Nature Of Relation	Nature of Transaction	Amount Outstanding as on 31.03.2012 (payable)/ Receivable	Amount of Transaction Debited in 2012-13	Amount of Transaction Credited in 2012-13	Amount Outstanding as on 31.03.13(Payable)/ Receivable	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on 31.03.17(Payable)/ Receivable
Priyanka Vasani	DA UG HTE R	Gross Salary		3.00	3.00	0.00	9.00	9.00	0.00	9.00	9.00	0.00	9.00	9.00	0.00	9.00	9.00	0.00
Priyanka Vasani		Loan	17.00	0.00	17.00	0.00	1.00	1.00	0.00	0.00	1.00	(1.00)	1.00	0.00	0.00	0.00	0.00	0.00
Vaishali Vasani	SISTER	Gross Salary		5.04	5.04	0.00	5.16	5.16	0.00	5.18	5.18	0.00	5.16	5.16	0.00	5.16	5.16	0.00
Vaishali Vasani	SISTER	Loan	4.23	0.30	0.00	4.54	1.41	0.02	5.93	0.48	0.00	6.41	4.70	0.37	10.74	5.32	0.00	16.06
Manjulaben Vasani	Mother Of Director/ Pro	Rent Paid	(0.10)	1.20	1.20	(0.10)	1.20	1.20	(0.10)	1.20	1.20	(0.10)	1.40	1.30	0.00	1.00	1.20	(0.20)



Name of the Party	Nature Of Relation	Nature of Transaction	Amount Outstanding as on 31.03.2012 (payable)/ Receivable	Amount of Transaction Debited in 2012-13	Amount of Transaction Credited in 2012-13	Amount Outstanding as on 31.03.13(Payable)/ Receivable	Amount of Transaction Debited in 2013-14	Amount of Transaction Credited in 2013-14	Amount Outstanding as on 31.03.14 (Payable)/ Receivable	Amount of Transaction Debited in 2014-15	Amount of Transaction Credited in 2014-15	Amount Outstanding as on 31.03.15 (Payable)/ Receivable	Amount of Transaction Debited in 2015-16	Amount of Transaction Credited in 2015-16	Amount Outstanding as on 31.03.16 (Payable)/ Receivable	Amount of Transaction Debited in 2016-17	Amount of Transaction Credited in 2016-17	Amount Outstanding as on 31.03.17(Payable)/ Receivable
	note r																	
Arochem Industries	Director is Partner	Purchase		0.00	0.00	0.00	2.05	4.10	(2.04)	2.86	0.82	0.00	0.73	0.73	0.00	0.00	0.00	0.00
Arochem Lifescience Pvt. Ltd.		Investment		4.00	0.00	4.00	0.00	0.00	4.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



**DETAILS OF SUMMARY OF ACCOUNTING RATIOS AS RESTATED
ANNEXURE XXV**

(Amount in Lakhs)

Ratio	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Restated PAT as per statement of profit and loss (A)	66.37	(3.03)	16.15	30.05	60.00
Weighted average number of equity shares at the end of the year/ period After Adjusting For Bonus Issue (B)	30	30	30	30	27.37
Bonus Shares Issued after 31st March, 2017	25	25	25	25	25
No. of Equity Shares at the end of the year / period (C)	30	30	30	30	30
Net Worth , as Restated (D)	386.85	320.48	323.50	307.36	277.31
Earnings Per Share					
Basic & Diluted (Rs)-After Adjusting For Bonus & Right Issue* (A/B)	2.21	(0.10)	0.54	1.00	2.19
Return on net worth (%) (A/D)	17.16%	(0.94)%	4.99%	9.78%	21.63%
Net Asset value per Equity Share –After Bonus & Right Issue (A/C)	12.90	10.68	10.78	10.25	9.24
Nominal value per equity share (Rs.)	10.00	10.00	10.00	10.00	10.00

Notes:

2. The ratios have been Computed as per the following formulas

a) Basic Earning per Share

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the year / period}}$$

b) Net Asset Value (NAV) per Equity Share

$$\frac{\text{Restated Network of Equity Share Holders}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

c) Return on Net worth (%)

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Restated Network of Equity Share Holders}}$$



3. Net Profit as restated, as appearing in the statement of profit and losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the restated financial information of the Company.
4. Earning per share calculations are done in accordance with Accounting Standard 20 "Earning per Share", issued by the Institute of Chartered Accountants of India.
5. Prior to March 31, 2017, the company has made the following changes in its capital structure, the effects of which have been considered in computing the above accounting ratios
6. During the Financial Year 2012-13 the Company has increased its Authorised Share Capital from Rs. 15.00 Lac to Rs. 55.00 Lacs by passing an Ordinary Resolution in the Extra Ordinary General Meeting on 26th December, 2012.
7. During the Financial Year 2012-13 the Company has issued and allotted 4,00,000 Equity Shares of Rs. 10 each on 31st December, 2012 at a Price of Rs. 10.00 per Equity Share.
8. During the Financial Year 2013-14 the Company has increased its Authorised Share Capital from Rs. 55.00 Lac to Rs. 155.00 Lacs by passing an Ordinary Resolution in the Extra Ordinary General Meeting on 30th July, 2013.
9. During the Financial Year 2016-17 the Company has redeemed its 11 preference shares of 7% Non Cumulative Redeemable Preference Shares Rs. 1 each by passing a Board Resolution in the Board Meeting held on March 30, /2017
10. During the Financial Year 2016-17 the Company has increased its Authorised Share Capital from Rs. 155.00 Lac to Rs. 750.00 Lacs by passing an Ordinary Resolution in the Extra Ordinary General Meeting on 06/03/2017.
11. During the Financial Year 2016-17, the Company has issued Bonus Shares of Rs. 25,000,000 in the Ratio of 5:1 by passing an Ordinary Resolution in the Extra Ordinary General Meeting of member on 06/03/2017



CAPITALIZATION STATEMENT AS RESTATED AS AT 31st March 2017
ANNEXURE XXVI

(Amount in Lakhs)

Particulars	Pre Issue	Post Issue
Borrowings:		
Short-term Debt (A)	1537.67	1537.67
Long-term Debt (B)	369.36	369.36
Total debts (C)	1,907.03	1,907.03
Shareholders' funds		
Share capital	461.54	[●]
Reserve and surplus	135.31	[●]
Total shareholders' funds (D)	596.85	[●]
Long term debt / shareholders' funds (B/D)	0.62	[●]
Total debt / shareholders' funds (C/D)	3.20	[●]

1. Short term debts represent debts which are due within 12 months from March 31, 2017.
2. Long term debts represent debts other than short term debts, as defined above but includes current maturities of long term debt.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at March 31, 2017
4. Unsecured loan of Rs. 210.00 lakhs was converted at Rs.13 into 1615385 Equity Shares on May 10, 2017.



STATEMENT OF TAX SHELTERS AS RESTATED

ANNEXURE XXVII

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Profit before tax, as restated (A)	101.29	(0.36)	15.17	61.42	88.85
Norma Corporate Tax Rate (%)	33.06	30.90	30.90	30.90	30.90
Minimum Alternative Tax Rate (%)	20.39	19.06	19.06	19.06	19.06
Adjustments :					
Permanent differences					
Expenses disallowed under Income Tax Act, 1961	-	-	0.11	1.70	1.41
Donation Expense	0.19	0.22	0.06	0.98	2.55
Total permanent differences(B)	0.19	0.22	0.17	2.68	3.96
Income considered separately (C.)	-	-	-	-	-
Timing differences	-	-	-	-	-
Depreciation as per Books	24.99	36.74	45.30	4.41	3.43
Depreciation as per IT Act	20.54	27.26	33.79	4.53	3.66
Disallowance u/s 43B	-	-	-	0.01	-
Gratuity	2.98	4.06	3.85	1.31	1.76
Amt disallowed u/s 40(a)	-	0.91	-	-	-
Total timing differences (D)	7.44	13.54	15.37	1.21	1.52
Net adjustments E = (B+C+D)	7.63	13.76	15.54	3.89	5.48
Tax expense / (saving) thereon Tax expense / (saving) thereon	2.52	4.25	4.80	1.20	1.69
Income from other sources (F)	-	-	-	-	-
Exempt Income (G)	-	-	-	-	-
Taxable income/(loss) (A+E+F-G)	108.91	13.40	30.71	65.31	94.33
Tax as per Normal Provision	36.01	4.14	9.49	20.18	29.15
Taxable income/(loss) as per MAT	101.29	(0.36)	15.17	61.42	88.85
Income tax as per MAT	20.65	-	2.89	11.70	16.93
Tax paid as per "MAT" or "Normal Provisions"	Normal Provision	Normal Provision	Normal Provision	Normal Provision	Normal Provision



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the financial year ended March 31, 2017, 2016 and 2015 prepared in accordance with the Companies Act 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 the section titled "*Financial Statements*" on page 189 of this Red Herring Prospectus.

Indian GAAP differs in certain material aspects 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 Red Herring Prospectus, nor do we provide 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 Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and 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 20 and 19, of this Red Herring Prospectus beginning respectively.

Our Company was incorporated on April 25, 2008 and has completed around nine years since incorporation. The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for the financial years ended March 31, 2017, 2016 and 2015.

OVERVIEW

Our Company was incorporated on April 25, 2008 under the provisions of the Companies Act, 1956 as "Vaishali Pharma Private Limited" at Mumbai, Maharashtra. Our Company acquired the business of M/s. Vaishali Pharmachem which was the proprietorship concern of our Promoter Atul Vasani vide Business Assignment Agreement dated July 01, 2008. We started with trading and marketing of APIs and further in the year 2012, we ventured into marketing of pharmaceutical formulations, the manufacturing of which is outsourced by us to third parties. Our Company was converted into Public Company in the year 2017 and the name of our Company was changed to "Vaishali Pharma Limited".

We are a pharmaceutical company, dealing in pharmaceutical formulations, APIs, surgical products, veterinary supplements. We are operating both in domestic and export markets. In domestic markets, we are majorly into trading of APIs whereas in export markets, we are into trading and marketing of APIs, formulations, surgical products and others. For our export markets, we get the formulations manufactured by third parties whose facilities are approved and certified by the respective countries for developing the respective products. At present, we have applied for 186 registrations in 13 countries for some of our products, out of which we have successfully received 71 approvals from 7 countries and are in process of obtaining remaining approvals, which will give boost to our export business operations.

Our registered office is situated at Mumbai and warehousing facilities of our Company are located at Bhiwandi, Maharashtra and Vapi, Gujarat.

We have obtained ISO 9001:2015 Certification for the Quality Management System from Deutsche Accreditation Board, Germany and ISC Global, Dubai, UAE. We are also certified by European Certification Organisation and Compliance Certificate with regards to Council Directive 93/42/EEC as amended 2007/47/EC relating to Surgical Instruments & Medical Devices Directive. We have received Credit Rating Certification from NSIC CRISIL for the year 2017-18 as well. Our Company has also been recognized by Government of India as a "One Star Export House" and holds a valid certificate for the same from the Director General of Foreign Trade.

We have a dedicated marketing team headed by our management looking after our business operations. Our domestic clientele are generally manufacturers who requires API in their manufacturing process



whereas for our export marketing, we have around a distribution network of 15 distributors, agents and dealers and a team of marketing professionals. We have a product portfolio of more than 1000 products. In addition to being vast, our product portfolio is also diversified in nature, with our offerings ranging from Formulation brands to APIs to Veterinary Products to Surgical and Neutraceutical Products. Our Company is the brainchild of our promoter i.e. Atul Vasani who has been the guiding forces behind our growth. Backed by his more than two decades of experience, our Promoter has been instrumental in shaping the values system of our Company. With his experience and thinking, we aim to continue grow in the pharmaceutical industry. We value our customers and aim to exceed the expectations of our customers by offering diverse products and fulfilling valuable commitments.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:-

1. The shareholders at extra ordinary general meeting dated May 10, 2017 passed resolution to convert unsecured loan of Rs. 210.00 lakhs at an issue price of Rs. 13 into 16,15,385 equity shares.
2. Borrowing Powers of Board of Directors was increased to empower Board to borrow amount upto Rs. 500 Crores vide a special resolution passed in the extra ordinary general meeting of the Company held on June 21, 2017.
3. The shareholders approved and passed a special resolution on June 21, 2017 to authorize the Board of Directors to raise funds by making an initial public offering.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factor*” beginning on page 20 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Competition and price cutting from existing and new entrants
- Cost and availability of products
- Brand image
- Rate of interest policies
- Economic and demographic conditions
- Approval for products in export markets
- Changes in laws and regulations that apply to Pharmaceutical Industry in domestic and overseas market.



DISCUSSION ON RESULT OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the restated financial statements for the financial years ended March 31, 2017, 2016 and 2015.

OVERVIEW OF REVENUE & EXPENDITURE

Revenues

Income from operations:

Our principle component of income is from trading of APIs and marketing of formulations. We also deal in surgical products, veterinary products, healthcare and nutraceutical products.

Other Income:

Our other income mainly includes interest income, Foreign Exchange, sundry balances written back and Dividend income.

Amount (Rs. In Lakhs)

Particulars	Till March 31,		
	2017	2016	2015
Income			
Revenue from Operations	6,605.48	6,670.72	9,456.06
As a % of Total Revenue	98.42%	95.44%	95.69%
Other Income	105.74	318.40	426.31
As a % of Total Revenue	1.58%	4.56%	4.31%
Total Revenue	6,711.22	6,989.13	9,882.37

Expenditure

Our total expenditure primarily consists of direct expenditure i.e. purchase of stock-in-trade and changes in inventories of finished goods, work-in-progress and stock-in-trade, employee benefit expenses, finance cost, depreciation and other expenses.

Direct Expenditure

Our direct expenditure includes purchase of stock-in-trade such as APIs, ciprofloxacin, metronidazole, levofloxacin, etc. and changes in inventories of finished goods, work-in-progress and stock in trade etc.

Employee benefits expense

Our employee benefits expense primarily comprise of salary and bonus, director's remuneration, contribution to provident & other funds, gratuity expenses and staff welfare expenses.

Finance Costs

Our finance costs mainly includes interest on borrowings and other borrowing cost such as bank charges, processing fees, L/c interest & charges, etc.

Depreciation

Depreciation includes depreciation on tangible assets such as Building, Plant & Machinery, Furniture & Fixtures, etc. and amortisation of intangible assets.

Other Expenses

Other expenses mainly include expenses such as advertising and sales promotion, export expenses, exhibition expenses, legal & professional fees, rates & taxes, transport charges etc.



Statement of profits and loss

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

Amount (Rs. In Lakhs)

Particulars	For the year ended March 31,		
	2017	2016	2015
Income			
Revenue from Operations	6,605.48	6,670.72	9,456.06
As a % of Total Income	98.42%	95.44%	95.69%
Other Income	105.74	318.40	426.31
As a % of Total Income	1.58%	4.56%	4.31%
Total Income (A)	6,711.22	6,989.13	9,882.37
Variance/growth	-3.98%	-29.28%	-18.71%
EXPENDITURE			
Purchase of Stock in Trade	5,521.50	6,207.39	8642.35
As % of Total Income	82.27%	88.81%	87.45%
Changes in Inventories of Finished Goods, Work in Progress and Traded Goods	220.53	(4.08)	482.76
As a % of Total Income	3.29	(0.06%)	4.89%
Employee benefit expenses	157.63	155.69	184.54
As a % of Total Income	2.35%	2.23%	1.87%
Finance costs	312.18	336.77	336.95
As a % of Total Income	4.65%	4.82%	3.41%
Depreciation and amortisation expense	24.99	36.74	45.30
As a % of Total Income	0.37%	0.53%	0.46%
Other Expenses	373.10	256.97	175.30
As a % of Total Income	5.56%	3.68%	1.77%
Total Expenses (B)	6,609.93	6,989.49	9,867.20
As a % of Total Income	98.49%	100.01%	99.85%
Profit before extraordinary items and tax	101.29	(0.36)	15.17
Prior period items (Net)	-	-	-
Profit before exceptional, extraordinary items and tax (A-B)	101.29	(0.36)	15.17
Less - Exceptional items	-	-	-
Profit before extraordinary items and tax	101.29	(0.36)	15.17
As a % of Total Income	1.51%	(0.01)%	0.15%
Extraordinary items	-	-	-
Profit before tax	101.29	(0.36)	15.17
As a % of Total Income	1.51%	(0.01)%	0.15%
Tax expense :			
(i) Current tax	36.01	4.14	9.49
(ii) Deferred tax	(1.10)	(1.47)	(10.46)
Total Tax Expense	34.91	2.67	(0.97)
Profit for the year	66.37	(3.03)	16.15
PAT Margin	0.99%	(0.04)%	0.16%



COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016

INCOME

Income from Operations

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Revenue from Operation	6,605.48	6,670.72	(0.98)

The Revenue from Operations of the Company for the year ending March 31, 2017 is Rs. 6,605.48 lakhs as compared to Rs. 6,670.72 lakhs for the year ending March 31, 2016, showing a decrease of 0.98%. The decrease was mainly due to decrease in our domestic business operations.

Other Income

Our other income decreased by 66.79% to Rs. 105.74 lakhs in FY 2016-17 from Rs. 318.40 lakhs in FY 2015-16. The decrease was mainly due to decrease in interest income on delayed payment from customers.

EXPENDITURE

Direct Expenditure

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Purchase of stock in trade	5,521.50	6,207.39	(11.05)
Changes in Inventories of finished goods, WIP and stock in Trade	220.53	(4.08)	(5,511.21)
Total	5,742.03	6,203.31	(7.44)

Our direct expenditure has decreased from Rs. 6203.31 lakhs in Financial Year 2015-16 to Rs. 5742.03 lakhs in Financial Year 2016-2017 showing a decrease of 7.44% over the previous year. The decrease was mainly due to increase in our export operations, giving us better margins on materials.

Administrative and Employee Costs

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Employee Benefit Expenses	157.63	155.69	1.25
Other Expenses	373.10	256.97	45.19

Our Employee benefit expenses increased from Rs. 155.69 lakhs in financial year 2015-16 to Rs. 157.63 Lakhs in financial year 2016-17 due to increase in our contribution to provident & superannuation fund.

Our other expenses increased by 45.19% from Rs. 256.97 lakhs in financial year 2015-16 to Rs. 373.10 lakhs in financial year 2016-17. The increase was mainly due to increase in transport expenses on account of increase in export operations. Also during FY 2016-17 there has been significant rise in our legal & professional charges due to increase in Consultancy Charges for getting Assistance in Registration of brands in Foreign Countries and Export Orders.

Finance Costs

Our finance costs have decreased from Rs. 336.77 lakhs in financial year 2015-16 to Rs. 312.18 lakhs in financial year 2016-17. This shows a decrease of 7.30% as compared to last financial year. This was on account of decrease in interest on loan from others which was due to decline in interest rate.

Depreciation

Depreciation expenses for the Financial Year 2016-2017 have decreased to Rs. 24.99 lakhs as compared to Rs. 36.74 lakhs for the Financial Year 2014-2015 showing a decrease of 31.97%.



Profit before Tax

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Profit Before Tax	101.29	(0.36)	(28,242.20)

Profit before tax increased from Rs. (0.36) lakhs in financial year 2015-16 to Rs. 101.29 lakhs in financial year 2016-17. The increase was due to increase in operating income such as commission income, revenue from sale of license which resulted in profits and also due to increase in export operations which provided better margins.

Provision for Tax and Net Profit

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Taxation Expenses	34.91	2.67	1208.62
Profit after Tax	66.37	(3.03)	(2292.11)

Our profit after tax increased from Rs. (3.03) lakhs in Financial Year 2015-16 to Rs. 66.37 lakhs in Financial Year 2016-17 showing an increase of 2292.11%.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015

INCOME

Revenue from Operations

(Rs. in lakhs)

Particulars	2015-16	2014-15	Variance in %
Revenue from Operations	6,670.72	9,456.06	(29.46)

The operating income of the Company for the financial year 2015-2016 was Rs. 9,456.06 lakhs as compared to Rs. 6,670.72 lakhs for the financial year 2015-2016 showing a decrease of 29.46%. This decrease was mainly due to decrease in our domestic business operations. The decline was due to change in strategy of business model which emphasised more on exports than on domestic market.

Other Income

Our other income of the Company for the financial year 2014-2015 was Rs. 426.31 lakhs which decreased to Rs. 318.40 lakhs during the financial year 2015-16. In FY 2014-15, there were some sundry balances written back for upto 75.08 lakhs which was not there in FY 2015-16.

EXPENDITURE

Direct Expenditure

Cost of materials consumed

(Rs. in lakhs)

Particulars	2015-16	2014-15	Variance in %
Purchase of stock in trade	6,207.39	8,642.35	(28.17)
Increase / decrease in Inventories of finished goods, WIP and stock in Trade	(4.08)	482.76	(100.84)
Total	6,203.31	9,125.11	(32.02)



The direct expenditure decreased from Rs. 9,125.11 lakhs in financial year 2014-15 to Rs. 6,203.31 lakhs in financial year 2015-16 showing a decrease of 32.02% over the previous year. The decrease was in line with the decrease in our business operations.

Administrative and Employee Costs

(Rs. in lakhs)

Particulars	2015-16	2014-15	Variance in %
Employee Benefit Expenses	155.69	184.54	(15.63)
Other expenses	256.97	175.30	46.59

Employee benefit expenses decreased from Rs. 184.54 lakhs in financial year 2014-15 to Rs. 155.69 lakhs in financial year 2015-16. The decrease was mainly due to decrease in director's remuneration.

Our other expenses increased by 46.59% from Rs. 175.30 lakhs in financial year 2014-15 to Rs. 256.97 lakhs in financial year 2015-16. The increase was mainly due to increase in export expenses, rates & taxes and transport charges, etc.

Finance Costs

The finance costs slightly decreased from Rs. 336.95 lakhs in FY 2014-15 to Rs. 336.77 lakhs in the financial year 2015-16. The decrease was due to lower utilisation of borrowings and reduced other borrowing costs.

Depreciation

Depreciation for the year financial year 2015-16 has decreased to Rs. 36.74 lakhs as compared to Rs. 45.30 lakhs for the financial year 2014-15.

Profit Before Tax

Our profit before tax decreased from Rs. 15.17 lakhs in Financial Year 2014-15 to Rs. (0.36) lakhs in Financial Year 2015-16. The decrease was due to decrease in our business operations.

Provision for Tax and Net Profit

(Rs. in lakhs)

Particulars	2015-16	2014-15	Variance in %
Taxation Expenses	2.67	(0.97)	(374.09)
Profit after Tax	(3.03)	16.15	(118.75)

Profit after tax decreased to Rs. 3.03 lakhs in the financial year 2015-16 as compared to Rs. 16.15 lakhs in the financial year 2014-15. The decrease was due to decrease in our business operations.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Other than as described in the section titled "Risk Factors" beginning on page 20 of this Red Herring Prospectus to our knowledge there are no significant economic changes that materially affected or are likely to affect income of our Company from continuing operations.



3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Other than as disclosed in the section titled “*Risk Factors*” beginning on page 20 of this Red Herring Prospectus 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.

4. Future relationship between Costs and Income.

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies, global market situation and prices of our material.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased prices.

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in Pharmaceutical industry. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 108 of this Red Herring Prospectus.

7. Status of any publicly announced new products/projects or business segments

Our Company has not announced any new projects or business segments, other than disclosed in the Red Herring Prospectus. For details of our products please refer to the chapter titled “*Our Business*” beginning on page 140 of this Red Herring Prospectus.

8. The extent to which the business is seasonal

Our Company’s business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

The % of contribution of our Company’s customer and supplier vis a vis the total revenue from operations and purchase respectively as March 31, 2017 is as follows:

	Customers	Suppliers
Top 5 (%)	28.92	38.94
Top 10 (%)	42.24	48.22

10. Competitive Conditions

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “*Our Business*” on page 140 of this Red Herring Prospectus.

CHANGES IN ACCOUNTING POLICIES IN LAST THREE YEARS

There is no change in accounting policy in the last 3 years. For further details, please refer to chapter titled “*Financial Statement as Restated*” beginning on page 189 of this Red Herring Prospectus.



FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and others for conducting its business.

Set forth below is a brief summary of our Company's secured and unsecured borrowings from banks and others as on March 31, 2017 together with a brief description of certain significant terms of such financing arrangements.

SECURED BORROWINGS

1. **Loan of Rs. 1,725.00 Lakhs from Janata Co-operative Bank Limited as per Sanction letter dated March 06, 2017.**

(Rs. In Lakhs)

Particulars					
Nature of facility	Sanctioned Amount	Rate Of Interest	Repayment	Margin	Primary Security
Cash credit limit	1,500.00	Present effective rate is 13.50% p.a.	12 months	Receivable 25% paid up Stock 25%	Debtors Rs. 3,493.15 Lakhs
Working capital term loan (New)	225.00	Present effective rate is 13.50% p.a.	60 months	25%	As per table mentioned below

Mortgage details for working capital term loan	<ol style="list-style-type: none"> 1. Flat No. 508, 5TH Floor, B-Wing, Silver Plaza C.H.S Ltd., Village Navghar, Mira Bhayander Road, Mira Road (East), Thane – 401107 admeasuring 515 sq. ft., owned by Shri Atul Vasani. 2. Shop No. 8, Ground Floor, 'Nildhara' C.H.S. Ltd., Devidas Lane of, S.V.P. Road, Borivali (West), Mumbai – 400103 admeasuring 175 sq. ft., owned by Shri Arvind Khimchand Vasani. 3. Shop No.9, Ground Floor, 'Nildhara' C.H.S. Ltd., Devidas Lane of S.V.P.Road, Borivali (W), Mumbai - 400103 admeasuring 163 sq. ft., owned by Smt. Manjulaben Arvind Vasani. 4. Shop No. 4, Ground Floor, 'Nildhara' C.H.S. Ltd., Devidas Lane of S.V.P. Road, Borivali (W), Mumbai - 400103, Area 155 Sq. Ft., owned by Shri Atul Vasani. 5. Flat No. 128, 11th Floor, Ganjwala C.H.S. Ltd., Ganjwala Lane, Borivali (W), Area 900 Sq. ft., owned by Shri Atul Vasani. 6. Fixed Deposit of Company No. 2114/149774/1 by Vaishali Pharma Pvt. Ltd
Outstanding as on March 31, 2017	1760.67 Lakhs



2. Loan of Rs. 64.00 Lakhs from L&T Housing Finance Limited

Nature of Facility	Loan against property
Loan Amount	Rs. 64.00 Lakhs
Rate of Interest	11.50% p.a
EMI Amount	Rs. 89,982.00
Security	Hypothecated Property
Tenor	120 Months
Amount outstanding as on March 31, 2017	64.00Lakhs

3. Loan of Rs. 174.50 Lakhs from L&T Housing Finance Limited

Nature of Facility	Loan against property
Loan Amount	Rs. 174.50 Lakhs
Rate of Interest	12.25% p.a
EMI Amount	Rs. 2,52,886.00
Security	Hypothecated Property
Tenor	120 Months
Amount outstanding as on March 31, 2017	44.55 Lakhs

Unsecured Loans from NBFC/Financial Institutions

1. Loan of Rs. 25.25 Lakhs from Capital first Limited

Nature of Facility	Business Loan
Loan Amount	Rs. 25.25 Lakhs
Rate of Interest	12.25% p.a
EMI Amount	Rs. 1,30,993.00
Tenor	24 Months from March 05,2017
Amount outstanding as on March 31, 2017	24.40 Lakhs

2. Loan of Rs. 38.45 Lakhs from Religare Finvest Limited

Nature of Facility	Business Loan
Loan Amount	Rs. 38.45 Lakhs
Rate of Interest	19.3% p.a
EMI Amount	Rs. 1,94,409.00
Tenor	24 Months from March 01,2017
Amount outstanding as on March 31, 2017	38.46 Lakhs

3. Loan of Rs. 14.60 Lakhs from Bajaj Finserv Limited

Nature of Facility	Business Loan
Loan Amount	Rs. 14.60 Lakhs
Rate of Interest	18.01% p.a
EMI Amount	Rs. 83,648 for the first 12 months, Rs.50,196 for next 12 months and Rs. 10,911 for remaining allotments
Tenor	36 Months from May 2016
Amount outstanding as on March 31, 2017	Rs. 7.28 Lakhs



4. Loan of Rs. 35.00 Lakhs from Bajaj Finserv Limited

Nature of Facility	Business Loan
Loan Amount	Rs. 35.00 Lakhs
Rate of Interest	19.00%
EMI Amount	Rs. 1,28,297
Tenor	36 Months from February 2015
Amount outstanding as on March 31, 2017	Rs. 11.78 Lakhs

5. Loan of Rs, 40.00 Lakhs from HDFC Bank

Nature of Facility	Business Loan
Loan Amount	Rs. 40.00 Lakhs
Rate of Interest	16.50%
EMI Amount	Rs. 1,41,618
Tenor	36 Months from March 2015
Amount outstanding as on March 31, 2017	Rs. 14.36 Lakhs

6. Loan of Rs. 30.00 Lakhs from Edelweiss Retail Financial Limited

Nature of Facility	Business Loan
Loan Amount	Rs. 30.00 Lakhs
Rate of Interest	18.50%
EMI Amount	Rs. 1,09,212
Tenor	37 Months from March 2015
Amount outstanding as on March 31, 2017	Rs. 11.88 Lakhs

7. Loan of Rs. 40.00 Lakhs from ICICI Bank

Nature of Facility	Personal Loan
Loan Amount	Rs. 40.00 Lakhs
Rate of Interest	17.00%
EMI Amount	Rs. 1,42,611
Tenor	36 Months from February 2015
Amount outstanding as on March 31, 2017	Rs. 12.97 Lakhs

8. Loan of Rs. 49.50 Lakhs from Kotak Mahindra finance Limited

Nature of Facility	Business Loan
Loan Amount	Rs. 49.50 Lakhs
Rate of Interest	18.25%
EMI Amount	Rs. 1,79,576
Tenor	36 Months from January 2015
Amount outstanding as on March 31, 2017	Rs. 16.51 Lakhs

9. Loan of Rs. 25.00 Lakhs from Neo Growth Credit Private Limited

Nature of Facility	Business Loan
Loan Amount	Rs. 25.00 Lakhs
Finance charges	Rs. 3.75 Lakhs
EMI Amount	Rs. 67,084 on weekly Basis



Nature of Facility	Business Loan
Tenor	300 Days
Amount outstanding as on March 31, 2017	Rs. 20.96 Lakhs

UNSECURED BORROWINGS FROM OTHERS

Unsecured Borrowing as on March 31, 2017

Sr. No	Name of Lender	Loan Amount (Rs. In Lakhs)
1.	Jagruti Vasani	8.97
2.	Atul Vasani	228.38
3.	International Financial Services Limited	26.18



SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except, as stated in this section and mentioned elsewhere in this Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters, Subsidiaries or Group Companies.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on June 21, 2017 determined that outstanding dues to creditors in excess of Rs. 5.00 lakhs as per last audited financial statements shall be considered as material dues (“Material Dues”).

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered ‘material’ for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds 5.00 lakhs as determined by our Board, in its meeting held on June 21, 2017.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company.

Unless otherwise stated to contrary, the information provided is as of date of this Red Herring Prospectus.

LITIGATIONS INVOLVING OUR COMPANY

LITIGATIONS AGAINST OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil



Taxation Matters

INCOME TAX PROCEEDINGS

1. FOR AY 2009-10

Vaishali Pharma Private Limited (hereinafter referred to as “**Assessee Company**”) has declared total income of Rs. 32,55,723/- in its return of income filed on September 29, 2009 which was processed under Section 143(1) of the Income Tax Act, 1961 (hereinafter referred to as “**the Act**”). Subsequently the case of Assessee Company was selected for scrutiny on February 09, 2011. An assessment order under Section 143(3) of the Act was passed on November 23, 2011 by Deputy Commissioner of Income Tax – 9(3), Mumbai (hereinafter referred to as “**Assessing Authority 1**”) thereby assessing the total income of the Assessee Company for AY 2009-10 to be Rs. 36,41,630/-.

The Assessee Company was involved in concealment of its income of Rs. 5,00,656/- for AY 2009-10 w.r.t. transactions involving issuance of bogus purchase bills without actual delivery of goods or material with the parties i.e. Ajanta Enterprises and Daksha Enterprises who were indulged in Hawala Transactions. Hence re-assessment proceedings were initiated under Section 147 of the Act and a Notice dated March 30, 2014 under Section 148 of the Act has been issued to Assessee Company. The Deputy Commissioner of Income Tax – 13(3)(2) Mumbai (hereinafter referred to as “**Assessing Authority 2**”) has assessed the total income of Assessee Company for AY 2009-10 to Rs. 37,04,210/- vide an Assessment Order (hereinafter referred to as “**Impugned Order**”) dated February 13, 2015 under Section 143(3) of the Act, thereby disallowing 12.5% of value of transaction entered into with the aforesaid parties, which comes to Rs. 62,582/- (12.5% of Rs. 5,00,656/-) and added to the income of Assessee Company. A Notice of Demand dated February 13, 2015 under Section 156 of the Act has also been issued by the Assessing Authority 2 against the Assessee Company demanding a sum of Rs. 1,89,223/-. Further, Penalty proceedings under Section 271(1)(c) of the Act were also ordered to be initiated separately for furnishing of inaccurate particulars and concealment of income.

Assistant Commissioner of Income Tax- 13(3)(2) – Mumbai (hereinafter referred to as “**Assessing Authority 3**”) has issued a Notice of Demand dated July 29, 2015 under Section 156 of the Act demanding a sum of Rs. 28,360/- against the Assessee Company for AY 2009-10 along with its rectification Order under section 154 of the Act determining the total income of the Assessee Company to Rs. 37,04,210/- after giving a credit for tax paid on regular assessment of Rs. 1,59,260/-. Assessee made payment of Rs. 28,360/- vide challan no. 03909 dated January 30, 2016.

Assessee Company has preferred an appeal bearing Appeal Number CIT(A)-21/DCIT-13(3)(2)/IT-62/2015-16 dated April 15, 2015 to Commissioner of Income Tax (Appeals) – 21, Mumbai (hereinafter referred to as “**First Appellate Authority**”) against the said Impugned Order. An Assessment Order (hereinafter referred to as “**Order-in-appeal**”) dated May 23, 2016 has been passed by First Appellate Authority, affirming the Impugned Order passed by Assessing Authority 2 and thereby confirming the disallowance of expenses on account of impugned bogus purchases.

Being aggrieved by the said Order-in-appeal, the Assessee Company has preferred a second appeal bearing number ITA No. 5054/Mum/2016 before Income Tax Appellate Tribunal, Mumbai (hereinafter referred to as the “**Tribunal**”) against the said Order-in-appeal. The Tribunal vide its order dated January 31, 2017 has directed the Assessing Officer to make the addition by making the disallowance of expenses on account of impugned bogus purchases at the rate of 10% in place of 12.5% as sustained by the First Appellate Authority in its order, thereby allowing the appeal of Assessee Company partly.

The Income Tax Department has issued a notice of demand dated April 19, 2017 under Section 254 of Act along with a notice under Section 245 of the Act dated April 29, 2017 against Assessee Company for AY 2009-10 for an outstanding demand amounting to **Rs. 27,270/-**. The amount is currently outstanding.



2. FOR AY 2012-13

The Deputy Commissioner of Income Tax (hereinafter referred to as “**Assessing Authority 1**”) has passed an Assessment Order (hereinafter referred to as “**Impugned Order**”) dated February 20, 2015 against Vaishali Pharma Private Limited (hereinafter referred to as “**Assessee Company**”) for AY 2012-13, thereby making an addition of Rs. 13,90,639 to the total income of Assessee Company on account of disallowances made under the Act and assessing the total income of the Assessee Company (after deductions) to Rs. 77,12,240/-.

A Notice of Demand dated February 20, 2015 under Section 156 of the Act has also been issued by the Assessing Authority against the Assessee Company for AY 2012-13 demanding a sum of Rs. 5,87,590/-. Penalty proceedings under Section 271(1) (c) were also directed to be initiated by the Assessing Authority. However, the said amount was fully adjusted against refund of AY 2014-15 through CIN number 000432925041532102 on April 24, 2015.

An Appeal dated April 15, 2015 bearing reference no. CIT (A)-21/DCIT-13(3)(2)/IT-63/2015-16 was filed by the Assessee Company before the Commissioner of Income Tax (Appeals) – 21, Mumbai (hereinafter referred to as “**First Appellate Authority**”) against the said impugned order. An Assessment Order (hereinafter referred to as “**Order-in-Appeal**”) dated May 23, 2016 was passed by First Appellate Authority, thereby partly allowing the Assessee Company’s appeal. The order confirmed the addition of amounts of disallowances of Rs. 2,02,403/- on account of two creditors Ajanta Chemicals and Calyx Chemicals. The disallowances made on account of interest on loans made to relatives, interest attributable to unutilized cash and interest to the financial institution without TDS have been deleted.

Assistant Commissioner of Income Tax, Circle – 13(3)(2) Mumbai (hereinafter referred to as “**Assessing Authority 2**”) has issued an order dated August 03, 2016 giving effect to CIT (A)’s Order no. CIT (A)-21/DCIT-13(3) (2)/I.T-63/2015-16 dated May 23, 2016 wherein income of Assessee Company was revised to be Rs. 68, 55,440/- and the demand was revised to Rs.2,25,580. Assessee Company through its written communication dated August 13, 2016 has requested Assessing Authority 2 for rectifying the following under Section 154 of the Act in the order giving effect to Commissioner of Income Tax (Appeals)’s order:

- (a) Deletion of the addition made of Rs.3,31,440 under Section 41(1)(a) of the Act
- (b) Non granting of credit of demand of Rs.5,87,590 of AY 2012-13 and Rs.11,750 for AY 2012-13 adjusted against the demand raised by the Assessing Authority out of refund of A.Y. 2014-15.

This application is pending before the Assessing Authority 2. On rectification the assessee will be entitled to refund.

An appeal bearing reference no. ITA No. 5191/Mum/2016 has also been filed by the Assessee Company before the Income Tax Appellate Tribunal, “I” Bench, Mumbai (hereinafter referred to as “**Tribunal**”) against the said impugned Order in Appeal dated May 23, 2016 w.r.t. addition of Rs.2,02,403 under Section 41(1)(a) of the Act. The Tribunal, allowing the appeal vide its order dated April 20, 2017 has restored the matter to the file of the Assessing Officer for verification of the contentions of the Assessee and determination of the issues on merits in accordance with the law. The matter is currently pending with Assessing Authority.

The Income Tax Department has issued a notice of demand dated August 3, 2016 under Section 250 of Act along with a notice under Section 245 of the Act dated April 29, 2017 against Assessee Company for AY 2009-10 for an outstanding demand amounting to **Rs. 2,25,580/-**. The amount is currently outstanding. However, the same is subject to rectification and decision of the Assessing Authority on the matter restored to his file by the Tribunal. As the original demand of Rs.5,87,590 is fully recovered, the revised demand of Rs.2,25,580 is not recoverable.



VAT PROCEEDINGS FOR VAPI UNIT

1. VAT PROCEEDINGS FOR PERIOD 2012-13

The Commercial Tax Officer (4) Unit – 2, Vapi (hereinafter referred to as the “**Assessing Authority**”) has passed an Assessment Order (hereinafter referred to as the “**Impugned Order**”) dated March 21, 2017 under Gujarat Value Added Tax Act, 2003 against Vaishali Pharma Private Limited (hereinafter referred to as the “**Assessee Company**”) for the period of Assessment April 01, 2012 to March 31, 2013 determining outstanding tax liability of Rs. 4,18,540/-, Interest of Rs. 5,40,770/- and Penalty of Rs.1,25,562/-, totalling to Rs. 10,84,872/-. The final notice of assessment dated March 21, 2017 under Central Sales Tax Act, 1956 has been issued against Assessing Company for an outstanding demand of Rs. 10,84,872, directing to pay the same into Government Treasury account. As per the return, net outstanding demand was Rs. 10,84,872/- and as per Assessment it was Rs. 8,47,019/-. An application for appeal against the impugned order was made before the Deputy Commissioner of Commercial Tax on May 22, 2017. The matter is currently pending.

2. M/S VAISHALI PHARMACHEM V. STATE OF GUJARAT

Vaishali Pharmachem* (hereinafter referred to as the “**Assessee Entity**”) was assessed by the Commercial Tax Officer (5), Ghatak (2), Vapi (hereinafter referred to as the “**Assessing Authority**”) vide Assessment Order dated March 27, 2008 for the period 2003-04, October 15, 2008 for the period 2004-05 and October 25, 2008 for the period 2005-06 respectively. Assessment order for the period 2003-04 was passed on ex-parte basis under Section 41(3) read with Section 9(2) of the Central Sales Tax Act, 1956 (herein after referred to as “**the Act**”). Whereas the assessment orders for the period 2004-05 and 2005-06 were passed u/s 41(3) read with section 9(2) of the Act.

While assessing the Assessee entity for the above stated periods the interstate sales of goods made against form C were disallowed. The Assessee entity was entitled to the benefit of concessional rate of tax @ 4% vide notification entry 109, issued under Section 8(5) of the Act. However the Assessing Authority has levied tax @ 10% of such interstate sales for which the applicant could not submit Form C. The Assessing Authority did not allow deduction of tax under Section 8(A)(i) of the Act. It levied interest under Section 47(4A) of the Act and imposed penalty under Section 45(6) read with Section 9(2) of the Act. As per the Assessment orders following dues were determined to be payable by the Assessee Company:

1. For the period of Assessment 2003-04 – Rs. 56,60,067/-
2. For the period of Assessment 2004-05 – Rs. 44,28,778/-
3. For the period of Assessment 2005-06 – Rs. 29,74,765/-

Aggrieved by the Assessment Order, the first appeals were preferred in the office of Deputy Commissioner of Commercial Tax Appeal (5), Surat (hereinafter referred to as “**the First Appellate Authority**”). The first appellate authority passed a common order dated September 13, 2011 under Section 65 / 67 read with Section 9(2) of the Act, disallowing certain declarations of Form C on the ground of them being defective and invalid. The common order so passed under Section 65 and 67 didn't mention as to which part of the Assessment order is revised. The following dues were determined to be payable by the Assessee company by the first appellate authority:

1. For the period of Assessment 2003-04 – Rs. **6,83,553/-**
2. For the period of Assessment 2004-05 – Rs. **22,15,279/-**
3. For the period of Assessment 2005-06 – Rs. **2,26,627/-**

Being dissatisfied with the order passed by the first appellate authority, the Assessee entity filed revision application bearing reference no. 135/2011 for order passed for the period of Assessment 2003-04, 136/2011 for order passed for the period of Assessment 2004-05 and 137/2011 for order passed for the period of Assessment 2005-06 respectively before the Gujarat Value Added Tax Tribunal (hereinafter referred to as the “**Second Appellate Authority**”)



The Second Appellate Authority, while deciding Second Appeal No. 949 to 951 of 2010 with revisional application no. 135 to 137 of 2011, considering the fact that the demand is in the nature of levy of penalty under Section 45(2)(c) of the Gujarat Value Added Tax Act, 2003; granted stay for recovery of without making any further direction regarding payment vide its order dated November 28, 2011. The stay granted is further extended by the Appellate Authority till final disposal of appeals as well as revision applications vide an order dated November 02, 2012.

**Our Company was incorporated on April 25, 2008 under the provisions of the Companies Act, 1956 as "Vaishali Pharma Private Limited" at Mumbai, Maharashtra. Our Company acquired the business of M/s. Vaishali Pharmachem which was the proprietorship concern of our Promoter Atul Vasani vide Business Assignment Agreement dated July 01, 2008.*

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Proceedings against Our Company for economic offences/securities laws/ or any other law

Nil

Penalties in Last Five Years

Nil

Pending Notices against our Company

Nil

Past Notices to our Company

Nil

Disciplinary Actions taken by SEBI or stock exchanges against Our Company

Nil

Defaults including non-payment or statutory dues to banks or financial institutions

Nil

Details of material frauds against the Company in last five years and action taken by the Companies.

Nil

LITIGATIONS FILED BY OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil



Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law

Nil

LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY

LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Atul Vasani is the Promoter as well as Managing Director of the Company. For litigation pertaining to him please refer the head "LITIGATION INVOLVING PROMOTERS OF OUR COMPANY".

INCOME TAX PROCEEDINGS AGAINST BHAVESH SHAH

1. FOR AY 2009-10

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on November 13, 2010 under Section 143(1)(a) of the Income Tax Act, 1961 (hereinafter referred to as the "Act") under Section 245 of the Act dated April 15, 2015 against Bhavesh Shah ((hereinafter referred to as the "Assessee) for an outstanding demand amounting to **Rs. 1,440/-**. The amount is currently outstanding.

INCOME TAX PROCEEDING AGAINST PRATAPRAI GANDHI

2. FOR AY 2005-06

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on February 05, 2007 under Section 143(1) of the Income Tax Act, 1961 (hereinafter referred to as the "Act") under Section 245 of the Act dated November 27, 2014 against Prataprai Gandhi ((hereinafter referred to as the "Assessee) for an outstanding demand amounting to **Rs. 604/-**. The amount is currently outstanding.

3. FOR AY 2010-11

The Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on November 18, 2010 under Section 143(1)(a) of the Income Tax Act, 1961 (hereinafter referred to as the "Act") under Section 245 of the Act dated November 27, 2014 against Prataprai Gandhi ((hereinafter referred to as the "Assessee) for an outstanding demand amounting to **Rs. 370/-**. The amount is currently outstanding.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Directors

Nil

Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law

Nil



Directors on list of wilful defaulters of RBI

Nil

LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY

LITIGATIONS AGAINST OUR PROMOTER/S

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

INCOME TAX PROCEEDING AGAINST ATUL VASANI

1. FOR AY 2009-10

The Assistant Commissioner of Income Tax – 32(1), Mumbai (hereinafter referred to as the “**Assessing Authority**”) has passed an Assessment Order (hereinafter referred to as the “**Impugned Order**”) dated December 26, 2016 under Section 143(3) read with Section 147 of the Income Tax Act, 1961 (hereinafter referred to as the “**Act**”) against Atul Vasani (hereinafter referred to as the “**Assessee**”) thereby making an addition of Rs.20,90,119/- to his total income on account of write back of sundry creditors and restricting the deduction of donation amount to Rs. 2,70,000/- for the AY 2009-10. Further, Penalty proceedings under Section 271(1)(c) of the Act were also ordered to be initiated separately for concealment and furnishing of inaccurate particulars. A notice of demand dated December 26, 2016 under Section 156 of the Act has been issued against the Assessee for a sum payable amounting to Rs. 18,28,270/-.

Assessee has filed an appeal in Form No. 35 dated February 20, 2017 under Section 246A of the Act against the said impugned order. The Principal Commissioner of Income Tax - 32, Mumbai, vide letter dated April 13, 2017 has asked to pay 15% of demand within 10 days in order to obtain the stay of demand; the non-compliance of which will allow Assessing Officer to recover demand, treating the assessee in default. The Assessee has made a payment of 15% of the sum payable amounting to Rs. 2,74,240/- vide a challan dated April 24, 2017; thereby reducing an outstanding demand to **Rs. 15,54,030/-**. The appeal proceedings are currently pending for disposal.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil



Past Penalties imposed on our Promoters

Nil

Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years

Nil

Penalties in Last Five Years

Nil

Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past.

Nil

Adverse finding against Promoter for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR PROMOTER/S

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING OUR GROUP COMPANIES

LITIGATIONS AGAINST OUR GROUP COMPANIES

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil



Past Penalties imposed on our Group Companies

Nil

Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies

Nil

Adverse finding against Group Companies for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR GROUP COMPANIES

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES

As on date of this Red Herring prospectus, our company does not have any subsidiary.

OTHER MATTERS

Nil

DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES

Nil

OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

Nil



MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter “Management Discussion and Analysis of Financial Condition and Result of Operation” on page 237 of this Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As of March 31, 2017, our Company had 159 creditors, to whom a total amount of Rs. 1538.09 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated June 21, 2017, considered creditors to whom the amount due exceeds Rs. 5.00 lakhs as per our Company’s restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

Creditors	Amount (Rs. in Lakhs)
Aarti Drugs Ltd (Group)	502.81
Mulji mehta pharma.	203.71
Pharmanza (india) pvt.ltd.	71.21
Pravinchandra & co.	58.06
Godavari Drugs Ltd.	30.15
Vinraj Plastic Industries (Daman)	23.63
Cooper pharma pvt.ltd.	21.23
Iol chemicals & pharmaceuticals ltd.	20.10
Central drug house.	19.48
Andhra Organics Ltd	16.30
Century pharmaceuticals ltd.	16.18
Krish chemicals pvt ltd.	15.99
Rainbow Plastics India Limited	14.87
Medi Pharma Drug House	14.83
Nutraplus india ltd.	14.75
Srikem laboratories pvt.ltd.	13.81
Emmennar Pharma (P) Ltd (Unit - Ii)	13.71
Halewood Laboratories (P) Ltd	13.60
Pharma Chemi Corporation	13.32
Niyati Chemicals	13.11
P.k.pharmatech pvt. Ltd,	12.68
Khokha Packaging & Design	12.38
Harshada Corporation	12.29
India Pesticides Limited	12.20
Minerva biogenix pvt.ltd.,	12.18
Shubham pharmachem pvt.ltd.	12.14
Ruja impex p.ltd.	11.31
Pratistha Pharma	10.75
Ipca laboratories ltd. (depot)	10.63
Danopharm chemicals pvt.ltd.	10.11
Ind-swift limited.	9.92



Creditors	Amount (Rs. in Lakhs)
Enzal Chemicals (I) Ltd	9.37
Devendra kirti pharma chem pvt.ltd.	9.13
Prachem Laboratories	9.11
Emkay pharma p.ltd.	8.84
Origin formulations pvt. Ltd.	8.53
Aren lifesciences.	8.23
Unimax chemicals p.ltd.	7.81
Yaksh pharma.	7.54
Mmg Corporation	7.50
Raj Pharma	7.42
Anuh Pharma Ltd(M)	7.21
Aril Pharmaceuticals	6.93
Siddhivinayak Chemicals	6.82
Maharshi pharmachem pvt.ltd.	6.78
Rajeshwari	6.35
Vinay Pharma	6.28
Biomed pharma,	6.21
Makcur laboratories ltd.	6.06
Aggarwal Packaging	5.95
Suheka Industries	5.92
Bharat Chemicals	5.84
Emco dyestuff pvt. Ltd.	5.41

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see website of our Company www.vaishalipharma.com

Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.vaishalipharma.com, would be doing so at their own risk.



GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer chapter “Key Industry Regulations and Policies” on page 150 of this Red herring Prospectus.

The Company has its business located at:

Registered Office: 706 - 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off Sodawala Lane, Borivali (West), Mumbai, Maharashtra - 400092, India

Warehouse: Shop No. 5, Sayona Complex, Ground Floor, Plot No. CM/20, GIDC, Vapi Notified Area, Valsad District, Gujarat, India

Raw Material storage: Godown No W-1 (Loft & Ground), Radhe Gopal Compound Warehousing Complex, Opp. North Kanchan Compound, Anjur Valgaon Road, Anjur Phatta, Near Rahanal Village, Off. Mumbai Agra Road, Taluka-Bhiwandi-421302, Thane, Maharashtra, India

The object clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

APPROVALS FOR THE ISSUE

Corporate Approvals:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on June 21, 2017, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting/Annual General Meeting held on June 21, 2017 authorized the Issue.

In- principle approval from the Stock Exchange

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated July 20, 2017 bearing reference no. NSE/LIST/13491.

Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated July 13, 2017 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Bigshare Services Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated July 19, 2017 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is INE972X01014.



INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated April 25, 2008 issued by the Registrar of Companies, Mumbai, in the name of “VAISHALI PHARMA PRIVATE LIMITED”.
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on June 21, 2017 by the Registrar of Companies, Mumbai in the name of “VAISHALI PHARMA LIMITED”.
3. The Corporate Identification Number (CIN) of the Company is U52310MH2008PLC181632

APPROVALS/ LICENSES RELATED TO OUR BUSINESS ACTIVITIES

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.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
1	Certificate of Importer-Exporter Code (IEC)	Foreign Trade Development Officer, Office of Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	IEC Number: 0308027094	Date of issue: July 14, 2008 Certificate dated: February 24, 2015	In case of name change or address change, IEC holder shall cease to be eligible to Import or Export after expiry of 90 days from the date such a change happens unless changes notified to Licensing Authority.
2	Registration Certificate of Establishment (under the Maharashtra Shops and Establishments Act, 1948 and rules made thereunder) – Mumbai	Office of Inspector under the Maharashtra Shops and Establishments Act, 1948	Registration Number: 760146078/ Commercial II Ward RC	Date of issue of original: June 25, 2010 Date of renewal: January 06, 2015	December 31, 2017
3	Registration Certificate of Establishment (under the Maharashtra	Issuing Officer, Shop and Establishment, Vapi Industrial Area	Registration Number: LY/11740/2011 The Company was registered as	Date of issue of original: December 19, 2011 Date of	December 31, 2017



Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	Shops and Establishments Act, 1948 and rules made thereunder) – Vapi		a business trust as per the Mumbai Trust Act, 1948	renewal: December 29, 2014	
4	Udyog Aadhar Memorandum/ Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit	Deputy Director of Industries (MMR), Office of Joint Director of Industries (MMR), Government of Maharashtra	Entrepreneur Memorandum Number - Part II - 27222200837	January 17, 2012	Perpetual
5	Certificate of Recognition – One Star Export House (Under Foreign Trade Policy 2015-2020)	Additional Director General of Foreign Trade, Directorate of Foreign Trade, Ministry of Commerce & Industry, Government of India	A/8519	June 07, 2017 Date of Effectiveness: May 25, 2017	May 24, 2022

TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
1	Permanent Account Number (PAN)	Income Tax Department, Government of India	AACCV7258G	May 26, 2008	Perpetual
2	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	MUMV15991D	Not Traceable	Perpetual
3	Certificate of	Sales Tax Officer, (MUM-VAT-C-	Tax Payer Identification Number (TIN) -	Date of issue:	Perpetual



Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
	Registration (under Maharashtra Value Added Tax Act, 2002 read with Rule 9 of the Maharashtra Value Added Tax Rules, 2005) – Mumbai	108), Registration Branch, Mumbai	27450664296V Registration No. : MH01 V 738834	February 07, 2009 Date of effect: July 01, 2008	
4	Certificate of Registration (under Gujarat Value Added Tax Act, 2003 read with Rule 6 of the Gujarat Value Added Tax Rules, 2006) - Vapi	Commercial Tax Officer (4), Unit - 2 (75) Vapi, Commercial Taxes Department, Government of Gujarat	24251000752	Date of issue: November 27, 2012 Date of effect: July 01, 2002	Perpetual
5	Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994)	Superintendent, Service Tax – VI, Mumbai, Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AACCV7258GST001	Date of issue of Original: August 05, 2008 Date of Amendment: December 16, 2014	Until cancelled
6	Certificate of Registration Central Sales Tax (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)-Mumbai	Sales Tax Officer, Mumbai, (MUM-VAT-C-108), Registration Branch, Mumbai	Tax Payer Identification Number (TIN) - 27450664296C Registration No. : MH01 C 456775	Valid from: July 01, 2008 Certificate dated: February 10, 2009	Until cancelled
7	Certificate of Registration Central Sales Tax (Under Rule 5(1) of Central Sales	Commercial Tax Officer (4), Unit - 2 (75) Vapi, Commercial Taxes	24751000752	Date of issue: November 27, 2012 Valid	Until cancelled



Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
	Tax (Registration and Turnover) Rules, 1957) – Vapi	Department, Government of Gujarat		from: October 12, 2001	
8	Central Excise Registration Certificate (under Rule 9 of the Central Excise Rules, 2002) – Mumbai	Assistant Commissioner, Central Excise, Borivali Division, Mumbai, Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AACCV7258GXD001	Date of issue of original: July 11, 2008 Date of amendment: January 30, 2015	Until cancelled
9	Central Excise Registration Certificate (under Rule 9 of the Central Excise Rules, 2002) – Vapi	Assistant Commissioner of Central Excise, Vapi	AACCV7258GXD002	Date of issue: July 25, 2008	Valid unless requested for correction/change.
7	Professional Tax Enrollment Certificate (PTEC) (under section 4 of the Maharashtra State Tax on Professions, Trades, Callings and Employments Rules, 1975 and rules made thereunder)	The original certificate of Professional Tax Enrollment is not traceable.	99731640617P	Not Traceable	Until cancelled
8	Professional Tax Registration Certificate (PTRC) (under Section 5 of the Maharashtra State	Profession Tax Officer, Mumbai	27450664296P	Date of Issue: April 28, 2014 Date of effect: July 01,	Until cancelled



Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
	Tax on Professions, Trades, Callings and Employments Rules, 1975 and rules made thereunder)			2008	
9	Professional Tax Registration Certificate (PTEC) (under Section 5 of the Gujarat (Panchayats, Municipalities, Municipal Corporations and State) Tax on Professions, Traders, Callings and Employments Act, 1976 and rules made thereunder)	Profession Tax Officer, Vapi	PE2509000465	Date of Issue: June 26, 2012 Date of Effect: April 01, 2006	Until cancelled
10	GSTIN	Government of India and Government of Maharashtra	27AACC7258GIZI	June 28, 2017	Certificate of Provisinal Registration

LABOUR RELATED APPROVALS/REGISTRATIONS

Sr. No.	Description	Authority	Registration No./Reference No./License No.	Date of Issue
1.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and rules made thereunder)	Office of Regional Provident Fund Commissioner, Maharashtra and Goa	Establishment Code: MH/211204	Date of Issue: August 08, 2008 Date of Effect: July 01, 2008
2.	Registration under Bombay Labour	Maharashtra Labour Welfare Board	License Number: 760056877	December 06, 2008



	Welfare Fund Act, 1953			
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OTHER BUSINESS RELATED APPROVALS

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	License to sell, stock or exhibit (or offer) for sale or distribute by wholesale drugs other than those specified in Schedules C,C (1) and X (under the Drugs and Cosmetics Act, 1940 and rules made thereunder)	Licensing Authority & Assistant Commissioner, Food and Drugs Administration, Mumbai - Zone 7	MH-MZ7-Z-7/103/1891	July 06, 2014	July 05, 2019
2	License to sell, stock or exhibit (or offer) for sale or distribute by wholesale drugs other than those specified in Schedules C and C (1) but excluding those specified in Schedule X (under the Drugs and Cosmetics Act, 1940 and rules made thereunder)	Licensing Authority & Assistant Commissioner, Food and Drugs Administration, Mumbai - Zone 7	MH-MZ7-Z-7/103/1892	July 06, 2014	July 05, 2019
3	Search Certificate (under Rule 24(3) of the Trade Mark Rules, 2002 and Section 45(1) of the Copyright Act, 1957)	Trade Marks Registry, Government of India	A-CC. NO 32989	November 30, 2011	N/A
4	Certificate of Registration ISO 9001:2015 Quality Management System	Deutsche Accreditation Board, Germany	Certificate Number: QMS-16-3051	March 22, 2016	March 21, 2019
5	Certificate of Registration ISO 9001:2015 Quality Management System	ISC Global	Certificate Number: QAC/R91/2050	July 10, 2017	July 10, 2020



Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
6	Compliance Certificate w.r.t. requirements of the Directive 93/42/EEC as amended (2007/47/EC)	Deutsche Accreditation Board, Germany	Certificate Number: CE-16-3052	March 22, 2016	March 21, 2019
7.	Membership of Pharmexcil - Pharmaceuticals Export Promotion Council of India	Executive Director, Pharmaceuticals Export Promotion Council of India	PXL/ROM/2017-18/28/980	Valid from: April 01, 2017	April 01, 2018
8.	Subscription of GS1, India	General Manager (F&A), GS1 India	Company Prefix No. : 890605327	July 11, 2017	June 30, 2018







COUNTRY-WISE PRODUCT REGISTRATIONS

Sr. No.	Country	No. of Products	Status
1	Brazza	11 Products	Received Certificate of Registration for all 11 Products.
2	Cambodia	11 Products	11 Products are under Registration.
3	Congo	41 Products	Received Certificate of Registration for 21 Products. 20 Products are under Registration
4	Costa Rica	1 Products	Received Certificate of Registration for all 1 Products.
5	Ethiopia	7 Products	7 Products are under Registration
6	Kenya	11 Products	11 Products are under Registration
7	Myanmar	19 Products	5 Products Received Registration Certificate 14 Products are under Registration
8	Nicaragua	21 Products	Received registration Certificate for 13 Products and 8 Products are under Registration
9	Russia	17 Product	Received Registration Certificate for 1 Product and 16 Products are under Registration
10	Uzbekistan	17 Products	17 Products are under Registration
11	Sri Lanka	5 Product	Received Certificate of Registration for 1 Product. 4 Products are under Registration
12	Tajikistan	17 Products	Received Certificate of Registration for 11 Products. 6 Products are under Registration
13	Zimbabwe	8 Product	8 Products are under Registration



INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS






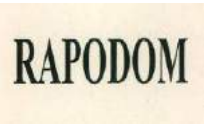
TRADEMARKS

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration Status
1.		Device	5	Vaishali Pharma Private Limited	2707001	March 27, 2014	March 27, 2024	Registered
2		Device	5	Vaishali Pharma Private Limited	2707002	March 27, 2014	March 27, 2024	Registered
3		Device	5	Vaishali Pharma Private Limited	2707003	March 27, 2014	March 27, 2024	Registered
4		Device	5	Vaishali Pharma Private Limited	2400245	September 21, 2012	September 21, 2022	Registered
5		Device	10	Vaishali Pharma Private Limited	3278141	June 07, 2016	June 07, 2026	Registered
6		Device	5	Vaishali Pharma Private Limited	2410772	October 12, 2012	October 12, 2022	Registered

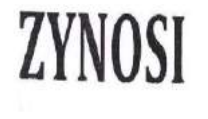


Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration Status
7	KILACHE	Device	5	Vaishali Pharma Private Limited	3330551	August 08, 2016	August 08, 2026	Registered
8	SEEDIOS	Device	5	Vaishali Pharma Private Limited	3330549	August 08, 2016	August 08, 2026	Registered
9	NEROBET	Device	5	Vaishali Pharma Private Limited	2848972	November 25, 2014	N/A	Accepted & Advertised
10	QUIXINCLAV	Device	5	Vaishali Pharma Private Limited	3330547	August 08, 2016	August 08, 2026	Registered
11	DIABETFORMIN - SR	Device	5	Vaishali Pharma Private Limited	2792220	August 18, 2014	N/A	Advertised bef acc
12	CARZYAINE	Device	5	Vaishali Pharma Private Limited	2792221	August 18, 2014	N/A	Advertised bef acc









Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration Status
13		Device	5	Vaishali Pharma Private Limited	2792222	August 18, 2014	N/A	Advertised bef acc
14		Device	5	Vaishali Pharma Private Limited	2792223	August 18, 2014	N/A	Opposed
15		Device	5	Vaishali Pharma Private Limited	2848970	November 25, 2014	N/A	Advertised bef acc
16		Device	5	Vaishali Pharma Private Limited	2563747	July 12, 2013	N/A	Objected
17		Device	5	Vaishali Pharma Private Limited	2697322	March 12, 2014	N/A	Objected
18		Device	5	Vaishali Pharma Private Limited	2675154	February 10, 2014	N/A	Objected









Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration Status
19		Device	5	Vaishali Pharma Private Limited	2697323	March 12, 2014	N/A	Objected
20		Device	5	Vaishali Pharma Private Limited	2675155	February 10, 2014	N/A	Objected
21		Device	5	Vaishali Pharma Private Limited	2675151	February 10, 2014	N/A	Objected
22		Device	5	Vaishali Pharma Private Limited	2675153	February 10, 2014	N/A	Objected
23		Device	5	Vaishali Pharma Private Limited	3330550	August 08, 2016	N/A	Objected
24		Device	5	Vaishali Pharma Private Limited	3330548	August 08, 2016	N/A	Objected



Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration Status
25		Device	5	Vaishali Pharma Private Limited	3330552	August 08, 2016	N/A	Objected
26		Device	5	Vaishali Pharma Private Limited	2675152	February 10, 2014	N/A	Objected
27		Device	10	Vaishali Pharma Private Limited	3278142	June 07, 2016	N/A	Objected
28		Device	5	Vaishali Pharma Private Limited	2665845	January 24, 2014	N/A	Objected
29		Device	5	Vaishali Pharma Private Limited	2707000	March 27, 2014	N/A	Objected
30		Device	5	Vaishali Pharma Private Limited	2792217	August 18, 2014	N/A	Objected



Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration Status
31		Device	5	Vaishali Pharma Private Limited	2835012	October 31, 2014	N/A	Advertised bef acc
32		Device	5	Vaishali Pharma Private Limited	2857463	December 08, 2014	N/A	Objected
33		Device	5	Vaishali Pharma Private Limited	2857462	December 08, 2014	N/A	Objected
34		Device	5	Vaishali Pharma Private Limited	2848971	November 25, 2014	N/A	Objected
35		Device	5	Vaishali Pharma Private Limited	2848973	November 25, 2014	N/A	Objected
36		Device	5	Vaishali Pharma Private Limited	2848974	November 25, 2014	N/A	Objected



Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration Status
37	MEFENOR	Device	5	Vaishali Pharma Private Limited	2792218	August 18, 2014	N/A	Objected
38	LECIZIN	Device	5	Vaishali Pharma Private Limited	2792219	August 18, 2014	N/A	Objected
39	FUKEIN	Device	5	Vaishali Pharma Private Limited	2835014	October 31, 2014	N/A	Advertised bef acc
40	VPAGRA	Device	5	Vaishali Pharma Private Limited	2675149	February 10, 2014	N/A	Objected
41	CYPTRI	Device	5	Vaishali Pharma Private Limited	2675150	February 10, 2014	N/A	Objected
42	VPCOTRY	Device	5	Vaishali Pharma Private Limited	2400247	September 21, 2012	N/A	Objected



Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration Status
43		Device	5	Vaishali Pharma Private Limited	2563748	July 12, 2013	N/A	Objected
44		Device	5	Vaishali Pharma Private Limited	2835013	October 31, 2014	N/A	Objected
45		Device	5	Vaishali Pharma Private Limited	2400243	September 21, 2012	N/A	Objected
46		Device	5	Vaishali Pharma Private Limited	2532423	May 16, 2013	N/A	Objected
47		Device	5	Vaishali Pharma Private Limited	2400246	September 21, 2012	N/A	Opposed
48		Device	5	Vaishali Pharma Private Limited	2440320	December 11, 2012	N/A	Opposed



Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration Status
49		Device	5	Vaishali Pharma Private Limited	2532420	May 16, 2013	N/A	Abandoned
50		Device	5	Vaishali Pharma Private Limited	2532422	May 16, 2013	N/A	Opposed
51		Device	5	Vaishali Pharma Private Limited	2173100	July 11, 2011	N/A	Opposed
52		Device	5	Vaishali Pharma Private Limited	2697324	March 12, 2014	N/A	Abandoned
53		Device	5	Vaishali Pharma Private Limited	2697325	March 12, 2014	N/A	Abandoned
54		Device	5	Vaishali Pharma Private Limited	2697326	March 12, 2014	N/A	Abandoned



Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity/ Renewal	Registration Status
55		Device	5	Vaishali Pharma Private Limited	2440321	December 11, 2012	N/A	Abandoned
56		Device	5	Vaishali Pharma Private Limited	2440322	December 11, 2012	N/A	Abandoned
57		Device	5	Vaishali Pharma Private Limited	2440323	December 11, 2012	N/A	Abandoned
58		Device	5	Vaishali Pharma Private Limited	2400244	September 21, 2012	N/A	Abandoned
59		Device	5	Vaishali Pharma Private Limited	2410773	October 12, 2012	N/A	Abandoned
60		Device	5	Vaishali Pharma Private Limited	2410774	October 12, 2012	N/A	Abandoned



61	VICOTONE	Device	5	Vaishali Pharma Private Limited	2410771	October 12, 2012	N/A	Abandoned
62	VALZOLE	Device	5	Vaishali Pharma Private Limited	2400241	September 21, 2012	N/A	Abandoned
63	VIPRAMOL	Device	5	Vaishali Pharma Private Limited	2400242	September 21, 2012	N/A	Abandoned
64	CLARBIOTIK	Device	5	Vaishali Pharma Private Limited	2706999	March 27, 2014	N/A	Abandoned
65	AZIBIOTIK	Device	5	Vaishali Pharma Private Limited	2707004	March 27, 2014	N/A	Abandoned

Company has confirmed that no other applications have been made by the Company nor has it registered any type of intellectual property including trademarks/copyrights/patents etc. ‘

PENDING APPROVALS:

1. Change of name of the above mentioned approvals from “VAISHALI PHARMA PRIVATE LIMITED” to “VAISHALI PHARMA LIMITED”

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 21, 2017 and by the shareholders of our Company vide a special resolution pursuant to Section 62(1)(c) of the Companies Act, 2013 passed at the Extra General Meeting of our Company held on June 21, 2017 at the Registered Office of the Company.

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor any of our Company, our Directors, our Promoters, relatives of Promoters, our Promoter Group and our Group Companies has been declared as wilful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoter, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other government authority. Neither our Promoter, nor any of our Directors or persons in control of our Company were or is 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 the SEBI or any other governmental authorities.

None of our Directors are associated with the securities market in any manner, including securities market related business.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 106M(1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 1,000 lakhs. Our Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares

We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the BRLM will underwrite at least 15 per cent of the total issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 60 of this Red Herring 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, 2013.
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 Book Running Lead Manager submits the copy of Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at



the time of filing the Red herring Prospectus with Stock Exchange and the Registrar of Companies.

4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM 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 60 of this Red Herring Prospectus.
5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application.
6. Net-worth of the company is positive.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. The Company has a website: www.vaishalipharma.com

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 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 SECURITIES AND EXCHANGE BOARD OF INDIA 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 BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS 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, IN FORCE FOR THE TIME BEING. 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 RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS 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 BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE AND WHICH SHALL ALSO



BE SUBMITTED TO SEBI AFTER REGISTERING THE RED HERRING PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992

“WE, THE UNDER NOTED BOOK RUNNING 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, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE RED HERRING 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 RED HERRING 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 RED HERRING 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 COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, 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 RED HERRING 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 – NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE RED HERRING 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 RED HERRING PROSPECTUS. – DULY COMPLIED**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 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. – NOT APPLICABLE**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY 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. – COMPLIED TO THE EXTENT APPLICABLE.**
- 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 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION –**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.- NOT APPLICABLE, AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC ISSUE SHALL BE IN DEMAT FORM ONLY.**
- 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 RED HERRING 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. – NOTED FOR COMPLIANCE

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 RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY (CHECKLIST ENCLOSED)

16.WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER’ AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”

17.WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.” COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE RED HERRING PROSPECTUS

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

(1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE RED HERRING 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 RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY 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. - NOTED FOR COMPLIANCE

- (4) **WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE ISSUER.**
- (5) **WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) 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 RED HERRING 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 Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34 and 36 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 Book Running Lead Manager any irregularities or lapses in this Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Maharashtra, Mumbai in terms of Section 26 and 32 of the Companies Act, 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring 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, www.vaishalipharma.com would be doing so at his or her own risk.

Caution

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Book Running Lead Manager and our Company dated June 22, 2017, the Underwriting Agreement dated June 22, 2017 entered into among the Underwriter and our Company and the Market Making Agreement dated June 22, 2017 entered into among the Market Maker(s), Book Running Lead Manager and our Company.

Our Company and the Book Running 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 collection centres, *etc.*

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to Book Running Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.



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 Book Running 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 BOOK RUNNING LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer “Annexure A” to this Red Herring Prospectus and the website of Book Running Lead Manager at www.pantomathgroup.com

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 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, 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 Red Herring 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 Red Herring 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 Mumbai, Maharashtra 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 Red Herring 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 Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring 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, legislations and Red Herring Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST dated July 20, 2017 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”.

FILING

The Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 106(M) (3). However, a copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI at the SEBI Bhavan, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, Maharashtra, India. A copy of the Red Herring Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 has been delivered to the RoC situated at 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra, India.

LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from EMERGE Platform of National Stock Exchange of India Limited. However application will be made to the EMERGE Platform of National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The EMERGE Platform of National Stock Exchange of India Limited has given its in-principal approval for using its name in our Prospectus vide its letter No. NSE/LIST/13491 dated July 20, 2017.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the EMERGE Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Red Herring 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 working 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 cent 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 EMERGE Platform of the National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date.

CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Banker to the Company and (b) Book Running Lead Manager, Underwriter, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue, Syndicate Member to the Issue to act in their respective capacities have been obtained and is filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus/ Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

EXPERT TO THE ISSUE

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

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits
- Report of the Peer Reviewed Auditor on Restated Financial Statements

EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter “Objects of the Issue” beginning on page 96 of this Red Herring Prospectus.

DETAILS OF FEES PAYABLE

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Mandate Letter issued by our Company to the Book Running 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 June 22, 2017 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 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 if any.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the Book Running Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.



PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION

We have not made any previous rights and/or public issues since Incorporation, 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

Except as stated in the chapter titled “*Capital Structure*” beginning on page 72 of this Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the 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, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

None of the equity shares of our Group Companies are listed on any recognised 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 Red Herring 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 year from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds 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 Compliance Officer, giving full details such as the name, address of the bidder, 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 / Bidder, 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 / bidders.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY



Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders 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 Relationship Committee/ Investor Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on June 21, 2017 For further details, please refer to the chapter titled “*Our Management*” beginning on page 167 of this Red Herring Prospectus.

Our Company has appointed Sonal Gandhi as Company Secretary and Compliance Officer and she may be contacted at the following address:

Sonal Gandhi

Vaishali Pharma Limited

706 to 709, 7th Floor, Aravali Business Center,

R. C. Patel Road, Off Sodawala Lane, Borivali (West),

Mumbai- 400092, Maharashtra, India

Tel: +91 22-2892 8833/ 4217 1800-99

Fax No.: +91 22-2892 8833

Email: investor@vaishalipharma.com

Website: www.vaishalipharma.com

Corporate Identification Number: U52310MH2008PLC181632

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 unblocking of funds, *etc.*

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

There are no changes in Auditors during the last three financial years.

CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 72 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

PURCHASE OF PROPERTY

Except as disclosed in this Red Herring 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 Red Herring Prospectus.

Except as stated elsewhere in this Red Herring 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 there under.

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 THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice 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, rules, 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 FIPB, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

RANKING OF EQUITY SHARES

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page no 353 of this Red herring Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations 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 the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 188 of this Red herring Prospectus.

FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in Mumbai edition of the English national newspaper Business Standard, Mumbai edition of the Hindi national newspaper Business Standard and the



Regional newspaper Mumbai Lakshadeep, each with wide circulation, at least five Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be prefilled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

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 issue 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, 2013 Act, the terms of the SEBI Listing Regulations 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 no 353 of this Red herring Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated July 19, 2017 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated July 13, 2017 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.



JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, 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 issued 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 issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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 BIDDERS

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, 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 equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation 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 our Registered Office 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.



WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with Stock Exchange.

BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	August 7, 2017
Bid / Issue Closing Date	August 10, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	August 16, 2017
Initiation of Refunds	August 18, 2017
Credit of Equity Shares to demat accounts of Allottees	August 21, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	August 22, 2017

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public issue, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Red Herring Prospectus is Indian Standard Time.



Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

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 from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue 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 and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P (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 issue through the Red Herring 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, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

MIGRATION TO MAIN BOARD

Our company may migrate to the Main board of NSE from SME Exchange on a later date subject to the following:

- *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs 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 Promoter 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 the company has obtained in-principal approval from the Main Board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid 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 Promoter 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 issued and transferred through this Issue are proposed to be listed on the NSE EMERGE (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE EMERGE. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 60 of this Red herring Prospectus.

ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the equity shares will happen in the minimum contract size of [●] 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 NSE EMERGE.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM

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. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.



APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S

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 Promoter's minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 72 of this Red herring 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 353 of this Red herring 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 Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running 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 Red herring 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)(1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital does not exceed ten crore rupees. The Company shall 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 NSE EMERGE). For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 290 and 300 of this Red Herring Prospectus.

Following is the issue structure:

Initial Public Issue of 19,76,000 Equity Shares of face value of Rs. 10/- each fully paid (the ‘Equity Shares’) for cash at a price of Rs. [●] (including a premium of Rs. [●]) aggregating to Rs. [●]. The Issue comprises a Net Issue to the public of up to 18,72,000 Equity Shares (the “Net Issue”). The Issue and Net Issue will constitute [●] % and [●]% of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of upto 1,04,000 Equity Shares of Rs. 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”).

Particulars	Net issue to Public*	Market Maker Reservation Portion
Number of Equity Shares	18,72,000 Equity Shares	1,04,000 Equity Shares
Percentage of Issue Size available for allocation	94.74 % of Issue Size	5.26 % of Issue Size
Basis of Allotment / Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the section titled “ <i>Issue Procedure</i> ” beginning on page 300 of the Red Herring Prospectus	Firm allotment
Mode of Bid cum Application	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)	Through ASBA Process only
Minimum Bid Size	<i>For QIB and NII</i> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000 <i>For Retail Individuals</i> [●] Equity shares	[●] Equity Shares of Face Value of Rs. 10.00 each
Maximum Bid Size	<i>For Other than Retail Individual Investors:</i> For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable. <i>For Retail Individuals:</i> [●] Equity Shares	[●] Equity Shares of Face Value of Rs 10 each



Particulars	Net issue to Public*	Market Maker Reservation Portion
Mode of Allotment	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode
Trading Lot	[●] Equity Shares	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations
Terms of payment	The entire Bid Amount will be payable at the time of submission of the Bid Form	

*allocation in the net issue to public category shall be made as follows:

- (a) minimum fifty per cent. to retail individual investors; and
- (b) remaining to:
 - (i) individual applicants other than retail individual investors; and
 - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- (c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

For the purpose of sub-regulation 43 (4), *if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue for sale of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.



BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	August 7, 2017
Bid / Issue Closing Date	August 10, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	August 16, 2017
Initiation of Refunds	August 18, 2017
Credit of Equity Shares to demat accounts of Allottees	August 21, 2017
Commencement of trading of the Equity Shares on the Stock Exchange	August 22, 2017

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). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.



ISSUE PROCEDURE

All Bidders 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 (“General Information Document”), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. 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>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by National Stock Exchange of India Ltd. to act as intermediaries for submitting Bid cum Application Forms are provided on <http://www.nseindia.com> For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned NSE website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application Forms.

BOOK BUILDING PROCEDURE

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via book building process wherein at least 50% of the Net Issue to Public is being issued to the Retail Individual Bidders and the balance shall be issued to QIBs and Non-Institutional Bidders. Further if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage. However, if the aggregate demand from the Retail Individual Bidders is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid bids being received from them at or above the Issue Price.



Subject to the valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the issue only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

**excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.



WHO CAN BID?

In addition to the category of Bidders set forth under “*General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) For Retail Individual Bidders:

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

b) For Other Bidders (Non-Institutional Bidders and QIBs):

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

INFORMATION FOR THE BIDDERS

- a. Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.
- b. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c. The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. [●] per Equity Share. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- d. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the Bid cum Application Forms available on the websites of the stock exchanges.



- e. The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

OPTION TO SUBSCRIBE IN THE ISSUE

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid cum 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 and applicable law

AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

APPLICATIONS BY ELIGIBLE NRI'S/RFPI'S ON REPATRIATION BASIS

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

PARTICIPATION BY ASSOCIATED/AFFILIATES OF BOOK RUNNING LEAD MANAGER AND SYNDICATE MEMBERS

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

APPLICATIONS BY ELIGIBLE NRI'S

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for



residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

BIDS BY FPI INCLUDING FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (blue in colour).



BIDS BY SEBI REGISTERED VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

BIDS BY MUTUAL FUNDS

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Bids 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 Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.



BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10.00% of the investee company's subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10.00% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, 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 Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, 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 Bid cum Application Form.
- d) With respect to Bids 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 Bid cum Application Form
- e) 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 Bid cum Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.



The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

BIDS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid Cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

BIDS BY BANKING COMPANY

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the ASBA Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

BIDS BY SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.



ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

TERMS OF PAYMENT

Terms of Payment

The entire Issue price of Rs. [●] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for Bidders

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation 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 bid cum 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/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

- a) Our Company has entered into an Underwriting agreement dated June 22, 2017.
- b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act.



PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying



their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

13. Ensure that the Demographic Details are updated, true and correct in all respects;
14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Dont's:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;



5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit more than five Bid cum Application Forms per ASBA Account;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.



COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

IMPERSONATION

Attention of the Bidders 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.”

UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoter's contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;



8. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. 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;
2. details of all monies utilized out of the issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated July 19, 2017 among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated July 13, 2017 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no. INE972X01014.



PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the Red Herring prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders in IPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders may refer to the section “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs ON SME EXCHANGE

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the DRHP.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer. For undertaking an FPO, the Issuer is *inter-alia* required to comply



with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation.

2.3 OTHER ELIGIBILITY REQUIREMENTS

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be 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 the company becomes liable to repay it, than the 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, 2013.
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running Lead Manager shall submit 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.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- (e) The company should have track record of at least 3 years
- (f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive
- (g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.
- (h) The issuer shall mandatorily facilitate trading in demat securities.
- (i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.



- (j) No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company
- (k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer
- (l) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB 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 this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (1) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital does not exceed Rs. 1000 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of NSE for listing of our Equity Shares.

2.4 TYPES OF PUBLIC ISSUES – FIXED PRICE ISSUES AND BOOK BUILT ISSUES

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built issues**”) or undertake a Fixed Price Issue (“**Fixed Price Issues**”). An issuer may mention Price or Price Band in the Red Herring Prospectus (in case of a fixed price Issue) and Floor price or price band in the Red Herring prospectus (in case of a book built issue) and determine the price at a later date before registering the prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM and the advertisement in the newspaper(s) issued in this regard

2.6 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:



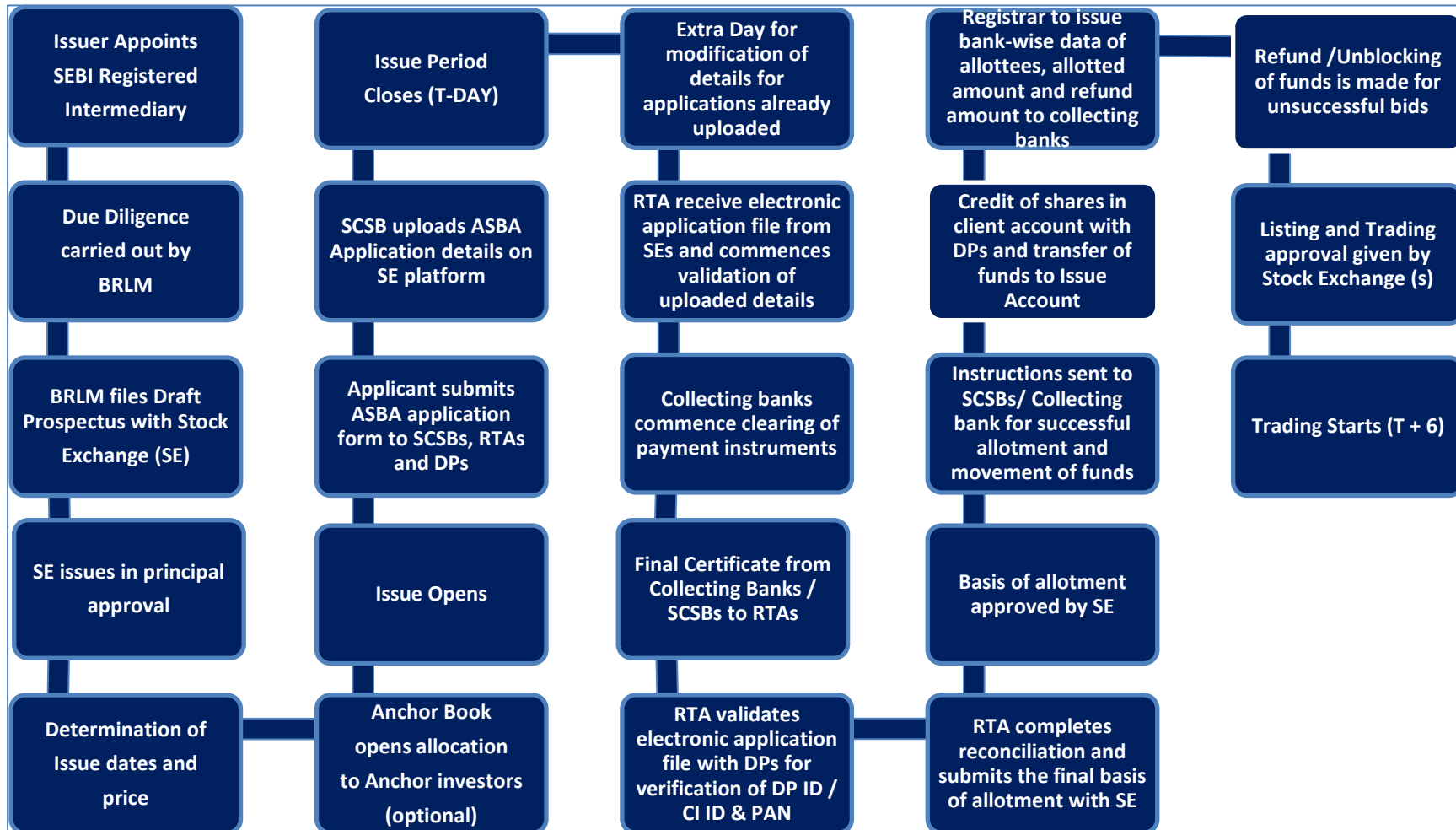
- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor 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 the company has obtained in-principal approval from the main board), the Company shall apply to SE 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.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter 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.

2.7 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows





SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. 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 through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. 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;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.



SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the book running lead manager, members of the Syndicate, Registered Brokers, Designated Intermediaries at Branches of the Bidding Centres, SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP/RHP.

Fixed Price Issue: Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form (Excluding downloaded forms from SE website)
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders applying in the reserved category	Not Applicable

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ ASBA FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this BID, the DRHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non- resident Bidders are reproduced below:



R Bid cum Application Form

COMMON BID CUM APPLICATION FORM	VAISHALI PHARMA LIMITED - INITIAL PUBLIC ISSUE - R Registered Office: 706 to 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off Sodawala Lane, Borivali (West), Mumbai- 400092, Maharashtra, India. Tel. No. +91 22-28928833; Fax No. +91 22-28928833; CIN: U52310MH2908PLC181632; E-mail: investor@vaishalipharma.com; Website: www.vaishalipharma.com	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	To, The Board of Directors VAISHALI PHARMA LIMITED	BOOK BUILT ISSUE ISIN - INE972X01014
		Bid Cum Application Form No.
SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCSB / CDP / RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER
		Mr./Ms./M/s.
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCSB BRANCH STAMP & CODE	Address
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Email
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	Tel. No (with STD code) / Mobile
4. BID OPTIONS (Only Retail individual Bidders can BID at "Cut-Off"). Pric band Rs. [•]		2. PAN OF SOLE / FIRST BIDDER
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.		
5. CATEGORY	6. INVESTOR STATUS	
<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non Institutional Bidder <input type="checkbox"/> QIB	<input type="checkbox"/> Individuals - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Non-Resident Indians (Non-Repatriation basis) - NRI <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> National Investment Funds - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternate Investment Funds - AIF <input type="checkbox"/> Others (Please Specify) - OTH	
7. PAYMENT DETAILS		PAYMENT OPTION : Full Payment <input type="checkbox"/>
Amount Blocked ₹ in Figures (₹ in words)		
ASBA Bank A/c No. 		
Bank Name & Branch 		
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.		
8A. SIGNATURE OF SOLE / FIRST BIDDER	8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all actions necessary to make the Application in the office. 1) _____ 2) _____ 3) _____	
Date: _____, 2017		
TEAR HERE		
	VAISHALI PHARMA LIMITED - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA
		Bid Cum Application Form No.
DPID / CHID 	PAN of Sole / First Bidder 	
Amount Blocked (₹ in figures) ASBA A/c. No. 	Stamp & Signature of SCSB Branch	
Bank & Branch 		
Received from Mr./Ms./M/s 		
Telephone / Mobile Email 		
TEAR HERE		
VAISHALI PHARMA LIMITED - INITIAL PUBLIC ISSUE - R	Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA	Name of Sole / First Bidder
No. of Equity Shares 	Bid Price 	
Amount Blocked (₹) 	Acknowledgment Slip for Bidder	
ASBA Bank A/c No.: 		
Bank & Branch: 		
		Bid Cum Application Form No.
VAISHALI PHARMA LIMITED		



NR Bid cum Application ASBA Form

COMMON BID CUM APPLICATION FORM	VAISHALI PHARMA LIMITED - INITIAL PUBLIC ISSUE - NR Registered Office: 706 to 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off Sodawala Lane, Borivali (West), Mumbai- 400092, Maharashtra, India. Tel. No. +91 22-28928833; Fax No. +91 22-28928833; CIN: U52310MH2008PLC181632; E-mail: investor@vaishalipharma.com; Website: www.vaishalipharma.com	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS		
	To, The Board of Directors VAISHALI PHARMA LIMITED	BOOK BUILT ISSUE ISIN - INE972N01014		
		Bid Cum Application Form No. 		
SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCSB / CDP / RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER Mr./Ms./M/s. Address Email Tel. No (with STD code) / Mobile 		
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK / SCSB BRANCH STAMP & CODE			
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	2. PAN OF SOLE / FIRST BIDDER		
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		6. INVESTOR STATUS		
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.		<input type="checkbox"/> NRI Non-Resident Indian(s) (Repatriation basis) <input type="checkbox"/> FII FII or Sub Account not a Corporate/ Foreign Individual <input type="checkbox"/> FVCI FII Sub Account Corporate/Individual <input type="checkbox"/> FVCI Foreign Venture Capital Investor <input type="checkbox"/> FPI Foreign Portfolio Investor <input type="checkbox"/> OTHER Others (Please Specify)		
4. BID OPTIONS (Only Retail Individual Bidders can BID at "Cut-Off"). Priced hand Rs. [•]		5. CATEGORY <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non Institutional Bidder <input type="checkbox"/> QIB		
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares)	Price per Equity Share (₹) / "Cut-off"	*Cut-Off* (Please ✓ tick)	
	Bid Price Retail Discount Net Price			
Option 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	<input type="checkbox"/>
(OR) Option 2	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	<input type="checkbox"/>
(OR) Option 3	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	<input type="checkbox"/>
7. PAYMENT DETAILS PAYMENT OPTION : Full Payment <input type="checkbox"/>				
Amount Blocked (₹ in Figures) (₹ in words) 				
ASBA Bank A/c No. 				
Bank Name & Branch 				
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID"), AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.				
8A. SIGNATURE OF SOLE / FIRST BIDDER Date: 2017	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all actions necessary to make the Application in the Office: 1) _____ 2) _____ 3) _____	SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)		
TEAR HERE				
	VAISHALI PHARMA LIMITED - INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA	Bid Cum Application Form No. 	
DPID / C/ID			PAN of Sole / First Bidder 	
Amount Blocked (₹ in figures) ASBA A/c. No. 		Stamp & Signature of SCSB Branch		
Bank & Branch 				
Received from Mr./Ms./M/s. 				
Telephone / Mobile 	Email 			
TEAR HERE				
VAISHALI PHARMA LIMITED - INITIAL PUBLIC ISSUE - NR				Name of Sole / First Bidder
No. of Equity Shares	Option 1	Option 2	Option 3	Stamp & Signature of Syndicate Member Registered Broker / SCSB / CDP / RTA
Bid Price				
Amount Blocked (₹)				
ASBA Bank A/c No.:	Acknowledgment Slip for Bidder			
Bank & Branch:	Bid Cum Application Form No. 			
				VAISHALI PHARMA LIMITED



4.1.1 : NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (a) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (c) **Impersonation:** Attention of the Bidders 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:
- *makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
 - *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*
 - *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 the said Act.***
- (d) **Nomination Facility to Bidder:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

4.1.2 PAN NUMBER OF SOLE /FIRST BIDDER

- a) PAN (of the sole/first Bidder) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim ("PAN Exempted Bidders"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.



- c) The exemption for the PAN Exempted Bidders is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- e) Bids by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 BIDDERS DEPOSITORY ACCOUNT DETAILS

- a) Bidder should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the **Bid cum Application Form is liable to be rejected.**
- b) Bidder should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the issue.
- d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders’ sole risk.

4.1.4 : BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the DRHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. Cut-Off Price: Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut off Price indicating their agreement to Bid for and purchase the Equity Shares at the issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Bid Value and Bid Lot:** The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.



- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the DRHP or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.
- b) In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least Rs 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the issue Price, the number of Equity Shares Bid for by a Bidder at or above the issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount



may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process.

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
 - i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the issue portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

4.1.5 CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- (b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- (c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the DRHP.

4.1.6 INVESTOR STATUS

- (a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.



- (b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Red Herring Prospectus for more details.
- (c) Bidders should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders should ensure that their investor status is updated in the Depository records.

4.1.7 PAYMENT DETAILS

- i. The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the Bid cum Application Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- ii. Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- iii. Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- iv. All Bidders can participate in the issue only through the ASBA mechanism.
- v. Please note that, providing bank account details in the space provided in the Bid cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

4.1.7.1. Payment instructions for Bidders

- a) Bidders may submit the Bid cum Application Form either
 - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - ii. in physical mode to any Designated Intermediary.
- b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bid cum Application Forms can be submitted.
- f) Bidders should submit the Bid cum Application Form only at the Bidding Centre i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or



CDP at the Designated CDP Locations

- g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that Bid cum Application Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit Bid cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.8. Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.



- (d) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Issue Closing Date.

4.1.8.1. Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

4.1.8.2. Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.9. SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid/ amount mentioned in the Bid cum Application Form.
- (d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.10. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bid made in the issue should be addressed as under:
- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
 - iii. Bidders may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the issue.
 - iv. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.



- v. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
 - vi. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
 - vii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.
- (c) The following details (as applicable) should be quoted while making any queries -
- i. Full name of the sole or First Bidder, Bid cum Application Form number, Bidder' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
 - ii. name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Red Herring Prospectus and the Bid cum Application Form.

4.2. INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise / withdraw their Bid till closure of the Bid/Issue period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:



Revision Form – R

COMMON BID REVISION FORM	VAISHALI PHARMA LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R Registered Office: 706 to 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off Sodawala Lane, Borivali (West), Mumbai- 400092, Maharashtra, India. Tel. No. +91 22-28928833; Fax No. +91 22-28928833; CIN: U52310MH2908PLC181632; E-mail: investor@vaishalipharma.com; Website: www.vaishalipharma.com	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	To, The Board of Directors VAISHALI PHARMA LIMITED	

	BOOK BUILT ISSUE ISIN - INE972X01014	Bid Cum Application Form No.
SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SC/SB / DP / RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER Mr./Ms./M/s. _____ Address: _____ _____ Email: _____ Tel. No (with STD code) / Mobile: _____
SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	ESCROW BANK / SC/SB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.	SC/SB SERIAL NO.	
2. PAN OF SOLE / FIRST BIDDER		
3. BIDDERS DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL, enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL, enter 16 Digit Client ID.		

PLEASE CHANGE MY BID

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [●] equity shares)	Price per Equity Share (₹) "Cut-off" (In Figures)			
		Bid Price	Retail Discount, if any	Net Price	"Cut-off" (Please ✓ tick)
Option 1	8 7 6 5 4 3 2 1	4 3 2 1	3 2 1	4 3 2 1	<input type="checkbox"/>
(OR) Option 2					<input type="checkbox"/>
(OR) Option 3					<input type="checkbox"/>

5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [●] equity shares)	Price per Equity Share (₹) "Cut-off" (In Figures)			
		Bid Price	Retail Discount, if any	Net Price	"Cut-off" (Please ✓ tick)
Option 1	8 7 6 5 4 3 2 1	4 3 2 1	3 2 1	4 3 2 1	<input type="checkbox"/>
(OR) Option 2					<input type="checkbox"/>
(OR) Option 3					<input type="checkbox"/>

6. PAYMENT DETAILS PAYMENT OPTION : Full Payment

Additional Amount Paid (₹ in Figures) _____ (₹ in words) _____

ASBA Bank A/c No. _____

Bank Name & Branch _____

I/WE ON BEHALF OF JOINT APPLICANTS, IF ANY HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTORS IN PUBLIC OFFERS (GPII) AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVER LEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVER LEAF.

7.A. SIGNATURE OF SOLE / FIRST BIDDER Date: _____, 2017	7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS): I/We authorize the SC/SB to do all acts as are necessary to make the Application in the Offer: 1) _____ 2) _____ 3) _____	SYNDICATE MEMBER/BROKER / SC/SB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
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TEAR HERE

	VAISHALI PHARMA LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Syndicate Member Broker/SC/SB/CDP/RTA	Bid Cum Application Form No.
DPID / CLID	PAN of Sole / First Bidder	Additional Amount Blocked (₹ in figures) _____ ASBA A/c. No. _____	Stamp & Signature of SC/SB Branch
Bank & Branch _____	Received from Mr./Ms. _____	Telephone / Mobile _____ Email _____	

TEAR HERE

VAISHALI PHARMA LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Syndicate Member / Registrar Broker / SC/SB / CDP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Additional Amount Blocked (₹)				
ASBA Bank A/c No.: _____	Acknowledgment Slip for Bidder				
Bank & Branch: _____	Bid Cum Application Form No.				

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Revision Form – NR

COMMON BID REVISION FORM	VAISHALI PHARMA LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR Registered Office: 706 to 709, 7th Floor, Aravali Business Center, R. C. Patel Road, Off Sodawala Lane, Borivall (West), Mumbai- 400092, Maharashtra, India. Tel. No. +91 22-28928833; Fax No. +91 22-28928833; CTN: US2310MFI2008PLC181632; E-mail: investor@vaishalipharma.com; Website: www.vaishalipharma.com	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FII/FPs OR FVCI, ETC APPLYING ON A REPATRIATION BASIS
	To, The Board of Directors VAISHALI PHARMA LIMITED	BOOK BUILT ISSUE ISIN - INE972X01014
SYNDICATE MEMBER'S STAMP & CODE SUB-BROKER'S/SUB-AGENT'S STAMP & CODE BANK BRANCH SERIAL NO.		BROKER'S / SCSB / DP / RTA STAMP & CODE ESCROW BANK / SCSB BRANCH STAMP & CODE SCSB SERIAL NO.
		1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER Mr./Ms./M/s. _____ Address _____ _____ Email _____ Tel. No (with STD code) / Mobile _____
		2. PAN OF SOLE / FIRST BIDDER _____
		3. BIDDERS DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL, enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL, enter 16 Digit Client ID.</small>

PLEASE CHANGE MY BID

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [9] equity shares)	Price per Equity Share (₹) / "Cut-off" (In Figures)			
		Bid Price	Retail Discount, if any	Net Price	"Cut-off" (Please ✓ tick)
Option 1	8 7 6 5 4 3 2 1	1 0 9 8 7 6 5 4 3 2 1	0 2 1	4 3 2 1	<input type="checkbox"/>
(OR) Option 2					<input type="checkbox"/>
(OR) Option 3					<input type="checkbox"/>

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [9] equity shares)	Price per Equity Share (₹) / "Cut-off" (In Figures)			
		Bid Price	Retail Discount, if any	Net Price	"Cut-off" (Please ✓ tick)
Option 1	8 7 6 5 4 3 2 1	1 0 9 8 7 6 5 4 3 2 1	0 2 1	4 3 2 1	<input type="checkbox"/>
(OR) Option 2					<input type="checkbox"/>
(OR) Option 3					<input type="checkbox"/>

6. PAYMENT DETAILS		PAYMENT OPTION : Full Payment <input type="checkbox"/>
Additional Amount Blocked (₹ in Figures) _____ (₹ in words) _____		
ASBA Bank A/c No. _____		
Bank Name & Branch _____		

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

7 A. SIGNATURE OF SOLE / FIRST BIDDER Date: _____, 2017	7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) <small>I/We authorize the SCSB to do actions as are necessary to make the Application in the Offer.</small> 1) _____ 2) _____ 3) _____	SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) _____
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TEAR HERE

	VAISHALI PHARMA LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA	Bid Cum Application Form No. _____
DPID / CLID _____		PAN of Sole / First Bidder _____	
Additional Amount Blocked (₹ in figures) _____		ASBA A/c No. _____	
Bank & Branch _____		Stamp & Signature of SCSB Branch	
Received from Mr./Ms. _____			
Telephone / Mobile _____ Email _____			

TEAR HERE

VAISHALI PHARMA LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR	Option 1 Option 2 Option 3	Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA	Name of Sole / First Bidder
No. of Equity Shares _____		Acknowledgment Slip for Bidder	
Bid Price _____			
Additional Amount Blocked (₹) _____			
ASBA Bank A/c No.: _____		Bid Cum Application Form No. _____	
Bank & Branch: _____			

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4.2.1. NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2. BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3. PAYMENT DETAILS

- a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- b) Bidder may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted



downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

- d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4. SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3. SUBMISSION OF REVISION FORM/ BID CUM APPLICATION FORM /APPLICATION FORM

4.3.1. Bidders may submit completed Bid cum Application form / Revision Form in the following manner:-

Mode of Bid	Submission of Bid cum Application Form
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Red herring Prospectus/ Bid cum Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

This being book built issue procedure for fixed price issue is not applicable.

SECTION 6- ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

6.1 SUBMISSION OF BIDS

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the DRHP.



6.2 ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

6.3 BUILD UP OF THE BOOK

- a. Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Issue Period.
- b. Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

6.4 WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) **The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:**
 - 1) the Bids accepted by the Designated Intermediaries,
 - 2) the Bids uploaded by the Designated Intermediaries, and
 - 3) the Bid cum Application Forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the Specified



Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

GROUND OF REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for 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;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;



- Bids by US persons other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Where no confirmation is received from SCSB for blocking of funds
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid cum Application Form

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION



- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
- d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below Rs. 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being Book Built Issue, this section is not applicable for this Issue.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 BASIS OF ALLOTMENT



Allotment will be made in consultation with the EMERGE Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - Each successful Bidder shall be allotted [●] equity shares; and
 - The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] 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 DRHP.
- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:
 - i. As the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - ii. The balance net Issue of shares to the public shall be made available for allotment to
 - individual bidders other than retails individual investors and
 - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
 - iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

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 NSE.

The Executive Director / Managing Director of the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public 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.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES



- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. **Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Red Herring Prospectus/ Prospectus. The Designated Stock Exchange may be as disclosed in the Red Herring Prospectus/ Prospectus with which the Basis of Allotment may be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the DRHP/Prospectus.

If such money is not repaid within eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the DRHP.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of



Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be refunded forthwith.

8.3 MODE OF REFUND

Within 6 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.

8.3.1 Mode of making refunds

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Issue Closing Date, if Allotment is not made.



SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Application Supported by Blocked Amount Form/ASBA Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus.
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public issue Account will be opened and in this case being ICICI Bank Limited and IndusInd Bank Limited.
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the issue and which is described under chapter titled “ <i>Issue Procedure</i> ” beginning on page 300 of this Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bid cum Application	An application form, whether physical or electronic, used by Bidders,



Term	Description
Form	other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in Mumbai edition of the English national newspaper Business Standard, Mumbai edition of the Hindi national newspaper Business Standard, and Mumbai edition of the Marathi newspaper Lakshadeep, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in Mumbai edition of the English national newspaper Business Standard, Mumbai edition of the Hindi national newspaper Business Standard, and Mumbai edition of the Marathi newspaper Mumbai Lakshadeep, each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
Book Running Lead Managers or BRLM	The book running lead managers to the Issue namely Pantomath capital Advisors Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of National Stock Exchange of India Limited.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository	A depository participant as defined under the Depositories Act, 1996,



Term	Description
Participant or CDPs	registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Bid cum 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 http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Date	The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bud cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Stock Exchange	The designated stock exchange as disclosed in the Red herring prospectus/ Prospectus of the issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
DP	Depository Participant



Term	Description
DP ID	Depository Participant's Identification Number
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated June 23, 2017 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the DRHP
Equity Shares	Equity Shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Issue	The initial public Issue of up to 19,76,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●]
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the DRHP/RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
Net Issue	The Issue less reservation portion
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP/RHP/Prospectus and the Bid cum Application Form
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which



Term	Description
	are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the DRHP/RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
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 and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Issue Price will be decided by our Company and the Selling Shareholders in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
Other Investors	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer and the Selling Shareholders in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price band of a minimum price of Rs.[●] per Equity Share (Floor Price) and the maximum price of Rs.[●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in Mumbai edition of the English national newspaper Business Standard, Mumbai edition of the Hindi national newspaper Business Standard and Mumbai edition of the Marathi newspaper Mumbai Lakshadeep, each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited and IndusInd Bank under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the



Term	Description
	Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations, 2009.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/dynaContent/find_a_broker.htm
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited having registered office at E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai – 400 072, Maharashtra, India
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bid cum Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Reservation Portion	The portion of the issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
RTGS	Real Time Gross Settlement
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 Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries or at such other website as may be prescribed by SEBI from time to time
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations,	The Securities and Exchange Board of India (Issue of Capital and



Term	Description
2009	Disclosure Requirements) Regulations, 2009
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate Agreement	Agreement dated June 22, 2017 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Pantomath Stock Brokers Private Limited
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated June 22, 2017 entered into between the Underwriter and our Company
Working Day	<ol style="list-style-type: none"> 1. Till Application / Issue closing date: All days other than a Saturday Sunday or a public holiday 2. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days, of stock exchanges excluding Sundays and public holidays, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 India



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 Foreign Exchange Management Act, 1999 (“**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. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), has issued consolidated FDI Policy Circular of 2016 (“**FDI Policy 2016**”), which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. Further, DIPP has issued Press note 5, dated June 24, 2016 which introduces few changes in FDI Policy 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2016 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“**RBI**”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master 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 and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2016, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present, FDI is permitted upto 100 % in Greenfield projects and 74% in Brownfield projects under the automatic route and FDI beyond 74% in Brownfield projects requires FIPB approval. FDI is permitted up to 100 percent under the automatic route in the hospital sector and in the manufacture of medical devices.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, subject to fulfilment 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 transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.



Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2016, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FII, FPI, NRI, FVCI, LLPs, DRs and Investment Vehicles under Schedule 1, 2, 2A, 3, 6, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

i. Investment by FIIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of share/convertible debentures by a registered FII under PIS the total holding by each FII/SEBI approved sub-account of FII shall not exceed 10 % of the total paid-up equity capital or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs/sub-accounts of FIIs put together shall not exceed 24 % of paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body. For arriving at the ceiling on holdings of FIIs, shares/ convertible debentures acquired both through primary as well as secondary market will be included. However, the ceiling will not include investment made by FII through off-shore Funds, Global Depository receipts and Euro-Convertible Bonds. With regard to convertible debentures, these investments permitted to be made shall not exceed 5 % of the total paid-up equity capital or 5% of the paid-up value of each series of convertible debentures issued by an Indian Company, and shall also not exceed the over-all ceiling limit of 24 % of paid-up equity capital or paid up value of each series of convertible debentures.

ii. Investment by Registered Foreign Portfolio Investor (RFPI) under Foreign Portfolio Investment (FPI) Scheme

With respect to purchase/sale of shares or convertible debentures or warrants, a RFPI registered in accordance with SEBI (FPI) Regulations, 2014 as amended in regular intervals may purchase shares or convertible debentures or warrants of an Indian company under FPI scheme. The total holding by each RFPI shall be below 10 % of the total paid-up equity capital or 10 % of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all RFPI put together shall not exceed 24 % of paid-up equity capital or paid up value of each series of convertible debentures. The said limit of 24 % will be called aggregate limit. However, the aggregate limit of 24 % may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body. For arriving at the ceiling on holdings of RFPI, shares or convertible debentures or warrants acquired both through primary as well as secondary market will be included. However, the ceiling will exclude investment made by RFPI through off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds but include holding of RFPI and deemed RFPI in the investee company for computation of 24 % or enhanced limit.



iii. Investment by NRI on repatriation and non-repatriation basis under PIS:

With respect to purchase/sale of shares and/or convertible debentures by a NRI on a stock exchange in India on repatriation and/or non-repatriation basis under PIS is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2000. Further, with regard to limits:

- the paid-up value of shares of an Indian company, purchased by each NRI both on repatriation and on non-repatriation basis, does not exceed 5 % of the paid-up value of shares issued by the company concerned;
- the paid-up value of each series of convertible debentures purchased by each NRI both on repatriation and non-repatriation basis does not exceed 5 % of the paid-up value of each series of convertible debentures issued by the company concerned;
- the aggregate paid-up value of shares of any company purchased by all NRIs does not exceed 10 % of the paid up capital of the company and in the case of purchase of convertible debentures
- the aggregate paid-up value of each series of debentures purchased by all NRIs does not exceed 10 % of the paid-up value of each series of convertible debentures;

However, the aggregate ceiling of 10 % may be raised to 24 % if a special resolution to that effect is passed by the General Body of the Indian company concerned.

iv. Investment by NRI on Non-repatriation basis

As per current FDI Policy 2016, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase and sale of shares and convertible debentures or warrants by a NRI on Non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.



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 Application 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 Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.



SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II to the Companies Act and the SEBI 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

Sr. No	Particulars	Table	F
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	Table Applicable.	F
Interpretation Clause			
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:		
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	Act	
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	Articles	
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	Auditors	
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	Capital	
	(e) *"The Company" shall mean Vaishali Pharma Limited	Company	
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	Executor or Administrator	
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	Legal Representative	
	(h) Words importing the masculine gender also include the feminine gender.	Gender	
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	In Writing and Written	
	(j) The marginal notes hereto shall not affect the construction thereof.	Marginal notes	
	(k) "Meeting" or "General Meeting" means a meeting of members.	Meeting or General Meeting	



Sr. No	Particulars	
	(l) "Month" means a calendar month.	Month
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	Annual General Meeting
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	Extra-Ordinary General Meeting
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	National Holiday
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	Non-retiring Directors
	(q) "Office" means the registered Office for the time being of the Company.	Office
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	Ordinary and Special Resolution
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	Person
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	Proxy
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1)(a) of the Act.	Register of Members
	(v) "Seal" means the common seal for the time being of the Company.	Seal
	(w) "Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.	Special Resolution
	(x) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	Singular number
	(y) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	Statutes
	(z) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	These presents
	(aa) "Variation" shall include abrogation; and "vary" shall include abrogate.	Variation
	(bb) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	Year and Financial Year
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	Expressions in the Act to bear the same meaning in Articles
	CAPITAL	
3.	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	Authorized Capital.
	b) The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.	



Sr. No	Particulars	
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. 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 Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64of the Act.	Increase of capital by the Company how carried into effect
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the 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.	New Capital same as existing capital
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	Non Voting Shares
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	Redeemable Preference Shares
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	Voting rights of preference shares
9.	On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions-shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to section 55(2)(d)(i) 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 security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act	Provisions to apply on issue of Redeemable Preference Shares



Sr. No	Particulars	
	<p>relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, 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. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	
10.	<p>The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	Reduction of capital
11.	<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 the General Meeting, 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 the General Meeting by a Special Resolution.</p>	Debentures
12.	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>	Issue of Sweat Equity Shares
13.	<p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.</p>	ESOP
14.	<p>Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.</p>	Buy Back of shares
15.	<p>Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject</p>	Consolidation, Sub-Division And Cancellation



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	nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which 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.	
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	Issue of Depository Receipts
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	Issue of Securities
MODIFICATION OF CLASS RIGHTS		
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	Modification of rights
19.	The rights conferred upon the holders of the Shares including Preference Share, 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.	New Issue of Shares not to affect rights attached to existing shares of that class.
20.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being 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 and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	Shares at the disposal of the Directors.
21.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons	Power to issue shares on



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	whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	preferential basis.
22.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	Shares should be Numbered progressively and no share to be subdivided.
23.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares 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 purposes of these Articles, be a Member.	Acceptance of Shares.
24.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	Directors may allot shares as full paid-up
25.	The money (if any) which the Board 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 become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	Deposit and call etc. to be a debt payable immediately.
26.	Every Member, or his heirs, executors, administrators, or legal representatives, shall 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 shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.	Liability of Members.
27.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	Registration of Shares.
	RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT	
28.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	CERTIFICATES	
29.	(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the	Share Certificates.



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	<p>relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. 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 cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p>	
30.	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the	Issue of new certificates in place of those defaced, lost or destroyed.



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	<p>company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	
31.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	The first named joint holder deemed Sole holder.
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	Maximum number of joint holders.
32.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	Company not bound to recognise any interest in share other than that of registered holders.
33.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, 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 share or his legal representative.	Installment on shares to be duly paid.
	UNDERWRITING AND BROKERAGE	
34.	Subject to the provisions of Section 40 (6) of the Act, 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 in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such	Commission



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	commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	
35.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	Brokerage
	CALLS	
36.	<p>(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.</p> <p>(2) A call may be revoked or postponed at the discretion of the Board.</p> <p>(3) A call may be made payable by installments.</p>	Directors may make calls
37.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	Notice of Calls
38.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed 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 may be fixed by Directors.	Calls to date from resolution.
39.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	Calls on uniform basis.
40.	The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	Directors may extend time.
41.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	Calls to carry interest.
42.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share 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.	Sums deemed to be calls.



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43.	<p>On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p>	<p>Proof on trial of suit for money due on shares.</p>
44.	<p>Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, 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 forfeiture of such shares as hereinafter provided.</p>	<p>Judgment, decree, partial payment motto proceed for forfeiture.</p>
45.	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<p>Payments in Anticipation of calls may carry interest</p>
	<p>LIEN</p>	
46.	<p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any</p>	<p>Company to have Lien on shares.</p>



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	share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	
47.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall 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 lieu thereof to the purchaser or purchasers concerned.	As to enforcing lien by sale.
48.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	Application of proceeds of sale.
FORFEITURE AND SURRENDER OF SHARES		
49.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	If call or installment not paid, notice may be given.
50.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall	Terms of notice.



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	<p>determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>	
51.	<p>If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.</p>	On default of payment, shares to be forfeited.
52.	<p>When any shares have been 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 Members.</p>	Notice of forfeiture to a Member
53.	<p>Any shares 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 thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.</p>	Forfeited shares to be property of the Company and may be sold etc.
54.	<p>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 as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.</p>	Members still liable to pay money owing at time of forfeiture and interest.
55.	<p>The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand 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.</p>	Effect of forfeiture.
56.	<p>A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have 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 shares.</p>	Evidence of Forfeiture.
57.	<p>The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.</p>	Title of purchaser and allottee of Forfeited shares.
58.	<p>Upon any sale, re-allotment or other disposal under the provisions</p>	Cancellation of



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	of the preceding Article, the certificate or 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 duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	share certificate in respect of forfeited shares.
59.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	Forfeiture may be remitted.
60.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.	Validity of sale
61.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	Surrender of shares.
TRANSFER AND TRANSMISSION OF SHARES		
62.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	Execution of the instrument of shares.
63.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	Transfer Form.
64.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in	Transfer not to be registered except on production of instrument of transfer.



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	existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	
65.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however 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;	Directors may refuse to register transfer.
66.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	Notice of refusal to be given to transferor and transferee.
67.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	No fee on transfer.
68.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	Closure of Register of Members or debentureholder or other security holders.
69.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	Custody of transfer Deeds.
70.	Where an application of transfer 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.	Application for transfer of partly paid shares.
71.	For this purpose the notice to the transferee shall be deemed to have	Notice to



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	<p>been duly given if it is dispatched by prepaid registered post/speed post/ courier 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.</p>	<p>transferee.</p>
<p>72.</p>	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	<p>Recognition of legal representative.</p>
<p>73.</p>	<p>The Executors or Administrators of a deceased Member or holders 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 recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative 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 Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72of the Companies Act.</p>	<p>Titles of Shares of deceased Member</p>
<p>74.</p>	<p>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.</p>	<p>Notice of application when to be given</p>
<p>75.</p>	<p>Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains</p>	<p>Registration of persons entitled to share otherwise than by transfer. (Transmission clause).</p>



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	the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as 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 an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	
76.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	Refusal to register nominee.
77.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	Board may require evidence of transmission.
78.	The Company shall incur no liability or responsibility whatsoever 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 or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same 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 require to regard or attend or give effect to any notice which may be given to them 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 of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.	Company not liable for disregard of a notice prohibiting registration of transfer.
79.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	Form of transfer Outside India.
80.	No transfer shall be made to any minor, insolvent or person of unsound mind.	No transfer to insolvent etc.
NOMINATION		
81.	i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the	Nomination



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	<p>event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	
82.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	<p>Transmission of Securities by nominee</p>
	DEMATERIALIZATION OF SHARES	
83.	<p>Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.</p>	<p>Dematerialisation of Securities</p>
	JOINT HOLDER	
84.	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.</p>	<p>Joint Holders</p>
85.	<p>(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p>	<p>Joint and several liabilities for all payments in</p>



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		respect of shares.
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	Title of survivors.
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	Receipts of one sufficient.
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	Delivery of certificate and giving of notices to first named holders.
SHARE WARRANTS		
86.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.	Power to issue share warrants
87.	<p>(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	Deposit of share warrants
88.	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share</p>	Privileges and disabilities of the holders of share warrant



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	included in the warrant, and he shall be a Member of the Company.	
89.	The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.	Issue of new share warrant coupons
	CONVERSION OF SHARES INTO STOCK	
90.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	Conversion of shares into stock or reconversion.
91.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	Transfer of stock.
92.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Rights of stock holders.
93.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	Regulations.
	BORROWING POWERS	
94.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	Power to borrow.
95.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures	Issue of discount etc. or with special privileges.



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	with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	
96.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	Securing payment or repayment of Moneys borrowed.
97.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	Bonds, Debentures etc. to be under the control of the Directors.
98.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall 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.	Mortgage of uncalled Capital.
99.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	Indemnity may be given.
MEETINGS OF MEMBERS		
100.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	Distinction between AGM & EGM.
101.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	Extra-Ordinary General Meeting by Board and by requisition
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any	When a Director or any two Members may call an Extra Ordinary General Meeting



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	Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	
102.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	Meeting not to transact business not mentioned in notice.
103.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	Chairman of General Meeting
104.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	Business confined to election of Chairman whilst chair is vacant.
105.	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>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.</p> <p>c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p>	Chairman with consent may adjourn meeting.
106.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	Chairman's casting vote.
107.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	In what case poll taken without adjournment.
108.	The demand for a poll except on the question of the election of 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.	Demand for poll not to prevent transaction of other business.
VOTES OF MEMBERS		
109.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either	Members in arrears not to vote.



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	upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any 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 or lien.	
110.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	Number of votes each member entitled.
111.	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.	Casting of votes by a member entitled to more than one vote.
112.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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.	Vote of member of unsound mind and of minor
113.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	Postal Ballot
114.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	E-Voting
115.	<p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	Votes of joint members.
116.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as	Votes may be given by proxy or by



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	mentioned in Articles	representative
117.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	Representation of a body corporate.
118.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	Members paying money in advance.
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	Members not prohibited if share not held for any specified period.
119.	Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were 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 right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members.
120.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	No votes by proxy on show of hands.
121.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Appointment of a Proxy.
122.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	Form of proxy.



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123.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	Validity of votes given by proxy notwithstanding death of a member.
124.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	Time for objections to votes.
125.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	Chairperson of the Meeting to be the judge of validity of any vote.
DIRECTORS		
126.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	Number of Directors
127.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	Qualification shares.
128.	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	Nominee Directors.
129.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a	Appointment of alternate Director.



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	<p>period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so 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.</p>	
130.	<p>Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.</p>	<p>Additional Director</p>
131.	<p>Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold 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 by him.</p>	<p>Directors power to fill casual vacancies.</p>
132.	<p>Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.</p>	<p>Sitting Fees.</p>
133.	<p>The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of 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.</p>	<p>Travelling expenses Incurred by Director on Company's business.</p>
PROCEEDING OF THE BOARD OF DIRECTORS		
134.	<p>(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	<p>Meetings of Directors.</p>
135.	<p>a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.</p>	<p>Chairperson</p>
136.	<p>Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.</p>	<p>Questions at Board meeting how decided.</p>



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137.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	Continuing directors may act notwithstanding any vacancy in the Board
138.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	Directors may appoint committee.
139.	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.	Committee Meetings how to be governed.
140.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Chairperson of Committee Meetings
141.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	Meetings of the Committee
142.	Subject to the provisions of the Act, 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 such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been 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.	Acts of Board or Committee shall be valid notwithstanding defect in appointment.
RETIREMENT AND ROTATION OF DIRECTORS		
143.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been	Power to fill casual vacancy



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	vacated as aforesaid.	
POWERS OF THE BOARD		
144.	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 may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation 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.	Powers of the Board
145.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	Certain powers of the Board
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	To acquire any property , rights etc.
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	To take on Lease.
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	To erect & construct.
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share 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 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.	To pay for property.
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods,	To insure properties of the Company.



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	stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	
(6)	To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	To open Bank accounts.
(7)	To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	To secure contracts by way of mortgage.
(8)	To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	To accept surrender of shares.
(9)	To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to 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.	To appoint trustees for the Company.
(10)	To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or 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 or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	To conduct legal proceedings.
(11)	To act on behalf of the Company in all matters relating to bankruptcy insolvency.	Bankruptcy & Insolvency
(12)	To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	To issue receipts & give discharge.
(13)	Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (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 Act, all investments shall be made and held in the Company's own name.	To invest and deal with money of the Company.
(14)	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 as surety, for the benefit of the Company, such mortgage of the Company's property (present or 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	To give Security by way of indemnity.



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	agreed upon;	
(15)	To determine from time to time persons 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, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	To determine signing powers.
(16)	To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	Commission or share in profits.
(17)	To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	Bonus etc. to employees.
(18)	To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock 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 purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the deprecation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power 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.	Transfer to Reserve Funds.
(19)	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,	To appoint and remove officers and other employees.



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	<p>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 for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	
(20)	<p>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 moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think 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 manager 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 for 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.</p>	<p>To appoint Attorneys.</p>
(21)	<p>Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose 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.</p>	<p>To enter into contracts.</p>
(22)	<p>From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.</p>	<p>To make rules.</p>
(23)	<p>To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.</p>	<p>To effect contracts etc.</p>
(24)	<p>To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem</p>	<p>To apply & obtain concessions licenses etc.</p>



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	expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	
(25)	To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	To pay commissions or interest.
(26)	To redeem preference shares.	To redeem preference shares.
(27)	To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	To assist charitable or benevolent institutions.
(28)	To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.	
(29)	To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
(30)	To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
(31)	To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.	
(32)	To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.	
(33)	From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose	



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	<p>aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	MANAGING AND WHOLE-TIME DIRECTORS	
<p>146.</p>	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<p>Powers to appoint Managing/ Wholetime Directors.</p>
<p>147.</p>	<p>The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or</p>	<p>Remuneration of Managing or Wholetime Director.</p>



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	commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	
148.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and 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 such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	<p>Powers and duties of Managing Director or Whole-time Director.</p>
	<p>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</p>	
149.	<p>a) Subject to the provisions of the Act,—</p> <p>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 executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p>	<p>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</p>



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	<p>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 its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	
	THE SEAL	
<p>150.</p>	<p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<p>The seal, its custody and use.</p>
<p>151.</p>	<p>The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p>	<p>Deeds how executed.</p>
	Dividend and Reserves	
<p>152.</p>	<p>(1) 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.</p> <p>(2) 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.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	<p>Division of profits.</p>
<p>153.</p>	<p>The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests 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 dividend in general meeting.</p>	<p>The company in General Meeting may declare Dividends.</p>
<p>154.</p>	<p>a) The Board may, before recommending any dividend, set aside</p>	<p>Transfer to</p>



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	<p>out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	reserves
155.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	Interim Dividend.
156.	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.	Debts may be deducted.
157.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	Capital paid up in advance not to earn dividend.
158.	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.	Dividends in proportion to amount paid-up.
159.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles 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.	Retention of dividends until completion of transfer under Articles .
160.	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 payable to any member all such sums of money so due from him to the Company.	No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.
161.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	Effect of transfer of shares.
162.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	Dividend to joint holders.
163.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that	Dividends how remitted.



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	<p>one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
164.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	Notice of dividend.
165.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	No interest on Dividends.
CAPITALIZATION		
166.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(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.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	Capitalization.
167.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p>	Fractional Certificates.



Sr. No	Particulars	
	<p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(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 certificates as they think fit.</p>	
168.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	Inspection of Minutes Books of General Meetings.
169.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>	Inspection of Accounts
FOREIGN REGISTER		
170.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	Foreign Register.
DOCUMENTS AND SERVICE OF NOTICES		
171.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	Signing of documents & notices to be served or given.
172.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed	Authentication of documents and



Sr. No	Particulars	
	by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	proceedings.
	WINDING UP	
173.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	
	INDEMNITY	
174.	<p>Subject to provisions of the Act, 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 to pay, out of the funds of the Company, 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 any way 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 favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p>	Directors' and others right to indemnity.
175.	<p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense 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 the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by</p>	Not responsible for acts of others



Sr. No	Particulars	
	any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	
	SECRECY	
176.	(a) 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 Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	Secrecy
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	Access to property information etc.



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 Red Herring 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 Red Herring Prospectus has been 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 706 to 709, 7th Floor, Aravali Business Center, C. Patel Road, Off Sodawala Lane, Borivali (West), Mumbai- 400092, Maharashtra, India from date of filing this Red Herring Prospectus with RoC to Bid Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Issue Agreement dated June 22, 2017 between our Company and the BRLM.
2. Registrar Agreement dated June 22, 2017 between our Company and Bigshare Services Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated June 22, 2017 between our Company and Underwriter viz. BRLM
4. Market Making Agreement dated June 22, 2017 between our Company, Market Maker and the BRLM.
5. Bankers to the Issue Agreement dated June 22, 2017 amongst our Company, the BRLM, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated July 19, 2017
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated July 13, 2017
8. Syndicate Agreement dated June 22, 2017 between our Company, the BRLMs and Syndicate Member viz. Pantomath Stock Brokers Private Limited.

Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company along with certificates of incorporation as amended from time to time.
2. Resolutions of the Board of Directors dated June 21, 2017 in relation to the Issue and other related matters.
3. Special resolution of the Shareholders' passed at the Extra-ordinary General meeting dated June 21, 2017 authorizing the Issue.
4. Statement of Tax Benefits dated June 22, 2017 issued by our Peer Reviewed Auditor, M/s. N. K. Aswani & Co., Chartered Accountants.
5. Report of the Peer Reviewed Auditor, M/s. N. K. Aswani & Co., Chartered Accountants, dated June 22, 2017 on the Restated Financial Statements for the financial years ended as on March 31, 2017, 2016, 2015, 2014 & 2013 of our Company.
6. Consents of Promoters, Directors, Chief Financial officer, Company Secretary and Compliance Officer, Statutory Auditors, Peer Reviewed Auditors, Banker to the Company, Legal Advisor to the Issue, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue, Refund Banker to the Offer and Syndicate Member to the Issue to act in their respective capacities.



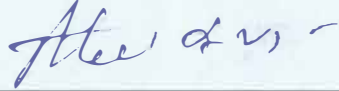
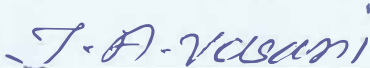
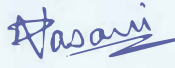


7. Copy of approval from EMERGE Platform of National Stock Exchange of India Limited *vide* letter dated July 20, 2017, to use the name of NSE in this Issue document for listing of Equity Shares on EMERGE Platform of National Stock Exchange of India Limited.

None of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Red Herring Prospectus are true and correct.

Signed by all the Directors and Promoters of our Company

Name and Designation	Signature
Atul Vasani Promoter, chairman and managing Director	
Jaguti Vasani Promoter and whole Time Director	
Prinyanka Vasani Additional (Non Executive) Director	
Pratap Gandhi Additional (Independent) Director	
Bhavesh Shah Additional (Independent) Director	

Signed by


Sonal Gandhi
Company Secretary &
Compliance Officer


Ratnesh Singh
Chief Financial Officer

Place: Mumbai

Date: July 24, 2017



Annexure A
DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Manomay Tex India Limited	11.41	30	March 28, 2017	32.40	13.33% (2.46%)	13.67% (5.88%)	Not Applicable
2.	Oceanic Foods Limited	6.50	65	March 31, 2017	65.00	50.77% (1.02%)	64.62% (4.10%)	Not Applicable
3.	Euro India Fresh Foods Limited	51.26	78	March 31, 2017	82.40	15.19% (1.53%)	34.49% (3.46%)	Not Applicable
4.	Bohra Industries Limited	25.15	55	April 05, 2017	56.20	-0.82% (1.02%)	-6.36% (3.78%)	Not Applicable
5.	Creative Peripherals and Distribution Limited	13.50	75	April 12, 2017	83.25	72.67% (2.62%)	78.13% (6.42%)	Not Applicable
6.	Panache Digilife Limited	14.58	81	April 25, 2017	84.00	14.20% (0.58%)	Not Applicable	Not Applicable
7.	Zota Health Care Limited	58.50	125	May 10, 2017	140.40	6.64% (2.25%)	Not Applicable	Not Applicable
8.	Gautam Exim Limited	3.32	40	July 11, 2017	40.00	Not Applicable	Not Applicable	Not Applicable
9.	Bansal Multiflex Limited	6.2	31	July 12, 2017	34.00	Not Applicable	Not Applicable	Not Applicable
10.	Shrenik Limited	21.6	40	July 18, 2017	41.90	Not Applicable	Not Applicable	Not Applicable

Note: - Jigar Cables Limited is in the process of listing.

Sources: All share price data is from www.bseindia.com and www.nseindia.com

Note:-



1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.



SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30 th Calendar day from listing date			Nos of IPOs trading at premium on 30 th Calendar day from listing date			Nos of IPOs trading at discount on 180 th Calendar day from listing date			Nos of IPOs trading at premium on 180 th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
15-16	***9	54.01	-	-	1	3	2	3	-	1	1	4	3	-
16-17	****24##\$	204.56	-	-	5	6	3	9	-	1	5	7	1	5
17-18	*****7\$\$	142.84	-	-	1	1	-	2	-	-	-	-	-	-

***The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

****The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016 December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

##The Scripts of Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days and 180 Days respectively from the date of listing.

*****The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited and Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited and Shrenik Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017 July 11, 2017, July 12, 2017 and July 18, 2017 respectively.

\$\$ The scripts of Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited and Shrenik Limited have not completed, 180 Days, 180 Days, 180 Days, 180 Days, 30 Days, 30 Days, 30 Days respectively from the date of listing.