

**DRAFT RED HERRING PROSPECTUS**

Dated: May 21 2018

Read with section 32 of the Companies Act, 2013

(The Draft Red Herring Prospectus will be

updated upon filing with the RoC)

Book Built Issue**MDC PHARMACEUTICALS LIMITED**

Our Company was originally incorporated as MDC Pharmaceuticals Private Limited as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 14, 1994 bearing Registration Number 53-14820 issued by the Registrar of Companies, Punjab, HP & Chandigarh. Subsequently, our Company was converted into a public limited company pursuant to special resolution passed by the members in Extraordinary General Meeting held on February 26, 2018 and the name of our Company was changed to MDC Pharmaceuticals Limited vide a Fresh Certificate of Incorporation dated March 13, 2018 issued by the Registrar of Companies, Chandigarh, Punjab. The Corporate Identification number of our Company is U24231CH1994PLC014820. For details of Incorporation, Change of Name and Registered Office of our Company, please refer to chapters titled 'General Information' and 'Our History and Certain Other Corporate Matters' beginning on page 82 and 200 respectively of this Draft Red Herring Prospectus.

Registered Office: 213, First Floor Industrial Area, Phase I Chandigarh, India -160001**Corporate Identification Number:** U24231CH1994PLC014820 **Tel. No.:** 0172-3016800/801/808; **Fax No.:** Not available**Contact Person:** Jolly Kashyap, Company Secretary and Compliance Officer**Email:** mdcpharma.legal@gmail.com; **Website:** www.mdcpharmaceutical.com**PROMOTERS OF OUR COMPANY:** SHAM LAL SINGLA, PARVINDER SINGH GULATI AND GURMEET SINGH NARULA**THE ISSUE**

INITIAL PUBLIC OFFER CONSISTING OF FRESH ISSUE OF UPTO 52,86,000* 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 [●] 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 OF UPTO [●] EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS IS HEREINAFTER 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.**

Our Company may consider Pre-IPO placement of upto 4,06,000 Equity Shares and/or aggregating upto 300 lakhs with certain investors ("Pre-IPO Placement"). If the Pre-IPO Placement is completed, the issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25 per cent of the post issue paid up equity share capital being offered to the public. The Equity Shares allotted under the Pre-IPO Placement, if completed, shall be subject to a lock-in period of one (1) year from the date of Allotment pursuant to the Issue.

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 [●] EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [●], [●] EDITIONS OF THE HINDI NATIONAL NEWSPAPER [●] AND [●] EDITIONS OF THE REGIONAL NEWSPAPER, 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 316 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus and Prospectus will be delivered for registration to the Registrar as required under Section 32 and 26 of the Companies Act, 2013.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. 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"), wherein [●] % of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis. 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 Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Issue will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All investors (except Anchor Investors) shall participate in this Issue mandatorily through the Applications Supported by Blocked Amount ("ASBA") process by providing details of their respective bank accounts which will be blocked by SCSBs. For further details please refer the section titled 'Issue Information' beginning on page 304 of this Draft Red Herring Prospectus.

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 304 OF THIS DRAFT 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 our 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 131 of this Draft Red Herring Prospectus) 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 25 of this Draft Red Herring Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 Draft 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 Draft 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 Draft 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 In-principle approval letter dated [●] 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
Tel: +91-22 6194 6719
Fax: +91-22 2659 8690
Website: www.pantomathgroup.com
Email: ipo@pantomathgroup.com
Investor Grievance Id: ipo@pantomathgroup.com
Contact Person: Hardik Bhuta
SEBI Registration No: INM000012110

**REGISTRAR TO THE ISSUE**

LINK INTIME INDIA PRIVATE LIMITED
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai- 400 083, India
Tel: 022-49186200
Fax: 022-49186195
Website: www.linkintime.co.in
Investor Grievance Id: mdc.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

**BID/ISSUE PROGRAMME****BID/ISSUE OPENS ON:** [●]*****BID/ISSUE CLOSES ON:** [●]

*Number of shares may need to be adjusted for lot size upon determination of issue price

**Subject to finalization of basis of allotment

***our Company may in consideration with the BRLM consider participation by Anchor Investor. The Anchor investor shall bid on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid/issue Opening Date.

Our Company may, in consultation with the BRLM, consider closing the Bidding by QIB Bidders one Working Day Prior to the Bid/Issue Closing Date in accordance with the SEBI regulation

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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 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

DEFINITION AND ABBREVIATION

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Red Herring Prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

GENERAL TERMS

Term	Description
“MDC Pharmaceuticals Limited” or “MDCPL” or “the Company”, or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	MDC Pharmaceuticals Limited, a Public Limited Company incorporated under the Companies Act, 1956 and having its registered office at 213, First Floor Industrial Area, Phase I Chandigarh - 160001, India.

COMPANY RELATED TERMS

Term	Description
AOA or Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time.
Associate Company	I M Healthcare Private Limited
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.
Auditor or Statutory Auditor	The statutory auditor of our Company, being M/s. G. S. Ghambhir & Associates, Chartered Accountants
Bankers to the Company	The banker to the company, being included in the chapter titled ‘General Information’ beginning on page 82 of this Draft Red Herring Prospectus
Board of Directors/ the Board / our Board	The Board of Directors of our Company, as duly constituted from time to time, including Committee(s) thereof.
Chairman	The chairman of our Company, namely Parvinder Singh Gulati
Chief Financial Officer (CFO)	The Chief Financial Officer of our Company, namely Pramila Devi
CIN	Corporate Identification Number U24231CH1994PLC014820
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Jolly Kashyap.
Equity 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.
Group Companies	Such Companies as are included in the chapter titled ‘Our Group Companies’ beginning on page 227 of this Draft Red Herring Prospectus
GMP	Good manufacturing Practise
Independent Director	A non-executive, Independent Director as per the Companies Act, 2013 and the Listing Regulations
ISIN	International Securities Identification Number. In this case being INE644Z01014
ISO	The International Organization for Standardization

Term	Description
KMP/ Key Managerial Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as identified in “Our Management” on page 205
Materiality Policy	The policy adopted by our Board on March 16, 2018 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations
Manufacturing Units	Unit-I , No.197 Pargana, Dharampur, Tehsil Nalagarh Baddi Himachal Pradesh Sai Road, Baddi, Himachal Pradesh. Unit-II , Plot no. 2, Exl HPSIDC, Baddi, Himachal Pradesh, . For more details please refer to chapter titled ‘ <i>General Information</i> ’ beginning on page 82 of this Draft Red Herring Prospectus
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as disclosed in “Our Management” on page 205
Peer Reviewed Auditor	The Peer Reviewed Auditor of our Company means an, Independent Auditor having a valid Peer Review Certificate in our case being PSD & Associates, Chartered Accountants
Promoter Group	Includes such persons and entities constituting 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 221 of this Draft Red Herring Prospectus. Parveen Aggarwal, Harish Aggarwal and Hemant Aggarwal do not constitute under the “Promoter Group” of the Company and has requested that consequently their entities should not be considered to be part of the “Promoter Group” and “Group Companies”. For more details please refer to the chapter “Promoter and promoter group” on page 221 of this DRHP.
“Promoter”, “Promoters” or “our Promoters”	Promoters of our Company being Sham Lal Singla, Parvinder Singh Gulati and Gurmeet Singh Narula.
Registered Office	The Registered office of our Company situated at 213, First Floor Industrial Area, Phase I, Chandigarh - 160001 India.
Restated Financial Information	Restated statement of assets and liabilities as at December 31, 2017 and restated statement of profit and loss and restated statement of cash flows for each for the period ended December 31, 2017 of our Company read along with all the schedules and notes thereto and included in “Financial Statements” on page 234
RoC / Registrar of Companies	Registrar of Companies, Chandigarh located at Corporate Bhavan, 1 th Floor, Plot No.4-B, Madhya Marg, Sector 27B, Chandigarh-160019 India.
Shareholders	Shareholders of our Company
Stakeholders Relationship Committee	The stakeholders relationship committee of our Company, as disclosed in “Our Management” on page 205

Term	Description
you, your or yours	Prospective investors in this Issue
Warehouse	Near Radha Swami Satsanag Bhawan , Sai Road Baddi, District-Solan, Himachal Pradesh. For more details please refer to chapter titled ' <i>General Information</i> ' beginning on page 82 of this Draft Red Herring Prospectus
WHO	World health Organisation

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.
Allocation / Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Issue of Equity Shares to the successful Applicants
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.
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.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of the Draft Red Herring Prospectus. All the applicants should make application through ASBA only.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least Rs. 1000 Lakhs, in accordance with the requirements specified in the SEBI ICDR Regulations
Anchor Investor Allocation Notice	Notice or intimation of Allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares, and includes any device, intimation or notice sent to Anchor Investors in the event that the Issue Price is higher than the Anchor Investor Allocation Price.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Draft Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company, in consultation with the BRLM, on the Anchor Investor Bidding Date.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Draft Red Herring Prospectus and Prospectus
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Draft Red Herring Prospectus and Prospectus
Anchor Investor Bidding Date	One Working Day prior to the Bid/Offer Opening Date on which Bids by Anchor Investors shall be submitted, prior to or after which the members of the Syndicate will not accept any Bids from

Term	Description
	Anchor Investors and allocation to Anchor Investors shall be completed.
Anchor Investor Escrow Account(s)	Accounts opened for the Issue to which funds shall be transferred by Anchor Investors.
Anchor Investor Pay-in Date	With respect to Anchor Investors, it shall be the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date.
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 Chandigarh .
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 Draft Red Herring Prospectus.
Banker(s) to the Issue/ Public Issue Bank(s)	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 HDFC 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 316 of this Draft 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 Draft 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. However, for Eligible Employees applying in the Employee Reservation Portion the Bid Amount shall be Cap Price multiplied by the number of Equity Shares Bid for by such Eligible Employees mentioned in the Bid cum Application Form net of Employee Discount.
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 Draft Red Herring Prospectus.
Bid Cum Application Collecting Intermediaries	1. a SCSB with whom the bank account to be blocked, is maintained

Term	Description
	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 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 [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Punjabi newspaper [●], 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 [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and Punjabi edition of the [●] newspaper [●], 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.
Bid/Issue Proceeds	Proceeds from the Issue that will be available to our Company, being [●] lakhs
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Draft 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 ASBA 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 Manager or BRLM	The Book Running Lead Manager 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.

Term	Description
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 to be maintained with one of the Depositories in relation to demat account.
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with BRLM. A Bid submitted at Cut-off Price is a valid price at all levels within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs [●]. No other category of Bidders is entitled to Bid at the Cut-off Price.
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
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
Depositories Act	The Depositories Act, 1996 as amended from time to time.
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 Draft 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 Bid 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

Term	Description
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA bidders and 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
Designated Stock Exchange	National Stock Exchange of India Limited
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.
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated May 21, 2018 issued in accordance with section 32 of the Companies Act, 2013 and filed with the Emerge Platform of National Stock Exchange of India Limited under SEBI (ICDR) Regulations
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Emerge Platform of National Stock Exchange of India Limited / SME Exchange	The 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
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
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
General Information Document/GID	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 and included in “Issue Procedure” on page 316 of this Draft Red Herring Prospectus
Issue	The Initial Public Issue of up to 52,86,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●] comprising the Fresh Issue. Our Company is considering a Pre-IPO placement of upto 4,60,000 Equity Shares and/or aggregating upto 300.00 lakhs with certain investors (“Pre-IPO Placement”). The Pre-IPO Placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement

Term	Description
	is completed, the issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25 per cent of the post issue paid up equity share capital being offered to the public. The Equity Shares allotted under the Pre-IPO Placement, if completed, shall be subject to a lock-in period of one (1) year from the date of Allotment pursuant to the Issue.
Issue Agreement	The agreement dated March 28, 2018 between our Company and the BRLM, 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. Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors
Issue Proceeds	The proceeds of the Issue that is available to our Company. For further information about use of Issue Proceeds, see “Objects of the Issue” on page 114 of this Draft Red Herring Prospectus
Indian GAAP	Generally Accepted Accounting Principles in India
IFRS	International financial reporting standard
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Emerge Platform of National Stock Exchange of India Limited.
Market Making Agreement	Market Making Agreement dated March 28, 2018 between our Company, Book Running Lead Manager and Market Maker.
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 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 up to [●] 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.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Mutual Fund Portion	[●] % of the QIB Portion i.e. [●] Equity Shares available for allocation to Mutual Funds, out of the QIB Portion
NSE	National Stock Exchange of India Limited
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of up to [●] 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 Issue less our Company’s share of the Offer expenses. For further information about use of the Issue Proceeds and the Issue expenses, see “Objects of the Issue” on page 114 of the Draft Red Herring Prospectus
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-

Term	Description
	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 applied 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	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Offer.
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.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable
Pay-in Period	The period commencing on the Bid/Issue Opening Date and extending until the closure of the Anchor Investor Pay-in Date.
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 advertised at least five Working Days prior to the Bid/ Issue Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and Punjabi edition of the newspaper [●], 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 32 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
Pre – IPO Placement	Our Company is considering a Pre-IPO placement of upto 4,60,000 Equity Shares and/or aggregating upto 300.00 lakhs with certain investors (“Pre-IPO Placement”). The Pre-IPO Placement is at the discretion of our Company and at a price to be decided by

Term	Description
	our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25 per cent of the post issue paid up equity share capital being offered to the public. The Equity Shares allotted under the Pre-IPO Placement, if completed, shall be subject to a lock-in period of one (1) year from the date of Allotment pursuant to the Issue.
Public Issue Account	Account opened with the Bankers to the Issue i.e. ICICI Bank Limited and HDFC Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on March 28, 2018 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (zd) of the SEBI (ICDR) Regulations, 2009.
QIB Portion	The portion of the Issue being [●]% of the Net Issue, consisting of [●] Equity Shares, available for Allocation to QIBs, subject to valid Bids being received at or above the Issue Price
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 National Stock Exchange of India Limited 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

Term	Description
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited having its office at C-101, 1 st Floor, 247 Park, L B S Marg, Vikhroli (West), Mumbai- 400083, Maharashtra, India
Registrar Agreement	The agreement dated March 28, 2018 entered into by and among 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
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
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i>), who apply for an amount less than or equal to Rs 2,00,000
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)
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.
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 Issue 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 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.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
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
Sub-Syndicate members	A SEBI Registered member of National Stock Exchange of India Limited appointed by the BRLM and/or Syndicate Member to act as a Sub-Syndicate Member in the Issue
Syndicate Agreement	The agreement dated [●], 2018 entered into among our Company, the BRLM and the Syndicate Members in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriters, namely, Pantomath Stock Brokers Private Limited

Term	Description
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
Syndicate ASBA Building Locations	Bidding Centres where an ASBA Bidder can submit their Bid in terms of SEBI Circular no CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi, Ahmedabad and Chandigarh
Syndicate Members/ Members of the Syndicate	Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter, in this case being Pantomath Capital Advisors Private Limited
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated March 28, 2018 entered into between the Underwriters and our Company
US GAAP	Generally accepted accounting principal (United states)
Working Day	(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
Wilful Defaulter(s)	Wilful defaulter(s) as defined under Regulation 2(zn) of SEBI ICDR Regulations

TECHNICAL AND INDUSTRY TERMS

Term	Description
AIDS	Acquired Immuno Deficiency Syndrome
ANDA	Abbreviated New Drug Application
API	Active Pharmaceutical Ingredient
ARMs	Additional Revenue Measures
ARIPO	African Regional Intellectual Property Organization
ARV	Anti Retro Virals
ASPIRE	A scheme for Promoting Innovation and Rural Entrepreneurs
BBB	Better Business Bureaus
BPL	Below Poverty Line
B.Pharma	Bachelor of Pharmacy
BSE	Bombay Stock Exchange
BSE SENSEX	Sensex is an index; market indicator of the position of stock that is listed in the BSE (Bombay Stock Exchange)
CAGR	Compound Annual Growth Rate
CGMP	Current Good Manufacturing Practices
CGTMSE	Credit Guarantee Trust Fund for Micro and Small Enterprises
CLCSS	Credit Linked Capital Subsidy Scheme
CPI	Consumer Price Index
CRAMS	Contract Research and Manufacturing Services

Credit Suisse	Credit Suisse Business Analytics India
CSO	Central Statistics Office
CY	Current Year
DCGI	Drug Controller General of India
DGVCL	Dakshin Gujarat Vij Company Limited
DMF	Drug Master File
EAPO	Eurasian Patent Organization
EMDEs	Emerging Market and Developing Economies
EMEs	Emerging Market Economies
EPI	Expanded Programme on Immunization
FDFs	Finished Dosage Formulations
FICCI	Federation of Indian Chambers of Commerce and Industry
FMCG	Fast Moving Consumer Goods
GDP	Gross Domestic Product
GMP	Good Manufacturing Practices
GST	Goods and Services Tax
GVA	Gross Value Added
HEPA	High Efficiency Particulate Air Filters
HP	Horse Power
IBEF	India Brand Equity Foundation
IFC	International Finance Corporation
IIP	Index of Industrial Production
IMF	International Monetary Fund
IPA	Indian Pharmaceutical Association
IPC	Indian Pharmacopoeia Commission
ISO	International Organization for Standardization
JV	Joint Venture
LLC	Limited Liability Company
M&A	Mergers and Acquisitions
MAT	Minimum Alternative Tax
Mn	Million
MNC	Multi-National Corporations
M-o-M	Month-On-Month
MPP	Medicines Patent Pool
MR	Medical Representative
M.Sc.	Master of Science
MSECDP	Micro and Small Enterprises- Cluster Development Programme
MSMEs	Micro, Small and Medium Enterprises
MT	Million Tones
MYEA	Mid-Year Economic Analysis
NIPER	National Institute of Pharmaceutical Education and Research
NME	New Molecular Entities
OIL	Oil India Limited
ONGC	Oil and Natural Gas Corporation
OTC	Over the Counter
PC	Pay Commission
PE	Private Equity
Pharmexcil	Pharmaceuticals Exports Promotion Council
Ph.D	Doctor of Philosophy

PIB	Press Information Bureau
PMEGP	Prime Minister's Employment Generation Programme
PPP	Purchasing Power Parity
R&D	Research & Development
SEZ	Special Economic Zone
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SMEs	Small And Medium Enterprises
Sus	Standard Units
TAF	Tenofovir Alafenamide
UAM	Udyog Aadhaar Memorandum
UAN	Udyog Aadhaar Number
UIP	Universal Immunization Program
UK	United Kingdom
USFDA	US Food and Drug Administration
US\$/ US dollar	United States Dollar, the official currency of United States of America
US/ U.S./ USA	United States of America
WEO	World Economic Outlook
WHO	World Health Organisation
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
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

Term	Description
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
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
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
F.Y./FY	Financial Year
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
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

Term	Description
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
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
FTP	Foreign Trade Policy
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 205 of this Draft Red Herring Prospectus
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ltd.	Limited
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

Term	Description
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
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
NSE	National Stock Exchange of India 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
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
RTGS	Real Time Gross Settlement
SARFAESI	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
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

Term	Description
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 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 Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
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)	National Stock Exchange of India Limited
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
UV	Ultraviolet
VAT	Value Added Tax

Term	Description
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 374 of this Draft 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 234 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled “*Risk Factor*” beginning on page 25 of this Draft 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 134 of this Draft 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 235 of this Draft 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 Draft 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 234 of this Draft 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 Draft 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 Draft 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 Draft 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 Draft 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 234 of this Draft Red Herring Prospectus.

CURRENCY OF PRESENTATION

In this Draft 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 Draft 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 Draft 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 25 of this Draft 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 Draft 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.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of US\$ and Euro and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations.

These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all. The exchange rates of the respective foreign currencies are provided below:

Currency	Date	Amount
1 US\$	16.05.2018.	Rs. 67.8276

FORWARD LOOKING STATEMENT

This Draft 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 25 and 235 respectively of this Draft 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 Draft 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 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.

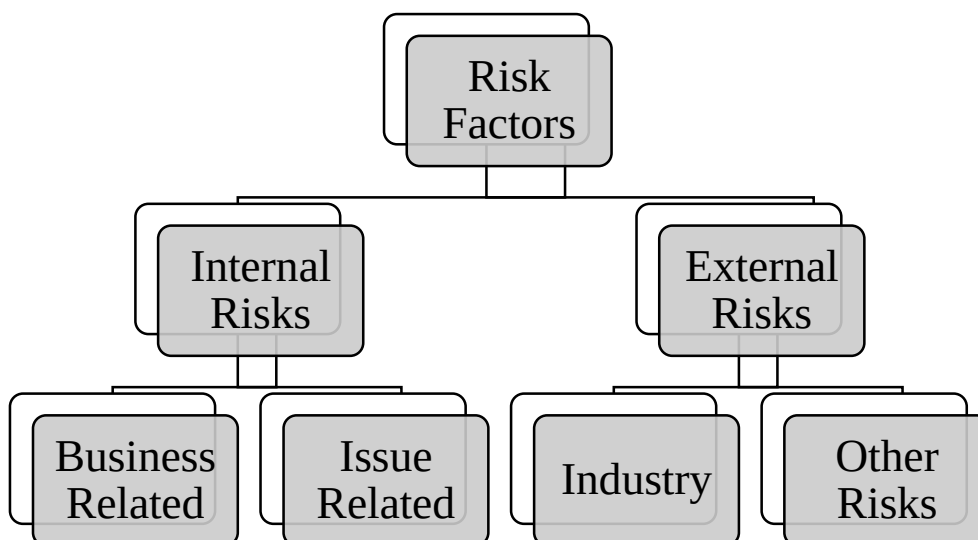
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated 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 166, “Our Industry” beginning on page 137 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 235 of this draft 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 Draft 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. ***Our Company is involved in certain litigation which is currently pending at various stages. There are certain taxation related proceedings, notices and claims pending with relevant statutory authorities at various jurisdictions against our Company and one of our Directors. Our Promoters and our Company are also involved in certain civil proceedings, there are three pending notices against our Company and our Group Company with regards to infringement of product trademark and our Company has not replied to the same. Additionally, our Company is also involved in economic offence proceedings related to Drugs and Cosmetic Act, 1940. Any adverse rulings or decisions in such proceedings by such authorities against our Company or its Promoters and Directors may render us liable to liabilities and penalties and may have an adverse material impact on our business and result of operations.***

Our Company and one of our directors are involved in certain tax related proceedings involving Income Tax Proceedings. They have been issued notices under Income Tax Act, 1961 and related proceedings are pending with relevant statutory authorities at various jurisdictions.

Our Company has received notices from Drugs Control Administration (DCA) for Zoveran, Diclofenac Potassium, Serratiopetidase Tablet (B. No.1458) and Fejet – OD Tablets. The drugs were found to be not of standard qualities and our Company's license to manufacture and sell these drugs was suspended for a short period in the year 2010 and 2011 respectively. For Fejet-OZ Tablets our company files a revision appeal and application before District Court and Additional Sessions Judge (Nagpur) and it was partly allowed. This matter is currently pending. There is no assurance that any of our drugs will not face similar suspension in future. In case it does, it will adversely affect our Company. Our Group Company – I had received letter from DCA for drug puradane powder. It has submitted reply and there is no further communication in this matter.

Also, there is no assurance that in future, we, our promoters, our directors or group companies may not face legal proceedings; any adverse decision in such legal proceedings may impact our business. For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Company and Subsidiaries see the chapter titled "Outstanding Litigation and Material Developments" on page 258 of this Draft Red Herring Prospectus.

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
Against the Company	Nil	Nil	6	Nil	Nil	Nil	40.58
Promoters							
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
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	1	Nil	Nil	Nil	Nil	Not ascertainable
Against the Directors	Nil	Nil	1	Nil	Nil	Nil	0.06
Subsidiaries							
By the Subsidiaries	N.A.*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against the Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

*N.A. = Not Applicable

2. *Our Directors i.e. Gurmeet Singh, Parvinder Singh Gulati and Sham Lal Singla had been disqualified to act as “Director” under Section 164(2) of the Companies Act, 2013 with effect from September 06, 2017 and September 12, 2017 and their Director’s Identification Numbers (DIN) were deactivated pursuant to notification issued by Ministry of Corporate Affairs (MCA).*

Subsequently, on hearing the Writ Petition filed by our Directors before the High Court at Chandigarh, their DINs were restored. Any further adverse rulings or decisions in regards the same by regulatory authorities against our Directors may, however, have adverse material impact on our business and results of operations.

The provision of disqualification of directors due to non-filing of annual returns for the three consecutive years was not applicable to private limited companies under section 274 (1) (g) of the Companies Act, 1956 and the new provision of section 164(2) of Companies Act, 2013, making the said disqualification criterion applicable to directors of private limited companies, was enforced effective from April 01, 2014. As such, our Company i.e. MDC Pharmaceuticals Private Limited delayed filing of annual returns only for two financial years after the new provision of section 164(2) was effective.

Both the abovementioned Directors had filed a Writ Petition bearing CWP no. 24977 of 2017, CWP no. 1331 of 2018 and CWP no.1334 of 2018 dated January 16, 2018 against Union of India and Registrar of Companies before the High Court of Chandigarh under Article 226 of Constitution of India. The High Court of Hyderabad passed an interim order dated November 08, 2017 and January 22, 2018 directing the MCA to restore the DIN of the affected Directors to enable them to file annual returns for the respective financial years to cure non-compliances. MCA has subsequently, restored the DIN of our Directors to give effect to the said order. After receipt of the interim order, MDC Pharmaceuticals Private Limited has filed all the pending annual filings with Registrar of Companies and the status of the said company and the DIN of the Directors has been updated to —ACTIVE.

However, any further adverse rulings or decisions in regards the same by regulatory authorities against our Directors may render us liable to liabilities and penalties and may have an adverse material impact on our business and results of operations.

3. Our business is subject to extensive regulation. If we fail to comply with regulations prescribed by governments and regulatory agencies, our business, results of operations and financial condition could be adversely affected

We operate in a highly regulated industry and our operations are subject to extensive regulation in each market in which we do business. All aspects of our business, including our research and development activities, manufacturing operations and sales and marketing activities, are subject to extensive legislation and regulation by various local, regional, national and overseas regulatory regimes. Our business is also subject to, among other things, the receipt of all required licenses, permits and authorisations including local land use permits, manufacturing permits, building and zoning permits, and environmental, health and safety permits. We are also subject to the laws and regulations governing relationships with employees such as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. If we fail to comply with the applicable laws and regulations, we may be subject to penalties, including the revocation or suspension of our licenses and approvals and criminal sanctions. Our failure to obtain such licenses and approvals and comply with the applicable laws and regulations could lead to imposition of sanctions by the relevant authorities including penalties. If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for marketing new products. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products. Further, regulatory requirements are still evolving in many markets and are subject to change and as a result may, at times, be unclear or inconsistent. Consequently, there is increased risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, if any.

4. *Our business largely depends on the performance of our franchisee network. Any non-performance by these franchisee may adversely affect our business operations, profitability and cash flows.*

We currently sell our products through franchise network, directly to manufacturers and e-commerce. However, we derive our major revenue from operations through our franchisee network. In such cases, we sale our products directly to franchisee who in turn take forward the supply chain. Our business hence largely depends on the performance of our franchisee, who may be responsible for selling our products to end users at domestic as well as international level. Currently, we have more than 450 franchisee at domestic and international market levels. We can give no assurance that the performance of such franchisee will meet our required specifications or performance parameters. They are independent third parties over which we do not have control. Additionally, we do not have any non-compete agreement with such parties and in the event that such parties enter into agreements with competitors, we may not be able to take any course of action.

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 franchisee. Moreover, there can be no assurance that our franchisee 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 franchisee.

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 intense 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.

Our business faces competition from manufacturers of patented brand products that do not face any significant regulatory approvals or barriers to enter into the generics market for the territories where the brand is already approved. These manufacturers sell generic versions of their products to the market directly or by acquiring or forming strategic alliances with our competitors or by granting them rights to sell. Any failure on our part to gain an advantage could adversely affect our profitability and results of operations.

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 of a critical raw material, 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:

- i. Non-compliance with section 297 of the Companies Act, 1956. However, as on date of this DRHP our Company is a public limited company and is in compliance with corresponding section 188 of Companies Act, 2013
- ii. The company has condoned the delay in filing of charge created on 1.5.2009 in favour of PNB vide Company law Board (CLB) order dated 30.9.2009 on satisfaction of Company law Board (CLB) that the delay was caused due to inadvertence.
- iii. There have been instances where incorrect form has been filed like in 2006 the authorized capital was increased wherein the face value of shares were wrongly mentioned as Rs. 100 instead of Rs. 10.

Further the company has delayed in filing of certain Forms with ROC. 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 this Draft Red Herring Prospectus, our Company has appointed a whole time Company Secretary to ensure all the compliances are made within the necessary timelines.

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 and inventory levels. A significant portion of our working capital is utilized towards trade receivables and inventories. Summary of our working capital position is given below:-

(Rs. In Lakhs)

Particulars	For the period ended December 31, 2017	For the year ended				
		2017	2016	2015	2014	2013
A. Current Assets						
A. Inventories	1,427.27	1,306.58	956.99	842.14	658.94	664.59
B. Trade Receivables	1,014.18	673.54	658.25	784.17	727.49	693.49
C. Cash and Bank Balances	234.05	27.29	414.23	16.87	29.30	16.22
D. Short Term Loans & Advances	314.22	226.76	210.96	295.60	531.64	359.57
E. Other Current Assets	9.89	12.62	7.12	4.16	6.08	-
B. Current Liabilities						
A. Trade Payables	1,031.93	599.57	501.52	508.15	87.10	76.98
B. Other Current Liabilities	422.94	440.84	330.81	382.17	211.52	168.90
C. Short Term Provisions	169.84	168.62	47.17	16.54	39.96	26.99
Working Capital (A-B)	1,374.91	1,037.79	1,368.04	1,036.10	1,614.87	1,461.01
Inventories as % of total current assets	47.58%	58.15%	42.58%	43.34%	33.73%	38.33%
Trade receivables as % of total current assets	33.81%	29.98%	29.29%	40.36%	37.24%	40.00%

Our Company intend to continue growing by expanding our franchisee network, increase our product range and grow our export operations. 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 114 of this Draft Red Herring Prospectus.

8. ***The Company is yet to place orders for 100% of the plant & machinery and equipments for some of our proposed object, as specified in the Objects of the Issue. Any delay in placing orders, procurement of such plant & machinery and equipments may delay our implementation schedule and may also lead to increase in price of these plant & machineries and equipments, further affecting our revenue and profitability.***

Although we have identified the type of plant and machineries and equipments required to be bought for our set up of Soft Gel encapsulation and upgradation of Air Handling Unit at our manufacturing unit I, we are yet to place orders for 100% of the plant & machinery worth Rs. 587.28 lakhs, Air Handling Systems required for our soft gel encapsulation facility worth Rs. 100.60 lakhs, and Air Handling systems required for upgradation of Air Handling Unit at our manufacturing unit I worth Rs. 157.90 lakhs as detailed in the — “Objects of the Issue” beginning on page 114 of this DRHP. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management’s views of the desirability of current plans, change in supplier of equipments, among others, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machinery, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun in the implementation of the Project, which would have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 114 of this Draft Red Herring Prospectus.

9. ***Any manufacturing or quality control problems may damage our reputation for high quality products and expose us to litigation or other liabilities, which could adversely affect our financial results.***

Pharmaceutical manufacturers are subject to significant regulatory scrutiny. Our manufacturing facilities at Baddi must manufacture products in accordance with Good Manufacturing Practices, state level food and drug administrations and other regulatory agencies, as applicable.

Furthermore, we are liable for the quality of our products for the entire duration of the shelf life of the product. We also manufacture products on behalf of certain third parties who then market such products under their own brand. After our products reach the market, certain developments could adversely affect demand for our products, including any contamination of our products by intermediaries, re-review of products that are already marketed, new scientific information, greater scrutiny in advertising and promotion, the discovery of previously unknown side effects or the recall or loss of approval of products that we manufacture, market or sell.

Disputes over non-conformity of our products with such quality standards or specifications are generally referred to independent government approved testing laboratories. If any such independent laboratory confirms that our products do not conform to the prescribed or agreed standards and specifications, we would bear the expenses of replacing and testing such products, which could adversely affect our business, results of operations and financial condition.

We also face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality problems. Such adverse publicity harms the brand image of our Company and products. We may be subject to claims resulting from manufacturing defects or negligence in storage and handling of our products. Any loss of our reputation or brand image, for whatsoever reason may lead to a loss of existing business contracts and adversely affect our ability to enter into additional business contracts in the future. We currently carry no products liability insurance with respect to our manufactured products.

10. *We rely extensively on our systems, including quality assurance systems, products processing systems and information technology systems, the failure of which could adversely affect our business, financial condition and results of operations.*

We depend extensively on the capacity and reliability of the quality assurance systems, product processing systems and information technology systems, supporting our operations. Considering the nature of our business and the industry in which we operate, it is imperative for us to have a robust information technology platform. If our data capturing, processing and sharing cannot be integrated and/ or we experience any defect or disruption in the use of, or damage to, our information technology systems, it may adversely affect our operations and thereby our business and financial condition. Our systems are also subject to damage or incapacitation by natural disasters, human error, power loss, sabotage, computer viruses, hacking, acts of terrorism and similar events or the loss of support services from third parties. Any disruption in the use of, or damage to, our systems may adversely affect our business, financial condition and results of operations.

11. *If we do not 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.*

In most of the markets in which we have a presence, we generally enter into a franchise agreement with a third party who distributes our products. As on the date of the DRHP, we have entered into more than 450 franchise agreements. 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 enter into new franchise agreements or effectively manage our existing franchisee 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. Further we generally give exclusive rights to a single distributor for a particular area, thereby increasing our dependency on them for a particular area. 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.

12. *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, manufacture 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 extensive 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.

13. *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. We may also require to invest in our products to prevent counterfeit versions of our products from being distributed in the markets. Such measures include, monitoring products in the market and initiating actions against counterfeiters, each of which entails incurring significant costs at our end. 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.

14. *Increase in costs or a shortfall in availability of the raw materials we purchase could have a material adverse effect on our Company's sales, profitability and results of operations.*

Our Company is dependent on third party suppliers for procuring the raw materials which we use for manufacturing our products. We are exposed to fluctuations in the prices of these raw materials 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. The cost and availability of such raw materials are subject to a variety of factors and any increase in their cost and their availability at a reasonable price or at all, could adversely affect our margins, sales and results of operations. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of such raw materials from any of our suppliers, and we cannot procure the products from other sources, we would be unable to meet our product schedules and to deliver such products to our customers in timely fashion, which would adversely affect our sales, margins and customer relations. We cannot assure you that a particular supplier will continue to supply the required materials to us in the future. Any change in the supplying pattern of our products can adversely affect our business and profits. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality raw materials in a timely and cost-effective manner would cause delays in our production cycles and delivery schedules, which may result in the loss of our customers and revenues.

15. *Any disruption in production at, or shutdown of our sole processing facility could adversely affect our business, results of operations and financial condition.*

We have two manufacturing facilities, both of which are situated at Baddi. We manufacture various products in the form of tablets, capsules, oral syrups and dry syrups at Unit I and various products in the form of tablets and capsules at Unit II. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

16. *Delay in schedule of implementation of setting up soft gel manufacturing facility at our existing Unit II or building our corporate office and warehouse may subject our Company to risks related*

to time and cost overrun which may have a material adverse effect on our business, results of operations and financial condition.

Our Company is currently proposing to set up a soft gel manufacturing facility at our existing manufacturing facility of Unit II. We also propose to build our corporate office and warehouse. For further details regarding to our proposed setting up of soft gel manufacturing facility at our existing manufacturing facility of Unit II and building of corporate office and warehouse, please refer the chapter titled "Objects of the Issue" on page 114 of this DRHP. We may face risks relating to the setting up of our soft gel facility and building of our corporate office and warehouse, complete the projects within our estimated budget, appointment of the contractors, failure of our contractors and suppliers to adhere to our specifications and timelines, and changes in the general economic and financial conditions in India. We have limited control over the timing and quality of services, equipment or other supplies from third party contractors and/or consultants appointed by us, and we may be required to incur additional unanticipated costs to remedy any defect or default in their services or products to ensure that the planned timelines are adhered to. Further as and when we complete our project work, our material requirements and costs as well as our staffing requirements and employee expenses may increase and we may face other challenges in extending our financial and other controls to our unit managing our consequent growth.

In the event that the risks and uncertainties discussed above or any other unanticipated risks, uncertainties, contingencies or other events or circumstances limit or delay our efforts to use the Net Proceeds to achieve the planned growth in our business, the use of the Net Proceeds for purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of your investment in our Equity Shares.

17. Delay or non-completion of continuous construction of 20% of the office space by Promoter Group Firm: M/s. Jasco Paper Products may affect our proposed construction of corporate office and warehouse.

One of our proposed Objects of the Issue is building of corporate office and warehouse on a land jointly owned by the Company and members of promoter group. Of the proposed construction, 80% of the constructed property shall be used by the Company and 20% shall be used by M/s. Jasco Paper Products, a member of Promoter Group. Though M/s. Jasco Paper Products shall bear the cost of the construction of their 20% share estimated at Rs. 182.49 lakhs, this construction by M/s. Jasco Paper Products shall be contiguous with our construction of corporate office and warehouse and we shall not have a right to use this 20% constructed space as well there is a risk that such construction may be delayed or not happen at all due to disputes between the concerned Parties. Any delay or obstruction in the final completion of this space may adversely affect out development of the property. For details, refer the chapter titled, "Objects of the Issue" beginning on page 114 of the DRHP.

18. We do not own the land on which our registered office and warehouse is situated. Further we have entered into a lease agreement with our member of the Promoter Group for his share of 20% of the land on which we propose to develop our corporate office and warehouse.

Our Company does not own the land on which our registered office and warehouse is located respectively. We have taken the same on lease from third parties. Our lease for registered office is valid till January 31, 2019 and our lease for warehouse is valid till March 31, 2019. Both the deeds can be extended subject to mutual consent of both the parties respectively. 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.

Further one of our proposed Objects of the Issue is building of corporate office and warehouse on a land which is jointly owned by the Company alongwith the members of the promoter group. Our Company has entered into a lease agreement with Jasmeet Singh Gulati to use his share of 20% of the said land for a period of 5 years with effect from June 1, 2018. Though we have obtained NOC from him, any termination of the said lease or withdrawal of his consent may affect our construction schedule and delay in implementation of the project. 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 166 of this Draft Red Herring Prospectus.

19. 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 per our Restated Standalone Statements on December 31, 2017 is as under:

(Rs. in lakhs)

Sr.	Particulars	As at December 31, 2017
1.	Outstanding Tax Demand with Respect to Income Tax Assessment year - 2010-11	15.34
2.	Outstanding Tax Demand with Respect to Income Tax Assessment year - 2011-12	1.31
3.	Outstanding Tax Demand with Respect to Income Tax Assessment year - 2013-14	1.41
4.	Outstanding Tax Demand with Respect to Income Tax Assessment year - 2015-16	15.83
5.	TDS Defaults Earlier years	18.15
6.	Bills Discounted under Inland Letter of Credit	12.24
7.	Bond Issued in Favour of GST Department for Export	20.00
	Total	84.27

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 “Restated Financial Statements” on page 234 of this Draft Red Herring Prospectus.

Management Perception:

- In case of outstanding tax demand with respect of income tax assessment year 2010-11, at the time of processing of return of income under the provisions of section 143(1) of The Income Tax Act, 1961 the CPC Bengaluru did not give the credit of the self assessment tax and the advance tax paid by us , which is also reflecting in the Form 26AS of the said year, resulting in the demand raised against us. We have already grievance for the inadvertent demand to income tax department
- The CPC, while processing the return of income tax assessment year 2011-12 and 2013-14, gave less credit of MAT under Section 115JAA as compared to the credit claimed by us while filing the return of income of the said years respectively. Further we have also not been credit of self assessment tax for AY 2011-12. We have already grievance for the inadvertent demand to income tax department.
- In reference to outstanding tax demand of assessment year 2015-16 please note the assessment proceeding for the captioned year has been concluded vide assessment order dated 10 November 2017, wherein a demand of Rs. Nil has been determined.
- In reference to outstanding TDS default of Rs. 18.15 lakhs there is a clerical mistake in challan as we have deposited the said amount in PAN and claimed in tan and we have already requested to department for rectification.

20. Our Company has negative cash flows from its investing activities and Financing activities in the past years, details of which are given below. Sustained negative cash flows could impact our growth and business.

Our Company had negative cash flows from our investing activities and 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 period ended December 31, 2017	For the year ended				
		2017	2016	2015	2014	2013
Cash Flow from / (used in) Investing Activities	(327.37)	(237.10)	21.20	(424.13)	13.14	(80.90)
Cash Flow from / (used in) Financing Activities	148.16	(572.16)	(10.70)	(456.75)	(271.40)	(237.18)

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

21. Some of our corporate records including forms filed with the Registrar of Companies are not traceable. We cannot assure you that these forms filings will be available in the future or that we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

Our Company is unable to trace certain corporate and other documents in relation to our Company including forms filed with the Registrar of Companies prior to the year 2006. Due to change in methods of record keeping on account of technological advancement and computerisation, over the years, certain forms filed with ROC prior to the year 2006 like Incorporation Form, Return of Allotment, increase in authorised capital, Annual Returns etc, could not be traced by our Company. Also bank statements of the company prior to 2006 could not be traced. Further online filing of RoC documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal. Also some form for the year 2006 are also not traceable due to technical difficulties. Our Company has also obtained physical search report for ROC data prior to 2006 and for some forms post 2006 which were not available on MCA online portal due to technical issues and obtained report from practicing Company secretary stating that they did not found any document in physical search in the ROC Chandigarh. As such under the circumstances elaborated above, our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the Company are correct. Also our Company may not be in a position to attend to and / or respond appropriately to any legal matter due to lack of lost / destroyed records and to that extent the same could adversely affect our business operations.

22. Our statutory auditors have included certain observations on certain matters in their auditor's reports.

During the period ended December 31, 2017 our statutory auditors have provided an audit qualification in their audit report relating to disqualification of certain directors. Our statutory auditors have also reported certain observations in their report on the Companies (Auditors Report) Order, 2015 for the financial year ended March 31, 2015, March 31, 2016, March 31, 2017 and for the period ended December 31, 2017. These matters include irregular recovery of principal and interest amount in respect of loans granted by Company to companies, firm or other parties covered in the register

maintained under section 189 of the Companies Act, 2013 and certain undisputed statutory dues not being deposited with the relevant authorities for more than 6 months. For details on such observations by our statutory auditor, please refer to the chapter titled “Financial Statements” beginning on page 234 of the DRHP. Investors should consider the same in evaluation of our financial position, results of operation and cash flows.

23. ***We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. Some of the approvals are required to be transferred in the name of MDC Pharmaceuticals Limited from MDC Pharmaceuticals Private Limited pursuant to name change of our company. An application has been made to the Himachal Pradesh Pollution Control Board for renewal of consent to establish under the Water (Prevention and control of Pollution) Act, 1974 and under the Air (Prevention and control of Pollution) Act, 1981, renewal of authorization for Collection/Reception/Treatment/Storage/Disposal of Hazardous Waste is made under Rule 5 (2) of the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 for Unit – II, renewal of GMP Certificate to the State Drugs Controller, Controlling cum Licensing Authority; any failure or delay in obtaining the same in a timely manner may adversely affect our business operations.***

Our Company has not applied for registration certificate of establishment for sales and corporate office, Professional Tax Enrollment Certificate, Professional Tax Registration Certificate, any delay or failure in obtaining the same could materially affect our business operations.

We need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course of our business. The expiry date for licence to work a factory for Unit - II and TAN allotment letter is currently not traceable by the company. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects. 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. Additionally, our company has not applied for change of name of the approval/s as mentioned in material licenses/ approvals for which the Company is yet to apply section of Government and Other Statutory Approvals Chapter. For more information, see chapter “Government and Other Statutory Approvals” on page 267 of this Draft Red Herring Prospectus.

24. ***As a pharmaceutical manufacturing and marketing company, we are dependent on the validity of certain trademarks including our corporate name, brand names and logo that we may not be able to protect and/or maintain validity of the same. The current status of many such Trademarks registrations are expired, opposed, abandoned and pending at various stages with the Trademark Registry or such relevant authority, as applicable, as a result of which we may have lesser recourse to initiate legal proceedings to protect our products. 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.***

Our ability to market and sell our products highly depends upon the recognition of our brand names and associated consumer goodwill. Currently we have the registered 49 trademarks. Further we have applied for 48 trademarks, of which some are opposed/abandoned/objected. Further out of the registered trademarks, we have also refused and withdrawn the Trademark registrations of BIOGESIC, MUCODI and MOXYPLUS respectively. Any failure to obtain or secure or renew registration of the aforesaid trademarks before the expiry date, may impact the Company’s right to use them in future. Further 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 and procedural compliance which could materially and adversely affect our business, financial condition, results of operations and prospects. 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, financial condition, results of operations and prospects.

For details of our Intellectual Property Rights, please refer to the chapters titled “*Government and Other Statutory Approvals*” beginning on page 267 of this Draft Red Herring Prospectus. For legal proceedings relating to Intellectual Property Rights, please refer to chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 258 of this Draft Red Herring Prospectus.

25. *We rely on third parties for manufacturing cosmeceutical products and formulation products for export markets of our Company.*

At present for our cosmeceutical products manufacturing which we market under our brand “Murtela” and for developing formulations for export markets, we rely on certain third parties for manufacturing such 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 manufacturer faces.

26. *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 manufacture and sale of certain products or require us to pay significant royalties in order to continue to manufacture or 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 patent and proprietary rights against others. The occurrence of any of these risks could adversely affect our business, financial condition and results of operations.

27. *Our Company has recently invested in Equity Shares of I M Healthcare Private Limited, a Company which is into preliminary stage of business operations.*

Our Company has invested into 3,00,000 Equity Shares of Rs. 10 each fully paid up at a price of Rs. 255.95 on May 14, 2018 pursuant to resolution approved by Board of directors on April 12, 2018 of M/s. I M Healthcare Pvt. Ltd. By virtue of such investment, M/s. I M Healthcare Private Limited has become our Associate Company. As on date of the DRHP, M/s. I M Healthcare Private Limited is into preliminary stages of operations and is yet to commence its business operations fully. The products developed by M/s. I M Healthcare Private Limited is into trial production phase and shall be commercially launched in the near future and hence the Company has been making losses in the earlier years. However our management believes that there is commercial viability of the products developed by M/s. I M Healthcare Private Limited and the products shall have a competitive edge in the market, but there can be no assurance that such investments shall yield results in the near future or at all. Also as per Companies Act, 2013 the financials of an associate shall be consolidated with the holding company and going forward we may need to prepare consolidated financial results. Any losses incurred by our associate in the future, hence may adversely affect our results of operations also.

28. The Promoter Group of our Company does not include immediate relative of one of our Promoter Sham Lal Singla viz. Parveen Aggarwal, Harish Aggarwal and Hemant Aggarwal.

The Promoter Group of our Company does not include relative of one of our Promoter Sham Lal Singla namely, Parveen Aggarwal, Harish Aggarwal and Hemant Aggarwal, and/or any entity(ies) in which they severally or jointly may have an interest. Moreover, they do not own shareholding in our Company and are also not involved in the business of our Company. One of our promoter viz. Sham Lal Singla through a declaration dated April 12, 2018 has expressed his unwillingness to constitute Parveen Aggarwal, Harish Aggarwal and Hemant Aggarwal under the “Promoter Group” of the Company and has requested that consequently their entities should not be considered to be part of the “Promoter Group” and “Group Companies”. Further he has submitted that information related to business/financial interest held by these relatives are not accessible for the purpose of disclosure in the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus. Therefore, though there are no formal disassociation agreements they are not treated as part of Promoter group and the disclosures made in this Draft Red Herring Prospectus are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group and Group Companies.

29. We don’t have documentary evidence for the educational qualification of the two of promoters.

The brief profiles of Promoters, Directors and Key Managerial Personnel are required to be included in the chapter titled, “Our Management- Brief Biographies of Directors”, “Our Management- Key Managerial Personnel” and “Our Promoter and Promoter Group” in the Draft Red Herring Prospectus. In case of our two promoters and whole time directors, Parvinder Singh Gulati and Gurmeet Singh Narula , who are our Promoters, Whole time Directors and Key Managerial Personnel, supporting documents required for details to be stated under brief profile such as educational qualification certificates, experience certificates are not available and hence the same is not included in this Draft Red Herring Prospectus.

30. Some of our Group Companies have incurred losses in the previous financial years.

Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers etc, which may affect our credibility and business operations. The following of our Group Company has incurred losses in previous years:

1. Financial Performance of Hi tech Formulations Private Limited

(Rs. in lakhs)

Particulars	2016-17	2015-16	2014-15
Paid Up Capital	190.00	100.00	1.00
Reserves and Surplus	(11.06)	11.04	26.74
Net Asset Value (In Rs.)	9.42	11.10	277.44
Networth	178.94	111.04	27.74
Sales and other income	334.25	38.85	65.92
Profit/Loss after tax	(22.11)	(16.32)	1.71

2. Financial Performance of Supreme Bio Tech Limited

Rs. In lakhs

Particulars	2016-17	2015-16	2014-15
Paid-up Equity Capital.	12.00	12.00	12.00
Reserves & Surplus.	23.86	32.42	34.00
Net Asset Value per equity share (Rs)	298.91	370.16	383.34
Net worth	35.86	44.42	46.00
Sales and Other Income	1.85	0	0
Profit/Loss after tax	(8.55)	(1.58)	(1.94)

3. Financial Performance of I M Healthcare Limited

Rs. In lakhs

Particulars	2016-17	2015-16	2014-15
Paid-up Equity Capital.	100.00	100.00	100.00
Reserves & Surplus.	(56.27)	(42.08)	(18.55)
Net Asset Value per equity share (Rs)	43.73	57.91	81.45
Net worth	43.73	57.92	81.45
Sales and Other Income	8.19	18.83	8.06
Profit/Loss after tax	(14.19)	(23.53)	(14.92)

31. ***Conflicts of interest may arise out of common business undertaken by our Company, Promoter and our Group Companies.***

Some of our members of promoter group and group companies are also authorized to carry similar activities as those conducted by our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, members of our Promoter Group and our Group Company in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other company in which our Promoter has interests. There can be no assurance that our Promoter or our Group Company 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.

32. ***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 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. For eg. At present we are mainly dealing in pharmaceutical, nutraceutical and cosmetic products. However a shift in consumer preference to other categories such as ayurvedic, herbal may adversely affect our operations. 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.

33. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.*

We believe that the industry in which we operate faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its business operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past; there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

34. *The shortage or non-availability of power facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.*

Our manufacturing processes require substantial amount of power facilities. Currently, at both our manufacturing utilities we meet our power requirements by purchasing electricity from Himachal Pradesh State electricity Board. The current sanction limit provided at our Unit I is 94.50 kW and at Unit II is 490.00 kW. We have also installed D.G. sets at our units to contingencies. However, the quantum and nature of power requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involve significant capital expenditure and per unit cost of electricity produced is very high in view of oil prices and other constraints. Any disruption/non availability of power shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

35. *The Shortage or non availability of water facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.*

Our manufacturing facilities requires substantial amount of water facilities for manufacturing process. We meet our water requirements at Unit I from borewell and at Unit II, by purchasing the same from Himachal Pradesh State Industrial Development Corporation Ltd. The quantum and nature of water requirements of our industry is significant and requires continuous supply. Any disruption/non availability of water shall directly affect our production which in turn shall have an impact on profitability and turnover of our Company.

36. *The regulatory uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the marketing, pricing and demand for our products.*

In many countries in which we currently operate, including India, pharmaceutical prices are subject to regulation. The existence of price controls can limit the revenues we earn from our products. India enacted the National Pharmaceuticals Pricing Policy in 2012. As a result, a number of drug formulations were identified as essential drugs and were added to India's National List of Essential Medicines and these drugs are subjected to price controls in India. On May 15, 2013, the Department of Pharmaceuticals released the revised DPCO 2013 (which replaced the earlier Drugs (Prices Control) Order, 1995). The Drugs (Price Control Order) 2013 ("hereinafter referred as "The DPCO 2013"

governs the price control mechanism for 616 formulations listed in the National List of Essential Medicines which was set aside by the National Pharmaceutical Pricing Authority, which fixes the prices after excluding excise duty levied prior to GST regime via the notification bearing number S.O. S.O. 2058 (E) dated June 30, 2017. The ceiling prices are applicable with effect from 1.7.2017. As per the order all manufacturers of scheduled formulations, selling branded or generic or both the versions of scheduled formulations at price higher than the ceiling price (plus goods and Services Tax as applicable) so fixed and notified by the Government, shall revise the prices of all such formulations downward not exceeding the ceiling price specified in column (5) in the above table plus goods and Services tax as applicable, if any.

Under terms of the DPCO 2013 non-compliance with the notified ceiling price or breaching the ceiling price would be tantamount to overcharging the consumer under the order, and the amount charged over and above the ceiling price shall be recovered along with interest thereon from the date of overcharging. Further, non-compliance with the price notification issued by National Pharmaceutical Pricing Authority (“NPPA”) could also attract prosecution of the officers of the Company under the Essential Commodities Act, 1955 including imprisonment for a term up to seven years and shall also be liable for fine. Any action against us or our management for violation of the DPCO 2013 may divert management attention and could adversely affect our business, prospects, results of operations and financial condition.

Pursuant to applicable notices, notifications and circulars issued by the DGFT, from time to time, we may also be 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.

37. *Stricter marketing norms prescribed by a new code of conduct in India for companies doing business in the pharmaceuticals industry could affect our ability to effectively market our products which may affect our profitability.*

In December 2014, the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers of the Government of India announced details of the UCPMP which became effective across India from January 1, 2015. This code of conduct for marketing practices for the Indian pharmaceutical industry is expected to be voluntarily adopted by pharmaceutical companies for a period of six months (extended by a further period till further notice) after which it would be reviewed by the Government.

The UCPMP amongst other things provides detailed guidelines about promotional materials, conduct of medical representatives, physician samples, gifts and relationships with healthcare professionals. Further, the Managing Director or the chief executive officer of the company is responsible for ensuring adherence to the UCPMP and a self-declaration is required to be submitted by the managing director or the chief executive officer within two months of the closure of every financial year to the industry association. Although these guidelines are voluntary in nature, they may be codified in the future and we may have to spend a considerable amount of time and resources to conform to the requirements of the UCPMP.

38. *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 Draft Red Herring Prospectus, we have made 28 applications for registration of our pharmaceutical products/medicines out of which 25 applications are registered in Myanmar and 3 are

registered in Guatemala and Jordan. Currently out of 25 applications registered in Myanmar, 6 applications have expired, for which we have applied for renewal and are currently pending. To develop our export operations, we shall strive to register more products in more countries and renew registrations in existing 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.

39. *In many of the international markets in which we sell our products, the approval process for a new product can be complex, lengthy and expensive. If we fail to obtain such approvals in a timely and cost efficient manner, or at all, our business, prospects, results of operations and financial condition could be adversely affected.*

In the many of the international markets in which we sell our products, the approval process for a new product can be complex, lengthy and expensive. The time taken to obtain approvals varies by country but generally takes between six months and several years from the date of application. We have 28 registered products as on the date of DRHP in Myanmar, Guatemala and Jordan. Currently out of 25 applications registered in Myanmar, 6 applications have expired, for which we have applied for renewal and are currently pending. If we fail to obtain such approvals, licenses, registrations and permissions, in a timely and cost efficient manner or at all, our business, prospects, results of operations and financial condition could be adversely affected.

In addition, if we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for marketing new products. Moreover, if we fail to comply with the conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products. We may also be required to defend our applications in a legal proceeding or otherwise, which may lead to an increase in time or costs for obtaining such approvals.

40. *Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition. The success of our business will depend greatly on our ability to effectively implement our business and growth strategy.*

Our growth strategy requires us to develop and strengthen relationships with existing and new customers for our pharmaceutical business who may drive high volume orders on an ongoing basis. To remain competitive, we propose to set up expand our product range by setting up of a soft gel facility at our existing manufacturing facilities, build up our corporate office and warehouse so as to develop our brand image and reduce rental costs; make our manufacturing facilities WHO GMP compliant so as to increase our export operations, etc.

Our success in implementing our growth strategies may be affected by:

- our ability to successfully set up our soft gel facility, corporate office and warehouse;
- our ability to create demand for our propose range of product;
- our ability to comply with WHO GMP guidelines and obtain the necessary approvals;
- our ability to maintain the quality of our products;
- our ability to increase our customer base;
- the general condition of the global economy (particularly of India and the other markets that we currently or may operate in);

- our ability to compete effectively with existing and future competitors,
- changes in the Indian or international regulatory environment applicable to us.

Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. Separately, our growth strategy also involves expanding into new geographic markets which will involve additional risk. Our present and future business strategies shall require additional resources, capital investment, market research. For information on the Company's strategy, see the chapter —Our Business beginning on page 166 of the Draft Red Herring Prospectus. There can be no assurance that such steps would lead to a successful output. While we have successfully executed our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could adversely impact our results of operations. We expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategy could have a material adverse effect on our business, financial condition and profitability.

41. *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.*

Our products depend on recent inventions and developments as we manufacture and 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 and also endeavour regularly update our existing technology, 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.

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

Modernization and technology upgradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have adequate plant & machineries to support our manufacturing operations, we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the manufacturing facilities, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries may be significant which could substantially affect our finances and operations.

43. *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 have recently started exporting our products in some countries and receive sale proceeds against such export sales in foreign currency. 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 cost of sales 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.

44. Compliance with, and changes in safety, health and environmental laws and regulations may adversely affect our business, prospects, financial condition and results of operations.

Due to the nature of our business, we expect to be or continue to be subject to extensive and increasingly stringent environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations. We are also subject to environmental, health and safety laws including but not limited to:

- a. The Pharmacy Act, 1948
- b. The Drugs and Cosmetics Act, 1940 ("DCA")
- c. The Drugs and Cosmetics Rules, 1945 ("DC Rules")
- d. The Drugs (Price Control) Order, 2013 ("DPCO 2013")
- e. Essential Commodities Act, 1955
- f. Food Safety and Standard Act, 2006
- g. Good Manufacturing Practice Guidelines (GMP)
- h. The Environment Protection Act, 1986 ("Environment Protection Act")
- i. Air (Prevention and Control of Pollution) Act, 1981
- j. Water (Prevention and Control of Pollution) Act, 1974
- k. Hazardous Waste Management & Handling Rules, 2008
- l. Public Liability Insurance Act, 1991

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 avoid use of certain ingredients in preparation of our products, discontinue any range of product, incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, which could adversely affect our business, prospects, financial condition and results of operations.

45. Our Company is dependent on third party transportation for the delivery of raw materials and finished 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 raw materials and finished 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 procure raw materials or delivery of goods on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

46. 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 franchise channel, develop market for our new products, expand our overseas operations and to implement systems capable of effectively accommodating our growth. However, we cannot assure that any such employees or franchisee 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.

47. *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.

48. *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.

49. *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 Y Related Party Transactions" in Section "Restated Financial Statements" beginning on page 234 of this Draft Red Herring Prospectus.

50. *Our Company exports our products to countries including, Sri Lanka, Nepal and Afghanistan. We also make deemed exports in Myanmar. Any adverse events affecting these countries could have a significant adverse impact on our results from operations.*

For the year period ended December 31, 2017, our domestic and export operations (both direct and deemed) contributed 94.01% and 5.99% respectively of our total revenue from operations and for the year ended March 31, 2017, our domestic and export operations (both direct and deemed) contributed 97.62% and 2.38% respectively of our total revenue from operations. 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.

51. Our Company has no formal supply agreement or contract with our vendors/suppliers for the uninterrupted supply of major raw materials. Our business may be adversely affected if there is any disruption in the raw material supply or traded 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 raw materials supply or the non availability of raw materials, the production and dispatch schedule may be adversely affected impacting the sales and profitability of the Company. In the event the prices of such raw materials were to rise substantially, we may find it difficult to make alternative arrangements for supplies of our raw materials, 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.

52. 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, earthquake, burglary policy, workmen compensation 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. Also we have not taken any insurance policy for our registered office. 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.

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

Our Company has taken secured loan from banks and financial institutions 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. 465.28 lakhs as on December 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” on page 254 of this Draft Red Herring Prospectus. Of the above loans, repayment of one of the secured loans is proposed through the use of Net Proceeds. For details, refer the chapter titled “Objects of the Issue” beginning on page 114 of the DRHP.

54. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, 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 Issue” beginning on page 114 of this Draft Red Herring Prospectus.

- 55. *Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 114 of this Draft Red Herring Prospectus, our Company’s management will have flexibility in applying the proceeds of this 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 entire Issue Proceeds towards meeting the capital expenditure i.e. setting up of soft gel facility at our existing Unit II, setting up of corporate office/warehouse, upgradation of existing Air Handling Unit as per WHO GMP guidelines, repayment of term loan, working capital requirement and general corporate purposes. We intend to deploy the Net Issue Proceeds in financial year 2018-19 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the 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 114 of this Draft 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 114 of this Draft Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue.

- 56. *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 233 of this Draft Red Herring Prospectus.

- 57. *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.

- 58. *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.

59. Our Promoters have given personal guarantees in relation to certain debt facilities provided to our Company by our lenders. In event of default on the debt obligations, the personal guarantees 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 a personal guarantee of our Promoters. In event of default on the debt obligations, the personal guarantees 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 withdraws or terminates his/their guarantee/s or 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 254 of this Draft Red Herring Prospectus.

60. 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 95, 205 and 232, respectively, of this Draft Red Herring Prospectus.

61. 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.

62. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.*

Since the Issue size is less than Rs.10,000 lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

63. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Further as on the date of the Draft Red Herring Prospectus our Company has not received “No-objection” certificate from our lender to undertake this issue. Non receipt of such “No-Objection” certificate could lead to noncompliance of the terms of loan agreements entered into by our Company with said lender.*

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 information, see the chapter titled “Financial Indebtedness” on page 254 of the Draft Red Herring Prospectus.

Further, as on the date of the Draft Red Herring Prospectus, we have not received “No Objection” certificates from the lenders. We cannot assure you that such lenders will grant us the “No-Objection” certificate for this Issue. Non-receipt of such “No-Objection” certificate could lead to non-compliance of the terms of loan agreements entered into by our Company with the lenders.

64. *Our operations may be adversely affected in case of industrial accidents at our production facility.*

Usage and handling of machinery by labour during production process, handling of chemicals and materials, short circuit of power supply for machines, etc. may result in accidents and fires, which could cause indirect injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Further our plants and machinery and personnel may not be covered under adequate insurance for occurrence of particular types of accidents which could adversely hamper our cash flows and profitability.

65. *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.

66. *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 the section titled “Risk Factors – Prominent Notes” on page 25 of this Draft Red Herring Prospectus.

67. *We have issued Equity Shares in the last twelve months, the price of which may be lower than the Issue Price.*

Our Company has issued 99,99,000 Bonus Shares which is at a price lower than the issue price in the last twelve months. We have also allotted 7,70,000 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 55 per Equity Share on April 12, 2018 to certain persons. However, we cannot assure that such allotment is above or below the issue price, which will be discovered through Book Building Process and will be finalized by our Company in Consultation with Book Running Lead Manager. For further details of Equity Shares issued, please refer to chapter titled, ‘Capital Structure’ beginning on page 95 of this Draft Red Herring Prospectus.

- **Issue Specific Risks**

68. *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 built method. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page 131 of this Draft 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.

69. *Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options granted pursuant to the ESOP Schemes may dilute your shareholding in our Company, adversely affect the trading price of the

Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “Capital Structure” on page 95, we cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

70. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

71. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders’ decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders’ ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

EXTERNAL RISK FACTORS

Industry Risks

72. *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

73. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (“GST”) regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot provide you with any assurance as to this or any other aspect of the tax regime following implementation of the GST including antiprofitteering regulations of the new tax regime and availability of input tax credit.

Further, the Union Budget presented in the Indian Parliament on February 1, 2018, proposed a number of amendments to the existing direct and indirect tax regime which includes the withdrawal of long term capital gains exemptions on equity shares, long term capital gains applicability in the hands of Foreign Institutional Investors and applicability of dividend distribution tax for certain transactions with shareholders, among others. The Union Budget is required to be approved by both houses of the Indian Parliament followed by Presidential Assent in order for the Income Tax Act, 1961 and other statutes to be amended and for the above proposals to have the effect of law. Prospective investors should consult their own tax advisors in relation to the consequences of investing in the Equity Shares.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

74. *Investors may not be able to enforce a judgment of a foreign court against our Company.*

Our Company is incorporated under the laws of India. Our Company’s assets are primarily located in India and all our Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax (“STT”) is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on

June 5, 2017. However, Finance Bill, 2018, proposes to tax such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is 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 jurisdiction on a gain upon the sale of the Equity Shares.

76. *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 Draft Red Herring Prospectus.*

As stated in the reports of the Auditor included in this Draft Red Herring Prospectus under chapter "Financial Statements as restated" beginning on page 234 the financial statements included in this Draft 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 Draft 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 Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft 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 Draft Red Herring Prospectus should accordingly be limited.

77. *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:

- custom duties on imports of materials and components;
- Goods and service tax 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.

78. *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.

79. *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.

80. *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, transfer 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.

81. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

82. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and Shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction/

83. *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 add 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.

84. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

85. *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.

86. *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 52,86,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share ("Issue Price") aggregating upto Rs. [●] Lakhs, of which [●] Equity Shares of face value of Rs. 10 each will be reserved for subscription by Market Maker to the Issue ("Market Maker Reservation Portion"). The Issue less the Market Maker Reservation Portion i.e. Net Issue of [●] Equity Shares of face value of Rs. 10 each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute [●]% and [●]%, respectively of the post Issue paid up equity share capital of the Company.
2. Our Company may consider a placement upto 4,60,000 Equity Shares and/or aggregating upto Rs. 300.00 lakhs with certain investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the issue size would be reduced to

the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25 per cent of the post issue paid up equity share capital being offered to the public. The Equity Shares allotted under the Pre-IPO Placement, if completed, shall be subject to a lock-in period of one (1) year from the date of Allotment pursuant to the Issue.

3. Investors may contact the Book Running Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled “General Information” beginning on page 82 of this Draft Red Herring Prospectus.
4. The pre-issue net worth of our Company as of December 31, 2017 and March 31, 2017 was Rs. 2,291.03 lakhs and Rs. 1,876.25 lakhs respectively as per our Restated Financial Statements. The book value per Equity Share as of December 31, 2017 and March 31, 2017 was Rs. 19.09 and Rs. 15.64 respectively as per our Restated Financial Statements. For more information, please refer to section titled “Financial Statements” beginning on page 234 of this Draft Red Herring Prospectus.
5. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoter	No. of Equity Shares held	Average cost of Acquisition (in Rs.)
Parvinder Singh Gulati	41,53,400	2.43
Gurmeet Singh Narula	41,29,500	2.06
Sham Lal Singla	39,99,500	0.02

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled “Capital Structure” beginning on page 95 of this Draft Red Herring Prospectus.

6. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer “Related Party Transaction” under chapter titled “Financial Statements as restated” beginning on page 234 of this Draft Red Herring Prospectus.
7. 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 311 of this Draft Red Herring Prospectus.
8. Except as disclosed in the chapter titled “Capital Structure”, “Our Promoter and Promoter Group”, “Our Management” and “Related Party Transaction” beginning on pages 95, 221, 205 and 232 respectively, of this Draft Red Herring Prospectus, none of our Promoters, Directors or Key Management Personnel has any interest in our Company.
9. Except as stated in the chapter titled “Our Group Companies”, beginning on page 227 and chapter titled “Related Party Transactions” beginning on page 232 of this Draft Red Herring Prospectus, our Group Companies have no business interest or other interest in our Company.
10. Except as disclosed in the chapter titled “Capital Structure” beginning on page 95 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
11. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
12. Investors are advised to refer to the chapter titled “Basis for Issue Price” beginning on page 131 of the Draft Red Herring Prospectus.
13. 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 Draft Red Herring Prospectus with the Stock Exchange.
14. Our Company was originally incorporated as MDC Pharmaceuticals Private Limited at Jalandhar as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 14, 1994 bearing Registration Number 53-14820 issued by the Registrar of

Companies, Punjab, HP & Chandigarh. Subsequently, our Company was converted into a public limited company pursuant to special resolution passed by the members in Extraordinary General Meeting held on February 26, 2018 and the name of our Company was changed to MDC Pharmaceuticals Limited vide a Fresh Certificate of Incorporation dated March 13, 2018 issued by the Registrar of Companies, Chandigarh, Punjab. The Corporate Identification number of our Company is U24231CH1994PLC014820.

SECTION III – INTRODUCTION

SUMMARY OF 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 Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 25 and 234 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

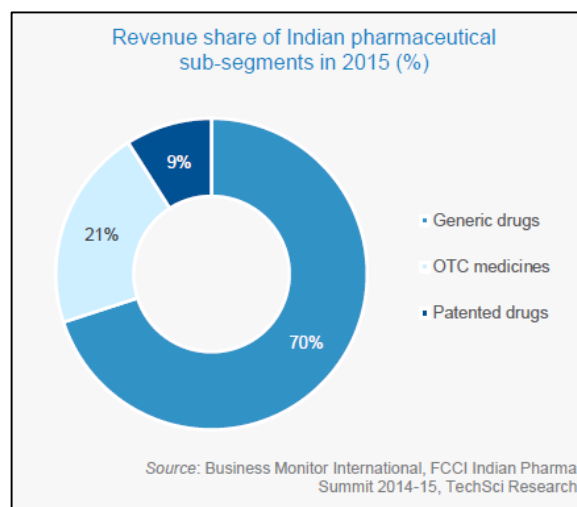
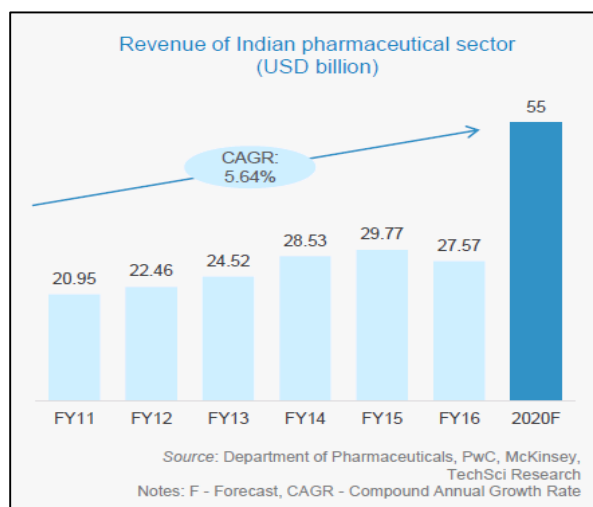
INTRODUCTION TO THE INDIAN PHARMACEUTICAL INDUSTRY

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



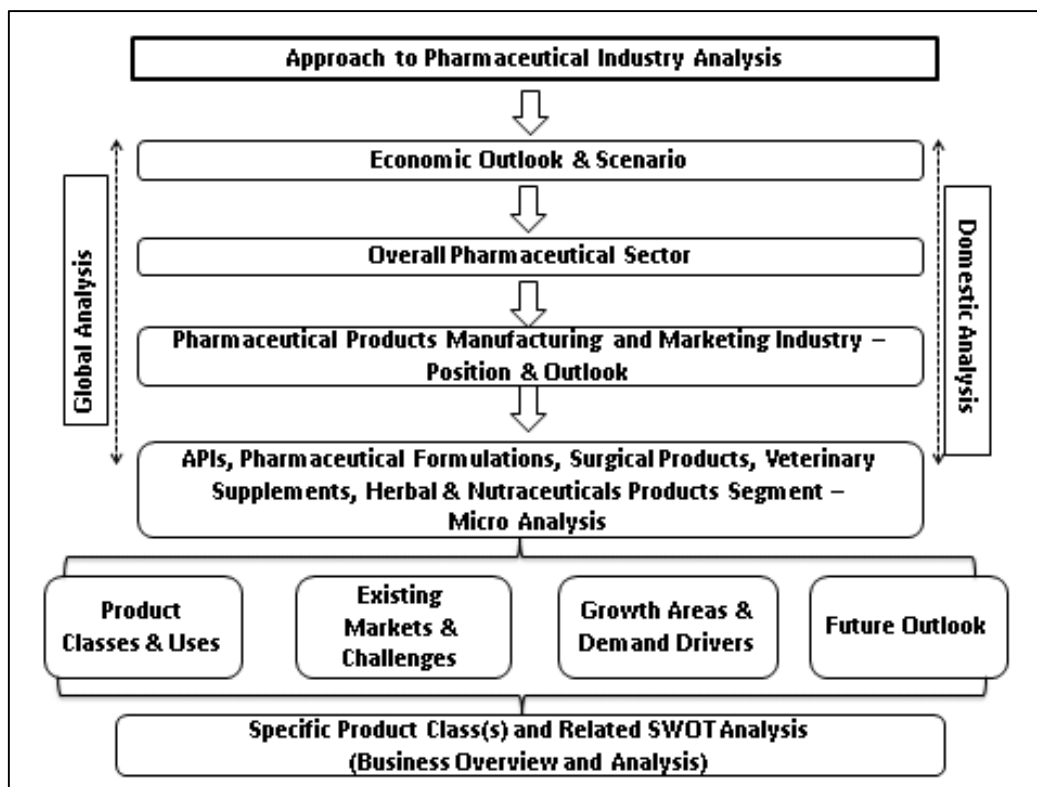
(Source: Indian Pharmaceuticals Industry Analysis - India Brand Equity Foundation - www.ibef.org)

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, Herbal & Nutraceuticals Products.

Thus, the micro analysis of segments such as APIs, Pharmaceutical Formulations, Surgical Products, Veterinary Supplements, Herbal & Nutraceuticals Products 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, Herbal & Nutraceuticals Products 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

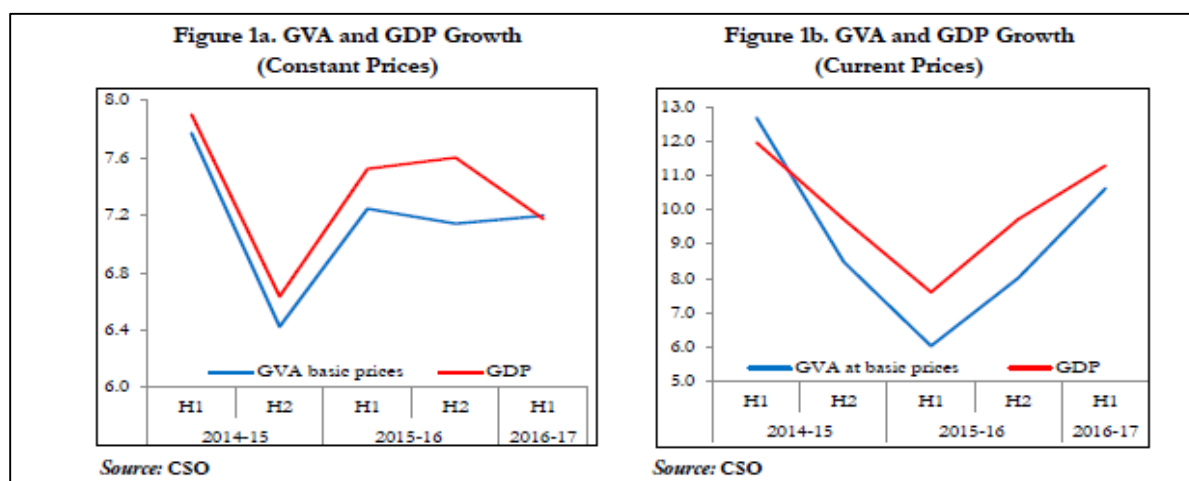
factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. 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 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 percent 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)

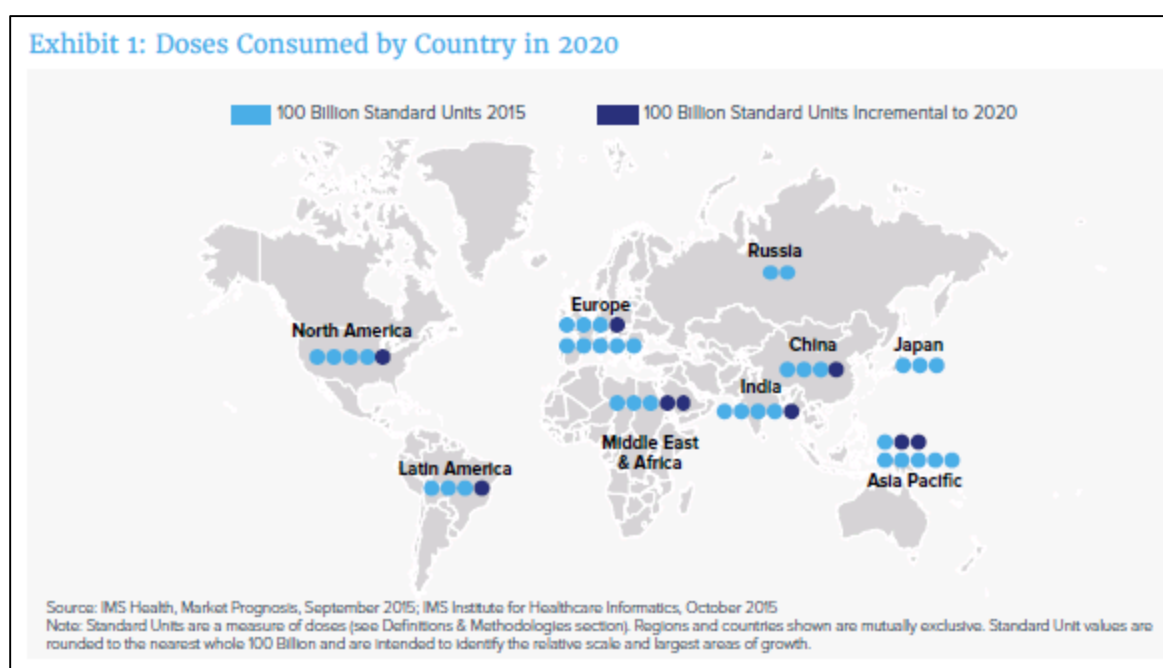
MEDICINE USE IN 2020 - ACCESS TO MEDICINES INCREASES BY 2020 BUT SIGNIFICANT DIFFERENCES EXIST BY COUNTRY

- 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.

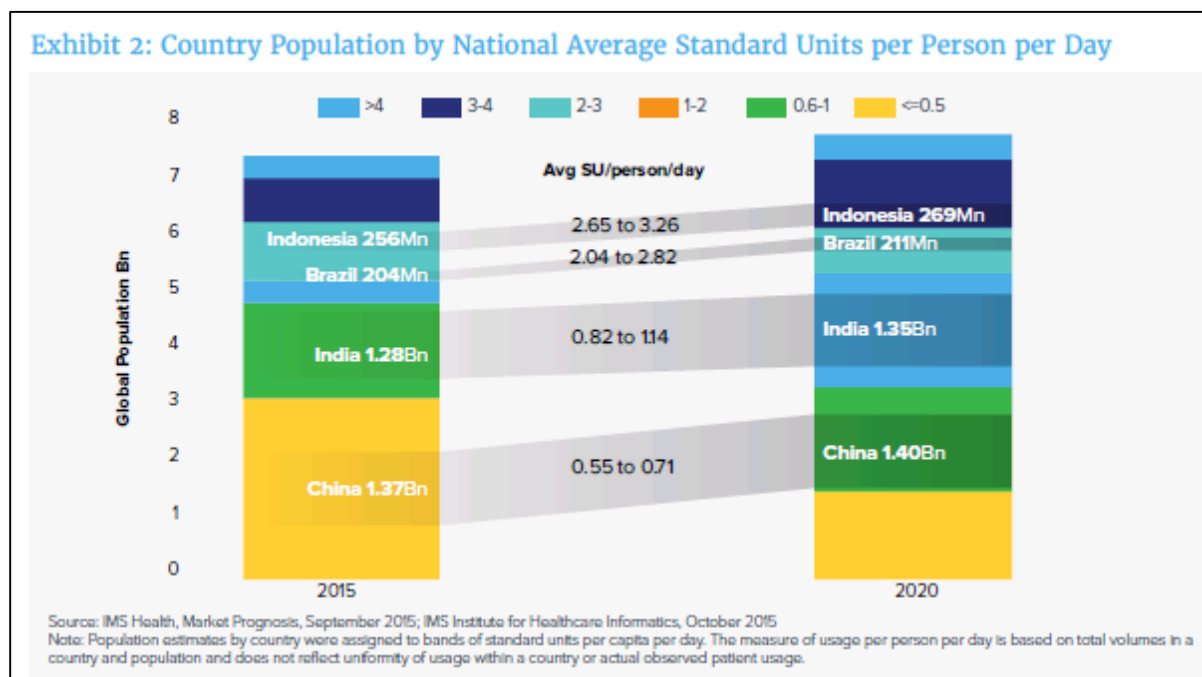


Usage of medicines in Africa and Middle-Eastern countries will increase from 300 to 500 billion standard units in 2020. Within the region, Saudi Arabia and other gulf states will substantially close the gap to developed markets' per capita usage of medicines, while millions of people in sub-Saharan Africa 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.



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)

SUMMARY OF OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 24 of this DRHP, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this DRHP, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages **Error! Bookmark not defined.** and 234, respectively.

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

OVERVIEW

Incorporated in 1994, we are an ISO 9001:2015 certified Company engaged in the development and manufacturing of pharmaceutical formulations, nutraceutical formulations and marketing of cosmetic and skin care products. Our core strength lies in developing and manufacturing a variety of pharmaceutical and nutraceutical products at our own manufacturing facilities situated in Himachal Pradesh, which we commercialize through our wide franchisee network across various states of the country. We are present in various areas such as Anti-Hypertensive formulations, Cardio-Vascular pharmaceutical formulations, Antibiotics, Anti-Malarials, Anti-Histamine drugs, etc. We deal in cosmetics range and skin care products through our brand Mutrela. Further with the growing demand for nutraceutical products, we offer a range of such products which deals in haircare supplements, joint pains & rheumatics and arthritis supplements, eye care supplements, etc.

We operate both in domestic and international markets. In domestic markets, we have ensured to have our presence spread throughout the country and have achieved the same by supplying in 28 states and 4 union territories through our franchisee network of more than 450 franchisees with a product range of more than 475 products comprising of pharmaceutical products, cosmetics and nutraceutical products. To develop our export operations, we have made 28 applications for registration of our pharmaceutical products/medicines out of which 25 applications are registered in Myanmar and 3 are registered in Guatemala and Jordan. Currently out of 25 applications registered in Myanmar, 6 applications have expired, for which we have applied for renewal and are currently pending. At present, for our export operations we get the products manufactured from third parties approved by the importing country. We have been mainly engaged in deemed export until recently wherein we have started direct exports in three countries viz. Sri Lanka, Nepal and Afghanistan. For the year period ended December 31, 2017, our domestic and export operations (both direct and deemed) contributed 94.01% and 5.99% respectively of our total revenue from operations and for the year ended March 31, 2017, our domestic and export operations (both direct and deemed) contributed 97.62% and 2.38% respectively of our total revenue from operations.

Our business operations are supported by two manufacturing facilities located in Baddi, Himachal Pradesh engaged in manufacturing of formulations. Unit I is situated at Dharampur, Baddi, Himachal Pradesh, spread over an area of 5,512 sq. mtr. whereas Unit II is situated at Plot no. 2, Exl HPSIDC, Baddi, Himachal Pradesh spread over an area of 572 sq. mtr. . Currently, we manufacture tablets, capsules,

oral syrups, dry syrups at Unit I and tablets and capsules at Unit II. We believe that each of our facilities is designed, equipped and operated to deliver quality products within defined cost and delivery schedules. Our both units are GMP certified (currently under renewal process) and our products conform to FSSAI standards.

The backbone of our revenue from operations is our distribution network and our marketing team. At present, we operate through franchisee network marketing strategy wherein we have entered into more than 450 franchise agreements. Such franchisee markets products under our brand of Company, thereby leveraging our brand value. This marketing strategy also helps us to increase our reach in many cities of India. After taking franchise of products, our distributor takes care of marketing, distribution and selling of those products in that area. We have also set up our own portal for commercialisation of our cosmeceutical products and their distribution through e-commerce. The online portal for e-commerce is <https://www.murtelacosmetics.com/> Further we have also tie-up with the leading e-commerce company for marketing of few range of our products. In addition to manufacturing and supplying for our own products, we also manufacture for certain third parties in domestic markets.

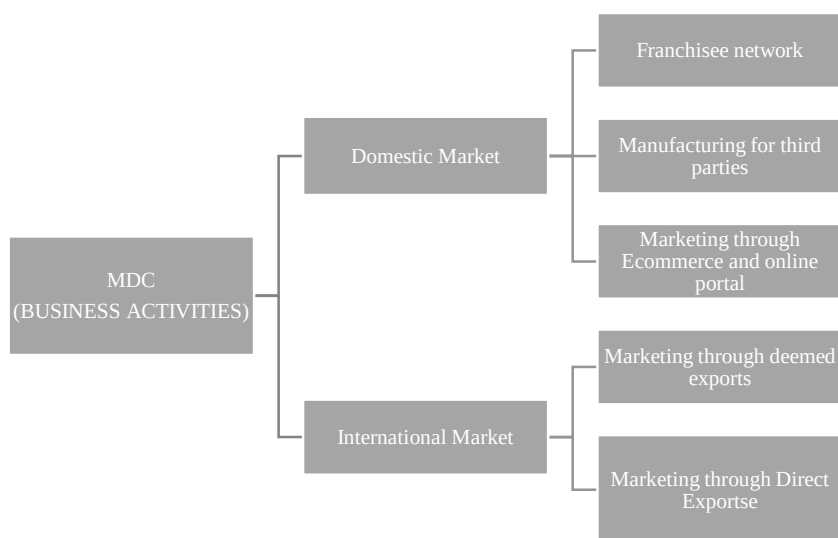
Our journey began with our promoters viz. Parvinder Singh Gulati, Gurmeet Singh Narula and Sham Lal Singla who have been the pillars of our growth since inception. Driven by passion for building an integrated pharmaceutical company, backed by their more than two decades of individual experience, our Promoters have built the values system of our Company. With their enriching experience and progressive thinking, we aim to continue grow in the pharmaceutical industry in India and abroad.

We have been bestowed upon with few accolades as mentioned below:

- In 2012, Pharma excellency Award by Government of Himachal Pradesh
- In 2016, Award for outstanding contribution by Pharma cum food technical institute.

From FY 2012-13 to FY 2016-17, as per our Restated Financial Statements, i) our total revenue has shown growth from Rs. 3,465.40 lakhs to Rs. 4,765.17 lakhs, representing a CAGR of 6.57% ii) our EBITDA has shown growth from Rs. 378.80 lakhs to Rs. 661.15 lakhs, representing a CAGR of 11.78% iii) our profit after tax has shown growth from Rs. 92.69 lakhs to a profit of Rs. 292.57 lakhs representing a CAGR of 25.83% and iv) our Return on networth has shown a growth from 7.53% to 15.59%. Our restated total revenue, EBITDA and profit after tax for the nine months ended December 31, 2017 was Rs. 3,767.02 lakhs, Rs. 797.35 lakhs and Rs. 486.04 lakhs respectively, with an EBITDA margin of 21.17% and PAT margin of 12.90%. Our RONW for the period ended December 31, 2017 was 21.22%.

OUR BUSINESS STRUCTURE

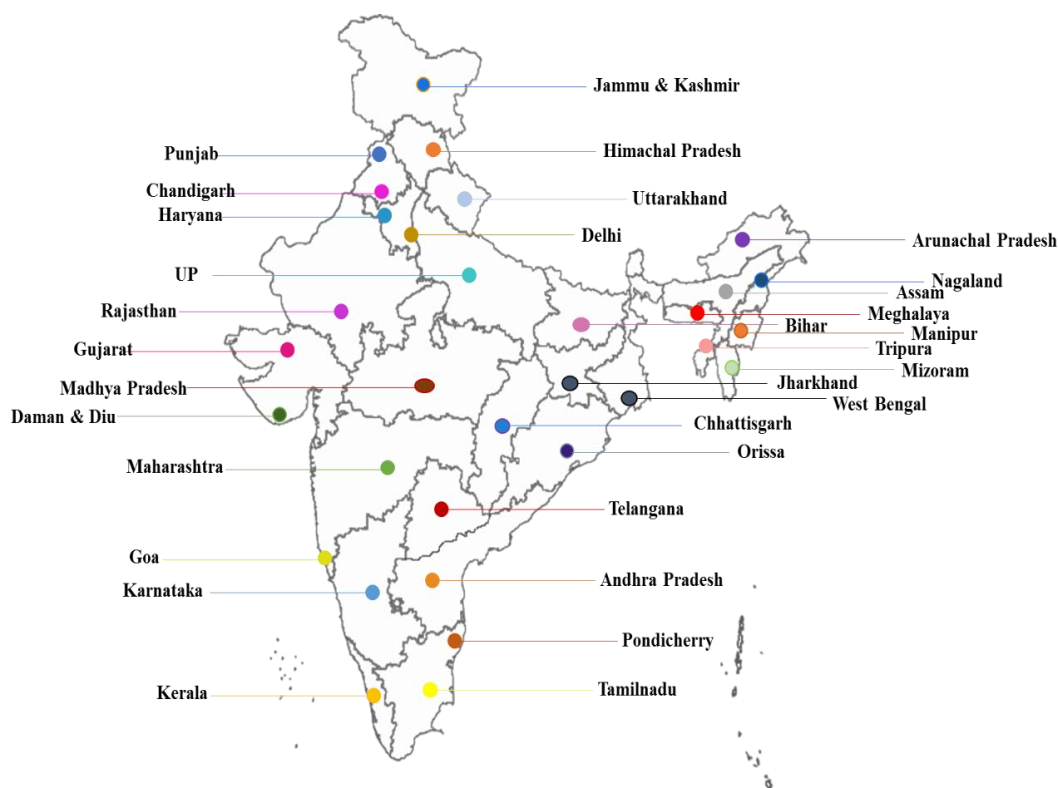


For domestic markets, we are manufacturing pharmaceutical and nutraceutical products. Further we are engaged in marketing of cosmeceutical products which we are getting manufactured from third parties. We market our products through a) franchisee network which is spread throughout the country through network of more than 450 franchisees with a product range of more than 475 products comprising of pharmaceutical products, cosmetics and nutraceutical products. b) through our own portal for commercialisation of our cosmeceutical products and their distribution through e-commerce. The online portal for e-commerce is <https://www.murtelacosmetics.com/>. Further we have also tie-up with the leading e-commerce company for marketing of few range of our products. We also manufacture products for certain thirds who market such products under their own brands.

At present, for our international markets, we get the products manufactured from third parties approved by the importing country. We have been mainly engaged in deemed export until recently wherein we have started direct exports in three countries viz. Sri Lanka, Nepal and Afghanistan. To develop our export operations, we have made 28 applications for registration of our pharmaceutical products/medicines out of which 25 applications are registered in Myanmar and 3 are registered in Guatemala and Jordan. Currently out of 25 applications registered in Myanmar, 6 applications have expired, for which we have applied for renewal and are currently pending.

OUR PRESENCE IN DOMESTIC MARKETS

We supply in around 28 states and 4 union territories. Based on revenue from operations for the period ended December 31, 2017, our domestic presence is presented below:



COUNTRYWISE EXPORT SALES FOR PERIOD ENDED DECEMBER 31, 2017

Export sale		
Sl.	Country of export	Sale (Rs. in lakhs)
1	Afganistan	179.27

2	Nepal	15.25
3	Sri Lanka	4.52
	Total (A)	199.02
Deemed export sale		
1	Myanmar (Burma)	26.18
	Total (B)	26.18
	Total (A+B)	225.20

FORM OF PRODUCTS MANUFACTURED BY OUR COMPANY

Both our units are dedicated to the manufacture of FDFs (Finished Dosage Formulations)

Tablet	Capsule	Oral syrups	Dry Syrup
A medicine in a tablet form is a dosage which is provided to the patients. It is a solid form of medicine which may contain diluents and prepared by molding or by compression.	A medicine in a Capsule form is a dosage which is provided to the patient. It is in powder form which may contain mixture of two or more medicines and the outer coating is made of gel caps.	An oral solution is a medicine in liquid form for drinking. Mix the oral solution with water and drink it immediately. An oral solution of a medicine is better for patients who don't like swallowing tablets and prefer liquid medications	Dry Syrups are commercial dry mixtures that require the addition of water at the time of dispensing.

CATEGORY WISE REVEUNE FOR THE PERIOD ENDED DECEMBER 31, 2017

(Rs. in lakhs)

UNIT	TABLETS	CAPSULES	SYRUPS	DRY SYRUPS	TOTAL
Unit-1	953.29	238.95	805.29	78.30	2,075.82
Unit-2	1068.06	215.33	-	-	1,283.39
Export	25.95	-	-	-	25.95
Others (including credit notes & discount)	-	-	-	-	373.14

PRODUCT RANGE OF OUR COMPANY

Our Company have diverse product portfolio of Pharmaceutical, nutraceuticals & cosmetic products. Our Company has requisite infrastructure to accommodate stock of every component. The major categories of products dealt in by our Company are as follows:-

Product Areas	Brief Description
Antibiotics	Antibiotics, also called antibacterial, are a type of antimicrobial drug used in the treatment and prevention of bacterial infections
Anti-Malarials	Antimalarial, also known as antimalarial medications, are designed to prevent or cure malaria
Anti-Histamine	A drug or other compound that inhibits the physiological effects of histamine, used especially in the treatment of allergies
Analgesic	An analgesic or painkiller is any member of the group of drugs used to achieve analgesia, relief from pain
Psychiatric Product	A product relating to mental illness or its treatment
Skin Care Products	A product relating treatment of skin related problems
Anti-Hypertensive	Antihypertensive are a class of drugs that are used to treat hypertension (high blood pressure)
Nutraceutical Products	Nutraceutical product is a food or fortified food product that not only supplements the diet but also assists in treating or preventing disease (apart from anemia), so provides medical benefits
Antacid Preparation	Antacid preparations serve to neutralize gastric acid after it is secreted. These still-helpful agents have a continuing role in treating mild, occasional heartburn and supplementing prescription drugs in more severe disease
Calcium Supplements	Calcium is a nutrient that is essential for strong bones. It is a dietary supplement used when the amount of calcium taken in the diet is not enough
Cardiovascular Products	Medicines for diseases relating to the structure and function of the heart and blood vessels

SUMMARY OF FINANCIAL STATEMENTS

The following summary of financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the Peer Reviewed Auditor's Report in the section titled "*Financial Statements*". You should read this financial data in conjunction with our financial statements for the period ended December 31, 2017 and for the financial Year 2017, 2016, 2015, 2014 and 2013 including the notes thereto and the reports thereon, which appears under the section titled "*Financial Statements*" and chapter titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 234 and 235 of this Draft Red Herring Prospectus.

STATEMENT OF ASSETS AND LIABILITIES AS PER RESTATED FINANCIALS

(Rs in lakhs)

PARTICULARS		As at the Year end/Period ended					
		31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
A)	EQUITY AND LIABILITIES						
1.	Shareholders' Funds						
(a)	Share Capital	199.98	199.98	199.98	199.98	199.98	199.98
(b)	Reserves & Surplus	2,091.05	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70
		2,291.03	1,876.25	1,583.68	1,455.50	1,400.85	1,230.68
2.	Non Current Liabilities						
(a)	Long Term Borrowings	129.00	209.70	314.61	390.98	349.49	394.90
(b)	Other Long Term Liabilities	-	-	-	-	-	-
(c)	Deferred Tax Liabilities (Net)	-	-	-	-	10.67	11.38
	Long Term Provisions	34.01	32.21	22.17	21.23	11.43	17.60
		163.01	241.91	336.78	412.21	371.59	423.88
3.	Current Liabilities						
(a)	Short Term Borrowings	253.32	-	397.35	233.35	612.24	684.03
(b)	Trade Payables	1,031.93	599.57	501.52	508.15	87.10	76.98
(c)	Other Current Liabilities	422.94	440.84	330.81	382.17	211.52	168.90
(d)	Short Term Provisions	169.84	168.62	47.17	16.54	39.96	26.99
		1,878.03	1,209.03	1,276.86	1,140.20	950.82	956.90
	Total	4,332.07	3,327.19	3,197.31	3,007.91	2,723.26	2,611.45
B)	ASSETS						
1.	Non Current Assets						
(a)	Fixed Assets						

PARTICULARS			As at the Year end/Period ended					
			31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	i)	Tangible Assets						
		(i) Gross Block	1,842.94	1,807.38	1,631.65	1,412.79	1,390.22	1,251.86
		(ii) Depreciation	1,156.54	1,080.85	968.15	907.89	766.23	671.24
		(iii) Net Block	686.40	726.53	663.49	504.90	623.99	580.62
	ii)	Capital Work in Progress	146.59	93.31	-	-	-	-
			832.99	819.84	663.49	504.90	623.99	580.62
(b)		Non-Current Investment	227.38	227.68	263.41	534.64	137.32	288.45
(c)		Deferred Tax Assets (Net)	9.95	10.21	5.60	12.26	-	-
(d)		Long Term Loans and Advances	262.14	22.64	17.26	13.16	8.50	8.50
(e)		Other Non Current Assets	-	-	-	-	-	-
			499.47	260.54	286.27	560.06	145.82	296.95
2.		Current Assets						
(a)		Inventories	1,427.27	1,306.58	956.99	842.14	658.94	664.59
(b)		Trade Receivables	1,014.18	673.54	658.25	784.17	727.49	693.49
(c)		Cash and Cash equivalents	234.05	27.29	414.23	16.87	29.30	16.22
(d)		Short-Term Loans and Advances	314.22	226.76	210.96	295.60	531.64	359.57
(e)		Other Current Assets	9.89	12.62	7.12	4.16	6.08	-
			2,999.62	2,246.82	2,247.54	1,942.96	1,953.45	1,733.88
		Total	4,332.07	3,327.19	3,197.31	3,007.91	2,723.26	2,611.45

STATEMENT OF PROFIT AND LOSS PER RESTATED FINANCIALS

(Rs in lakhs)

PARTICULARS		For the Year/Period ended					
		31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
1	Revenue From Operation (Gross)	3,802.88	4,982.64	4,757.40	4,098.50	3,594.05	3,448.32
	Less: Excise Duty	44.58	222.58	-	-	-	-
	Revenue From Operation (Net)	3,758.30	4,760.06	4,757.40	4,098.50	3,594.05	3,448.32
2	Other Income	8.72	5.11	28.52	29.13	1.98	17.08
	Total Revenue (1+2)	3,767.02	4,765.17	4,785.92	4,127.64	3,596.03	3,465.40
3	Expenditure						
(a)	Cost of Material Consumed	1,819.26	2,542.64	2,742.06	2,562.61	2,275.46	2,292.73
(a)	Purchase of Stock in Trade	326.47	544.00	464.28	416.31	239.96	149.14
(c)	Changes in Inventory of WIP, Finished Goods and Stock in Trade	22.43	(228.80)	(89.29)	(105.50)	(21.96)	86.81
(d)	Employee Benefit Expenses	594.27	972.27	907.00	660.19	406.64	354.67
(e)	Finance Cost	42.97	98.70	115.81	127.98	163.00	180.56
(f)	Depreciation and Amortisation Expenses	75.69	113.67	102.07	141.66	94.99	85.77
(g)	Other Expenses	207.23	273.91	333.67	266.21	226.11	203.27
4	Total Expenditure 3(a) to 3(b)	3,088.32	4,316.39	4,575.61	4,069.45	3,384.19	3,352.93
5	Profit/(Loss) Before Exceptional & extraordinary items & Tax (2-4)	678.70	448.78	210.31	58.19	211.84	112.47
6	Exceptional item (Prior Period Items)	-	-	-	-	-	-
7	Profit/(Loss) Before Tax (56)	678.70	448.78	210.31	58.19	211.84	112.47
8	Tax Expense:						
(a)	Tax Expense for Current Year	192.39	160.82	75.47	26.47	42.38	22.50
(b)	Short/(Excess) Provision of Earlier Year						
(c)	Deferred Tax	0.26	(4.61)	6.66	(22.93)	(0.71)	(2.72)
	Net Current Tax Expenses	192.66	156.21	82.13	3.54	41.67	19.78
7	Profit/(Loss) for the Year (5-6)	486.04	292.57	128.18	54.65	170.17	92.69

STATEMENT OF CASH FLOW AS PER RESTATED FINANCIALS

(Rs in lakhs)

PARTICULARS	FOR THE YEAR/PERIOD ENDED					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
A) Cash Flow From Operating Activities :						
Net Profit before tax	678.70	448.78	210.31	58.19	211.84	112.47
Adjustment for :						
Depreciation	75.69	113.67	102.07	141.66	94.99	85.77
Interest Paid	24.45	69.90	98.33	119.35	154.20	172.60
Provision of Gratuity	2.13	10.22	7.86	13.23	(1.80)	12.03
Interest Income	(0.66)	(0.64)	(0.42)	(0.41)	(0.37)	(0.36)
Loss/(Profit) on Sale of Fixed Assets	-	(1.92)	(14.33)	-	-	0.08
Operating profit before working capital changes	780.31	640.01	403.83	332.01	458.86	382.58
Changes in Working Capital						
(Increase)/Decrease in Inventories	(120.69)	(349.59)	(114.85)	(183.20)	5.65	161.95
(Increase)/Decrease in Trade Receivables	(340.63)	(15.30)	125.92	(56.68)	(34.00)	(183.80)
(Increase)/Decrease in Short Term Loans & Advances and Provisions	(87.46)	(15.81)	84.64	236.04	(172.07)	(95.88)
(Increase)/Decrease in Other Current Assets	2.73	(5.51)	(2.96)	1.92	(6.08)	42.36
Increase/(Decrease) in Trade Payables	432.36	98.05	(6.63)	421.05	10.12	(18.02)
Increase/(Decrease) in Other Current Liabilities	(63.30)	132.60	(78.02)	186.97	43.25	51.26
Increase/(Decrease) in Long Term Provisions and liabilities	-	-	-	-	-	-
Cash generated from operations	603.32	484.46	411.95	938.11	305.72	340.47
Less:- Income Taxes paid	(217.35)	(62.13)	(25.08)	(69.66)	(34.40)	(16.01)
Net cash flow from operating activities	385.97	422.33	386.87	868.45	271.33	324.45
B) Cash Flow From Investing Activities :						
Purchase of Fixed Assets including of CWIP	(88.84)	(268.10)	(246.34)	(22.56)	(138.36)	(54.97)
Investment made/Sold during the year	0.30	35.73	271.22	(397.31)	151.13	(17.79)
Increase/(Decrease) in Long Term Loans and Advances	(239.50)	(5.38)	(4.10)	(4.66)	-	(8.50)
Interest Income	0.66	0.64	0.42	0.41	0.37	0.36
Net cash flow from investing activities	(327.37)	(237.10)	21.20	(424.13)	13.14	(80.90)
B						

PARTICULARS		FOR THE YEAR/PERIOD ENDED					
		31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
C) Cash Flow From Financing Activities :							
Increase/(Decrease) in Short Term Borrowings		253.32	(397.35)	164.00	(378.89)	(71.79)	102.30
Increase/(Decrease) in Long Term Borrowings		(80.70)	(104.91)	(76.37)	41.48	(45.41)	(166.88)
Interest Paid		(24.45)	(69.90)	(98.33)	(119.35)	(154.20)	(172.60)
Net cash flow from financing activities©		148.16	(572.16)	(10.70)	(456.75)	(271.40)	(237.18)
Net Increase/(Decrease) In Cash & Cash Equivalents	(A+B+C)	206.76	(386.93)	397.37	(12.43)	13.07	6.37
Cash equivalents at the begining of the year		27.29	414.23	16.87	29.30	16.22	9.86
Cash equivalents at the end of the year		234.05	27.29	414.23	16.87	29.30	16.22

THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares by Our Company	Issue of Upto 52,86,000* 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	[●] 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	[●] 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
Of Which	
QIB Portion	[●] Equity shares shall be available for allocation
Of Which	
Anchor Investor Portion	[●] Equity Shares of face value of Rs.10 each
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value of Rs.10 each
Of Which	
Available for allocation to Mutual Funds only (5% of the QIB portion (excluding Anchor Investor Portion))	[●] Equity Shares of face value of Rs.10 each
Balance of all QIBs including Mutual Funds	[●] Equity Shares of face value of Rs.10 each
Retail Portion	[●] 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
Non-Institutional Portion	[●] 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	1,27,68,800 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	[●] 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 114 of this Draft Red Herring Prospectus for information on use of Issue Proceeds.

**Number of shares may need to be adjusted for lot size upon determination of issue price.*

Notes:-

The Issue has been authorised by the Board of Directors of our Company vide a resolution passed at its meeting held on March 14, 2018 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 March 15, 2018. Our Company may consider a Pre-IPO placement of upto 4,60,000 Equity Shares and/or aggregating upto 300.00 lakhs with certain investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25 per cent of the post issue paid up equity share capital being offered to the public. The Equity Shares allotted under the Pre-IPO Placement, if completed, shall be subject to a lock-in period of one (1) year from the date of Allotment pursuant to the Issue.

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

- 1) In the event of over-subscription, Allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price;*
- 2) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non- Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.*
- 3) Such number of Equity Shares representing [□] % of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.*
- 4) Our Company in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI Regulation. 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 Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details please refer to section titled 'Issue Information' beginning on page 304 of this Draft Red Herring Prospectus.*

GENERAL INFORMATION

Our Company was originally incorporated as MDC Pharmaceuticals Private Limited as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 14, 1994 bearing Registration Number 53-14820 issued by the Registrar of Companies, Punjab, HP & Chandigarh. Subsequently, our Company was converted into a public limited company pursuant to special resolution passed by the members in Extraordinary General Meeting held on February 26, 2018 and the name of our Company was changed to MDC Pharmaceuticals Limited vide a Fresh Certificate of Incorporation dated March 13, 2018 issued by the Registrar of Companies, Chandigarh, Punjab. The Corporate Identification number of our Company is U24231CH1994PLC014820.

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 200 of this Draft Red Herring Prospectus.

REGISTERED OFFICE OF OUR COMPANY

MDC Pharmaceuticals Limited

213, First Floor Industrial Area,
Phase I Chandigarh-160001 India

Tel: 0172-3016800/801/808

Fax: Not available

Email: mdcpharma.legal@gmail.com

Website: www.mdcpharmaceutical.com

Corporate Identification Number: U24231CH1994PLC014820

MANUFACTURING UNIT OF OUR COMPANY

MDC Pharmaceuticals Limited

Unit-I

No.197 Pargana, Dharampur, Tehsil Nalagarh Baddi Himachal Pradesh
Sai Road, Baddi, Himachal Pradesh

Tel: 01795-245648

Fax: Not available

Email: ipo@mdcpharmaceutical.com

Unit-II

Plot no. 2, Exl HPSIDC, Baddi, Himachal Pradesh

Tel: Not available

Fax: Not available

Email: ipo@mdcpharmaceutical.com

Website: www.mdcpharmaceutical.com

Corporate Identification Number: U24231CH1994PLC014820

WAREHOUSE OF OUR COMPANY

MDC Pharmaceuticals Limited

Near Radha Swami Satsang Bhawan , Sai Road Baddi
District-Solan, Himachal Pradesh

Tel: 01795-246647

Fax: Not available

Email: ipo@mdcpharmaceutical.com

Website: www.mdcpharmaceutical.com

Corporate Identification Number: U24231CH1994PLC014820

REGISTRAR OF COMPANIES

ROC Chandigarh

Corporate Bhavan, 1st Floor,
Plot No. 4-B, Madhya Marg, Sector 27B
Chandigarh - 160019

Phone: 0172-2639415/2639416

Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE

EMERGE Platform of National Stock Exchange of India Limited

Exchange Plaza Plot no. C/1,
G Block, Bandra Kurla Complex,
Bandra (E), Mumbai-400051
Maharashtra, India.

Website: www.nseemerge.com

BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age (in Years)	DIN	Address	Designation
1.	Sham Lal Singla	65	00496397	House no 1030 Sec 2 Panchkula-134002 Haryana, India	Managing Director
2.	Parvinder Singh Gulati	56	01565151	House No. 319,sec 21-A Chandigarh-160022 India	Chairman and Whole Time Director
3.	Gurmeet Singh Narula	50	02398004	H. N. - 1574 Sector - 33-D Chandigarh-160047 India	Whole Time Director
4.	Vir Pal Singh	43	08074450	Suratgarh Aligarh, Sahnaul, Uttar Pradesh-202282	Executive Director
5.	Ravdeep Singh Matta	34	01589954	H. No. 275-L Model Town Distt Karnal 132001 Haryana, India	Non-Executive Director
6.	Jatinder Singh Wig	61	08074279	House no.620 Phase-3-B-1,S.A.S Nagar (Mohali) Chandigarh	Independent Director
7.	Manisha Sharma	30	08073704	Flat no.K-403,VIP Road Jaipuria Sunrise Green Zirakpur, , Punjab-140603	Independent Director
8.	Harkanwal Kaur Bhatia	37	07936863	House No. 33 Sector 21A Chandigarh 160020 ch in	Independent Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 205 of this Draft Red Herring Prospectus.

CHIEF FINANCIAL OFFICER

Pramila Devi

MDC Pharmaceuticals Limited

213, First Floor Industrial Area,
Phase I Chandigarh -160001 India
Tel: 0172-3016800/801/808
Fax: Not available
Email: cfo@mdcpharmaceutical.com
Website: www.mdcpharmaceutical.com
Corporate Identification Number: U24231CH1994PLC014820

COMPANY SECRETARY & COMPLIANCE OFFICER

Jolly Kashyap
MDC Pharmaceuticals Limited
213, First Floor Industrial Area,
Phase I Chandigarh - 160001 India
Tel: 0172-3016800/801/808
Fax: Not available
Email: mdcpharma.legal@gmail.com
Website: www.mdcpharmaceutical.com
Corporate Identification Number: U24231CH1994PLC014820

Bidders are advised to 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 Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Bidder, number of Equity Shares applied for, the Bid amount paid on submission of the Bid cum Application Form and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate if the Bid was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Bid was submitted to a Registered Broker at any of the Brokers Centres, as the case maybe , quoting the full name of the sole or first Bidder, Bid cum Application Form number, address of the Bidder, Bidder's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the Bid was submitted, and the ASBA Account number in which the amount equivalent to the Bid Amount was blocked. All grievances relating to Bids submitted through the Registered Broker and/or a Stock Broker may be addressed to the Stock Exchanges with a copy to the Registrar.

STATUTORY AUDITOR

G. S. Gambhir & Associates
Chartered Accountants
SCO 1106, 1st Floor, Sector 22-B, Chandigarh-160022
Tel No.: 0172-2715184,4611022,9876301000
Fax No.: Not available
Email: ghambhirassociates@gmail.com
Contact Person: Rahul Khurana
Firm Registration No.: 012599N
Membership No.: 543481

PEER REVIEWED AUDITOR

P S D & Associates**Chartered Accountants**

808, Tower A, Omkar Alta Monte, Pathanwadi,
Malad (E), Mumbai – 400097

Tel No. +91 9828153357

Email: ca.girishvyas@gmail.com

Contact Person: Girish Vyas

Firm Registration No.: 004501C

Membership No.: 427738

M/s Mittal & Associates, Chartered Accountant holds a peer reviewed certificate dated October 04, 2017 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 6700

Fax: + 91 22 2659 8690

Email: ipo@pantomathgroup.com

Website: www.pantomathgroup.com

Contact Person: Hardik Bhuta

SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE**Link Intime India Private Limited**

C-101, 1st Floor, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai- 400083
Maharashtra, India

Tel: +91 022 49186200

Fax: + 91 022 491861595

Email: mdc.ipo@linkintime.co.in

Investor grievance Email: mdc.ipo@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Shanti Gopalkrishnan

SEBI Registration Number: INR000004058

CIN-U67190MH1999PTC118368

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**Punjab National Banker**

SCO-1-2, Sector 22D, Chandigarh
Tel: 0172-2700979
Fax: 0172-2720859
Email: bo0095@pnb.co.in
Website: www.pnbindia.in
Contact Person: Esha Negi

PUBLICISSUE BANK / BANKER TO THE ISSUE

ICICI Bank Limited Capital Market Division, 1 st 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: upendra.tripathi@icicibank.com Contact Person: Upendra Tripathi Website: www.icicibank.com SEBI Registration Number: INBI00000004	HDFC BANK LIMITED FIG-OPS Department , Lodha, I think tehno Campus, O-3, Level Next to kanjurmarg, railway station, Kanjurmarg (East), Mumbai- 400042 Tel: 022-30752927/28/2914 Fax: 022 -25799801 Email: Vincent.Dsouza@hdfcbank.com, Siddharth.Jadhav@hdfcbank.com, Prasanna.Uchil@hdfcbank.com Website: www.hdfcbank.com Contact Person: Vinscent Dsouza, Prassana Uchil, Shiddharth Jadhav. SEBI Registration No.: INBI00000063

REFUND BANKER TO THE ISSUE

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
Fax: +91 22 22611138
Email: shweta.surana@icicibank.com
Contact Person: Shweta Surana
Website: www.icicibank.com
SEBI Registration Number: INBI00000004

SYNDICATE MEMBER

[•]
[•]
Tel: [•]
Fax: [•]
Email: [•]
Website: [•]
Contact Person: [•]
SEBI Registration Number: [•]

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 Limited, 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 of 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 of 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 period ended December 31, 2017 and for the year ended March 31, 2017, 2016, 2015, 2014 and 2013 as included in this Draft Red herring Prospectus, our Company has not obtained any expert opinion.

DEBENTURE TRUSTEE

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

BOOK BUILDING PROCESS

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Price Band, the Bid lot size for the issue will be decided by our company and in consultation with the BRLM, which would be announced at least five working days before the opening of the Bid/Issue. 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.

The principal parties involved in the Book Building Process are:

1. Our Company;
2. The BRLM;
3. Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) are appointed by the BRLM;
4. Registrar to the Issue;
5. All Designated Intermediaries

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein [●]% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis. 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 Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. Further [●]% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and [●]% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

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 BRLM 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. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Issue will be on a proportionate basis We will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Pantomath Capital Advisors Private Limited as the Book Running Lead Manager to manage the Issue and procure subscriptions to the Issue.

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 316 of this Draft Red Herring Prospectus

Illustration of Book Building Process and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue and 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 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 centres 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 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 shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the BRLMs 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 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 316 of this Draft 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

Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

Bid/Issue Programme

Activity	Indicative dates
Bid Opening Date*	[●]

Activity	Indicative dates
Bid Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Credit of Equity Shares to Demat accounts of Allottees	[●]
Initiation of refunds	[●]
Commencement of trading of Equity Shares	[●]

**Our Company may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI Regulations.*

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 March 28, 2018 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 Issued 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	[●]	[●]	100

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
Tel: +91 22 61946700 Fax: +91 22 26598690 Email: ipo@pantomathgroup.com Contact Person: Madhu Lunawat SEBI Registration Number: INM000012110			
Total	Upto [●]	[●]	100

**Includes [●] 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 March 28, 2018, 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

Email: broking@pantomathgroup.com

Contact Person: Mahavir Toshniwal

SEBI Registration Number: INZ000068338

Market Maker Registration No. (SME Segment of NSE): SMEMM0664612092016

Pantomath Stock Brokers Private Limited registered with SME 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 issued by the Market Maker(s). The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time and the same shall be updated in Prospectus. 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). The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of EMERGE platform of National Stock Exchange of India Limited and SEBI from time to time.
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 EMERGE platform of National Stock Exchange of India Limited. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the EMERGE platform of National Stock Exchange of India Limited (in this case currently the minimum trading lot size is [●] equity shares; however the same may be changed by the EMERGE platform of National Stock Exchange of India Limited from time to time).

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 [●] 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, EMERGE platform of National Stock Exchange of India Limited 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. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
7. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:
 - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
 - iii. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange/ Platform of National Stock Exchange of India.

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

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).
10. 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.
11. SME Platform of EMERGE platform of National Stock Exchange of India Limited will have all margins which are applicable on the National Stock Exchange of India Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. EMERGE platform of National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.
12. 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.
13. 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 / EMERGE platform of National Stock Exchange of India Limited from time to time.

14. All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time

CAPITAL STRUCTURE

Certain forms and resolutions filed with Registrar of Companies (prior to 2006), bank statements of the Company are not traceable by our Company. With respect to changes in capital structure these include forms and resolutions for increase in authorised share capital, share capital allotment, annual returns, etc. Hence, this chapter is prepared based on ROC search report, data provided by management and to the best of information available.

The Equity Share capital of our Company, as on the date of this Draft 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		
	2,00,00,000 Equity Shares of face value of Rs. 10/- each	2000.00	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	1,27,68,800 Equity Shares of face value of Rs. 10/- each	1276.88	[●]
C.	Present Issue in terms of this Draft Red Herring Prospectus		
	Issue of upto 52,86,000* Equity Shares of face value of Rs.10 each at a price of Rs. [●]/- per Equity Share	Upto [●]	[●]
	Of Which:		
	i. Reservation for Market Maker – Upto [●] Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [●]/- per Equity Share	[●]	[●]
	ii. Net Issue to the Public – Upto [●] Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share	[●]	[●]
	Of Which		
	QIB Portion	[●]	[●]
	Of Which		
	Anchor Investor Portion	[●]	[●]
	Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●]	[●]
	Of Which		
	Available for allocation to Mutual Funds only (5% of the QIB portion (excluding Anchor Investor Portion))	[●]	[●]
	Balance of all QIBs including Mutual Funds	[●]	[●]
	Retail Portion		
	Non-Institutional Portion	[●]	[●]
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue		
	Upto [●] Equity Shares of face value of Rs. 10/- each	[●]	
E.	Securities Premium Account		
	Before the Issue	423.50	
	After the Issue		[●]

**Number of shares may need to be adjusted for lot size upon determination of issue price.*

***To be finalised upon basis of allotment.*

The Issue has been authorised by the Board of Directors of our Company vide a resolution passed at its meeting held on March 14, 2018 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 March 15, 2018.

Our Company may consider a Pre-IPO placement of upto 4,60,000 Equity Shares and/or aggregating upto Rs. 300.00 lakhs with certain investors ("Pre-IPO Placement"). The Pre-IPO Placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares, if any, prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the issue size would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25 per cent of the post issue paid up equity share capital being offered to the public. The Equity Shares allotted under the Pre-IPO Placement, if completed, shall be subject to a lock-in period of one (1) year from the date of Allotment pursuant to the Issue.

The Company has one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft 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 / Reclassified From	Increased / Reclassified To		
The authorised share capital of our Company on incorporation comprised of Rs.2,00,000 divided into 20,000 Equity Shares of Rs.10 each		On Incorporation	-
Rs. 2,00,000 consisting of 20,000 Equity shares of Rs. 10 each	Rs. 5,00,000 consisting of 50,000 Equity shares of Rs. 10 each.	January 12, 2006	EGM
Rs. 5,00,000 consisting of 50,000 Equity shares of Rs. 10 each.	Rs. 1,00,00,000 consisting of 10,00,000 Equity shares of Rs. 10 each.	June 30, 2007	EGM
Rs. 1,00,00,000 consisting of 10,00,000 Equity shares of Rs. 10 each.	Rs. 2,00,00,000 consisting of 20,00,000 Equity shares of Rs. 10 each.	March 29, 2008	EGM
Rs. 2,00,00,000 consisting of 20,00,000 Equity shares of Rs. 10 each.	Rs. 20,00,00,000 consisting of 2,00,00,000 Equity shares of Rs. 10 each.	January 20, 2018	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 Equity Share Capital (Rs.)
On Incorporation	30	10	10	Cash	Subscription to MOA ⁽¹⁾	30	300

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 Equity Share Capital (Rs.)
on (July 14, 1994)							
Not available*	19,770	10	10	Cash	Further Allotment ⁽²⁾	19,800	1,98,000
January 2006 *	30,000	10	NA	Other than cash	Bonus ⁽³⁾	49,800	4,98,000
July 15, 2007	9,50,100	10	NA	Other than cash	Bonus ⁽⁴⁾	9,99,900	99,99,000
November 5, 2008	9,99,900	10	NA	Other than cash	Bonus ⁽⁵⁾	19,99,800	1,99,98,000
February 15, 2018	99,99,000	10	NA	Other than cash	Bonus ⁽⁶⁾	1,19,98,800	11,99,88,000
April 12, 2018	7,70,000	10	65	Cash	Preferential Allotment ⁽⁷⁾	1,27,68,800	12,76,88,000

*Since we do not have Allotment forms we could not ascertain the nature of allotment. The other information's have been relied upon from information provided by Company and management representations.

- 1) Initial Subscribers to Memorandum of Association subscribed 30 Equity Shares 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	Parvinder Singh Gulati	10
2	Gurmeet Singh Narula	10
3	Sham Lal Singla	10
	Total	30

- 2) Further allotment of 19,770 Equity Shares 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	Parvinder Singh Gulati	6590
2	Gurmeet Singh Narula	6590
3	Sham Lal Singla	6590
	Total	19,770

- 3) Bonus allotment of 30,000 Equity Shares of face value of Rs. 10 each fully paid in the ratio of 1.5175:1 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Parvinder Singh Gulati	10000
2	Gurmeet Singh Narula	10000
3	Sham Lal Singla	10000
	Total	30000

- 4) Bonus allotment of 9,50,100 Equity Shares of face value of Rs. 10 each fully paid at par on July 15, 2007 in the ratio of 19.072:1 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Parvinder Singh Gulati	316700
2	Gurmeet Singh Narula	316700
3	Sham Lal Singla	316700
	Total	950100

- 5) Bonus allotment of 9,99,900 Equity Shares of face value of Rs. 10 each fully paid at par on November 05, 2008 in the ratio of 1:1 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Parvinder Singh Gulati	3,33,300
2	Gurmeet Singh Narula	3,33,300
3	Sham Lal Singla	3,33,300
	Total	9,99,900

- 6) Bonus allotment of 99,99,000 Equity Shares of face value of Rs. 10 each fully paid up on February 15, 2018 in the ratio of 5:1 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Parvinder Singh Gulati	33,33,000
2	Gurmeet Singh Narula	33,33,000
3	Sham Lal Singla	33,33,000
	Total	99,99,000

- 7) Preferential allotment of 7,70,000 Equity Shares of face value of Rs. 10 each fully paid up at a price of Rs.65 on April 12, 2018 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Parvinder Singh	154000
2	Gurmeet Narula	130000
3	Jasmeet Singh	150000
4	Aruna Singla	10000
5	Sharoon Singla	25000
6	Avantika Singh	4000
7	LovePreet Suman	10000
8	Charanjeet Singh	10000
9	Raj Mittal	30000
10	Nishant Khanna	12000
11	Rahul Jain	12000
12	Amit Mittal	10000
13	Ranju Gupta	6000
14	Parampreet Singh Khurana	6000
15	Jagjit Singh	23000
16	Ravindra Pal Singh Khurana	12000
17	Rashmi Dokania	5000

Sr. No.	Name of Allottees	No. of shares Allotted
18	Megha Goyal	25000
19	Dinesh Sharma	6000
20	Sunil Sahoo	2000
21	Anil Janguri	2000
22	Sandeep Rishi	10000
23	Vashisht & Sons	2000
24	Narender Mohan Gupta HUF	10000
25	Pudugrammam Krishna Iyer Vaidhyanathan	10000
26	TK Venugoyal	10000
27	Jose Ansal	10000
28	Ajit kumar Warrior	5000
29	Resmi Ramesh	5000
30	Raman Aggarwal	20000
31	Ruchi Aggarwal	4000
32	Pramila Devi	2000
33	Vivek thakur	2000
34	Raminder Singh Matta	30000
35	Sneha Gupta	2000
36	Anukriti Leasing Exports Pvt.Ltd	2000
37	Anu Bhatia	2000
	Total	770000

3. 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
Not available	30,000	10	Nil	Bonus Issue	Capitalisation of Reserves	Parvinder Singh Gulati	10000
						Gurmeet Singh Narula	10000
						Sham Lal Singla	10000
						Total	30000
July 15, 2007	9,50,100	10	Nil	Bonus Issue	Capitalisation of Reserves	Parvinder Singh Gulati	3,16,700
						Gurmeet Singh Narula	3,16,700
						Sham Lal Singla	3,16,700
						Total	9,50,100
November 05, 2008	9,99,900	10	Nil	Bonus Issue	Capitalisation of Reserves	Parvinder Singh Gulati	3,33,300
						Gurmeet Singh Narula	3,33,300

						Sham Lal Singla	3,33,300
						Total	9,99,900
February 15, 2018	99,99,000	10	Nil	Bonus Issue	Capitalisati on of Reserves	Parvinder Singh Gulati	33,33,000
						Gurmeet Singh Narula	33,33,000
						Sham Lal Singla	33,33,000
						Total	99,99,000

4. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.
5. Our Company has not revalued its assets since incorporation and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
6. Except as mentioned below, we may have issued shares at price below Issue Price within last one year from the date of this Draft 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
February 15, 2018	99,99,000	10	Nil	Bonus Issue	Capitalisation of Reserves	Parvinder Singh Gulati	33,33,000
						Gurmeet Singh Narula	33,33,000
						Sham Lal Singla	33,33,000
						Total	99,99,000

We have allotted 7,70,000 Equity Shares of Face Value of Rs. 10/- each at a Premium of Rs. 55 per Equity Share on April 12, 2018. However, we cannot assure that such allotment is above or below the issue price, which will be discovered through Book Building Process and will be finalized by our Company in Consultation with Book Running Lead Manager.

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

i. Build Up of Promoter's shareholdings

As on the date of this Draft Red Herring Prospectus, our Promoters, Parvinder Singh Gulati, Gurmeet Singh Narula and Sham Lal Singla holds 1,22,82,400 Equity Shares aggregating to 96.19% paid up capital of our Company. None of the Equity shares held by our Promoters are subject to any pledge.

1) Parvinder Singh Gulati

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 %
July14, 1994	10	10	10	Initial Allotment	Negligible	[●]
Not available	6590	10	10	Further Allotment	0.05	[●]
Not available	10000	10	Nil	Bonus Allotment	0.08	[●]
July 15,2007	316700	10	Nil	Bonus Allotment	2.48	[●]
November 5,2008	333300	10	Nil	Bonus Allotment	2.61	[●]
February 15, 2018	3333000	10	Nil	Bonus Allotment	26.10	[●]
February 22, 2018	(100)	10	Nil	Gift to Gurvinder Kaur	Negligible	[●]
February 22, 2018	(100)	10	Nil	Gift to Jasmeet singh	Negligible	[●]
April 12,2018	154000	10	65	Preferential Allotment	1.21	[●]
Total	4153400				32.53	

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

2) Gurmeet Singh Narula

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 %
July14, 1994	10	10	10	Initial Allotment	Negligible	[●]
Not available	6590	10	10	Further Allotment	0.05	[●]
Not available	10000	10	Nil	Bonus Allotment	0.08	[●]
July 15,2007	316700	10	Nil	Bonus Allotment	2.48	[●]
November 5,2008	333300	10	Nil	Bonus Allotment	2.61	[●]
February 15, 2018	3333000	10	Nil	Bonus Allotment	26.10	[●]
February 22, 2018	(100)	10	NA	Gift to Govind Gandhi	Negligible	[●]
April 12, 2018	130000	10	65	Preferential Allotment	1.02	[●]
Total	4129500				32.34	[●]

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

3) Sham Lal Singla

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 %
July14, 1994	10	10	10	Initial Allotment	Negligible	[●]
Not available	6590	10	10	Further Allotment	0.05	[●]
Not available	10000	10	Nil	Bonus Allotment	0.08	[●]
July 15,2007	316700	10	Nil	Bonus Allotment	2.48	[●]
November 5,2008	333300	10	Nil	Bonus Allotment	2.61	[●]
February 15, 2018	3333000	10	Nil	Bonus Allotment	26.10	[●]
February 22, 2018	(100)	10	Nil	Gift to Aruna Singla	Negligible	[●]
Total	3999500				31.32	[●]

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.

Promoters	No. of Equity Shares Locked in	Face Value (in `)	Issue/ Acquisition Price	Date of Allotment/Acquisition and when made fully paid-up	Nature of Allotment/ Transfer	Consideration (Cash/other than cash)	Percentage of post-Issue paid-up capital	Source of Promoters' Contribution
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
TOTAL	[●]						[●]	

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 issued for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Draft 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 Draft 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 Promoters and offered for minimum Promoters' contribution are not subject to any pledge;
- All the Equity Shares of our Company held by the Promoters 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.

v. Lock-in of the Equity Shares to be allotted to the Anchor Investors

Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

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 Promoters and Promoter Group, directors and their immediate relatives during last six months.

Date of Transfer/Allotment	Name of the Transferor/Allottees	Party Category	No. of Shares Allotted/Transferred	Face Value	Transfer /Issue Price	Nature of Allotment/ Transfer
February 15, 2018	Parvinder Singh Gulati	Promoter	33,33,000	10	Nil	Bonus allotment
February 15, 2018	Gurmeet Singh Narula	Promoter	33,33,000	10	Nil	Bonus allotment
February 15, 2018	Sham Lal Singla	Promoter	33,33,000	10	Nil	Bonus allotment
February 22, 2018	Parvinder Singh Gulati	Promoter	(100)	10	NA	Gift to Jasmeet Singh
February 22, 2018	Parvinder Singh Gulati	Promoter	(100)	10	NA	Gift to Gurvinder Kaur
February 22, 2018	Gurmeet Singh Narula	Promoter	(100)	10	NA	Gift to Govind Gandhi
February 22, 2018	Sham Lal Singla	Promoter	(100)	10	NA	Gift to Aruna Singla
April 12, 2018	Parvinder Singh Gulati	Promoter	154000	10	65	Preferential Allotment
April 12, 2018	Gurmeet Singh Narula	Promoter	130000	10	65	Preferential Allotment
April 12, 2018	Jasmeet Singh	Promoter Group	150000	10	65	Preferential Allotment
April 12, 2018	Aruna Singla	Promoter Group	10000	10	65	Preferential Allotment
April 12, 2018	Sharoon Singla	Promoter Group	25000	10	65	Preferential Allotment

9. Our Shareholding Pattern

The table below presents the shareholding pattern of our Company:

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

Category	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. of Locked in shares (a)	As a % of total Shares held (b)	No. of Locked in shares (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	8	12467800	-	-	12467800	97.64	12467800	97.64	-	97.64	-	-	-	-	469000

Category	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)	
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	40	12768800			12768800	100.00	12768800	100.00	-	100.00	-	-	-	-	7,70,000

*As on the date of this Draft 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.

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 National Stock Exchange of India Limited 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 Promoters / 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 Shareholders	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.	Parvinder Singh Gulati	4153400	32.53	[●]	[●]
2.	Gurmeet Singh Narula	4129500	32.34	[●]	[●]
3.	Sham Lal Singla	3999500	31.32	[●]	[●]
	Sub total (A)	12282400	96.19	[●]	[●]
	Promoter Group				
4.	Jasmeet Singh	150100	1.18	[●]	[●]
5.	Aruna Singla	10100	0.08	[●]	[●]
6.	Gurvinder Kaur	100	Negligible	[●]	[●]
7.	Govind Gandhi	100	Negligible	[●]	[●]
8.	Sharoon Singla	25000	0.20	[●]	[●]
	Sub total (B)	185400	1.45	[●]	[●]
	Total (A+B)	12467800	97.64	[●]	[●]

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 Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Parvinder Singh Gulati	41,53,400	2.43
Gurmeet Singh Narula	41,29,500	2.06
Sham Lal Singla	39,99,500	0.02

12. None of the persons belonging to the category “Public” 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 Draft Red Herring Prospectus are set forth below:

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

Sr. No.	Name of Shareholders*	Number of Equity Shares	% of Total Paid-Up Capital
1.	Parvinder singh Gulati	41,53,400	32.53%
2.	Gurmeet Singh Narula	41,29,500	32.34%
3.	Sham Lal Singla	39,99,500	31.32%
4.	Jasmeet Singh	1,50,100	1.18%
5.	Raj Mittal	30,000	0.23%
	Raminder Singh Matta	30,000	0.23%
6.	Sharoon Singla	25,000	0.20%
	Megha Goyal	25,000	0.20%
7.	Jagjit Singh	23,000	0.18%
8.	Raman Aggarwal	20,000	0.16%
9.	Nishant Khanna	12000	0.09%
	Rahul Jain	12000	0.09%
	Ravinder Pal Singh Khurana	12000	0.09%
10.	Aruna Singla	10100	0.08%
	Total	1,25,75,600	98.93 %

**Multiple shareholders having same numbers of shares have been considered as single shareholder for calculating top ten shareholders.*

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

Sr. No.	Name of Shareholders*	Number of Equity Shares	% of Total Paid-Up Capital
1.	Parvinder singh Gulati	41,53,400	32.53%
2.	Gurmeet Singh Narula	41,29,500	32.34%
3.	Sham Lal Singla	39,99,500	31.32%
4.	Jasmeet Singh	1,50,100	1.18%
5.	Raj Mittal	30,000	0.23%
	Raminder Singh Matta	30,000	0.23%
6.	Sharoon Singla	25,000	0.20%
	Megha Goyal	25,000	0.20%
7.	Jagjit Singh	23,000	0.18%
8.	Raman Aggarwal	20,000	0.16%
9.	Nishant Khanna	12000	0.09%
	Rahul Jain	12000	0.09%
	Ravinder Pal Singh Khurana	12000	0.09%
10.	Aruna Singla	10100	0.08%
	Total	1,25,75,600	98.93 %

**Multiple shareholders having same numbers of shares have been considered as single shareholder for calculating top ten shareholders.*

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

Sr. No.	Name of Shareholders*	Number of Equity Shares	% of Total Paid-Up Capital
1.	Parvinder Singh Gulati	666600	33.33%
2.	Gurmeet Singh Narula	666600	33.33%
3.	Sham Lal Singla	666600	33.33%
	Total	19,99,800	100.00%

*Our Company had only 3 shareholders as at two years prior to the date of filing of this Draft 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 its associates hold any Equity Shares of our Company as on the date of the Draft Red Herring Prospectus. However, the associates and affiliates of BRLM and the Syndicate Members, if any may subscribe to the Issue, either in Net QIB category or in the Non Institutional Category as may be applicable to such Bidders, where the allocation is on proportionate basis and such subscription may be on their own account or on behalf of their clients.
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 except in QIB portion 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 issue 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. The Issue is being made through the Book Building Process wherein [●]% of the Net Issue shall be available for allocation to QIBs on a proportionate basis. Provided that our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion, to Anchor Investors, on a discretionary basis (Anchor Investor Portion). 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 Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further not less than [●]% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than [●]% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
22. Our Company does not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights,

further public issue or qualified institutions placement or otherwise. 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 opening of the Issue 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.

23. Except for Pre-IPO Placement, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with Stock Exchange until the Equity Shares are listed on the Stock Exchange or application moneys refunded on account of failure of Issue. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR. Promoters and members of the Promoter Group may participate in the Issue. However, if they do not participate in the Pre-IPO Placement, they will not participate in the Issue.
24. 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 Draft Red Herring Prospectus.
25. 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.
26. There are no safety net arrangements for this public issue.
27. 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.
28. As on date of this Draft Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
29. All the Equity Shares of our Company are fully paid up as on the date of this Draft 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.
30. As per RBI regulations, OCBs are not allowed to participate in this Issue.
31. Our Company has not raised any bridge loans against the proceeds of the Issue.
32. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
34. 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.
35. 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.

36. We have 40 shareholders as on the date of filing of this Draft Red Herring Prospectus.
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 Promoter group between the date of filing the Draft Red Herring Prospectus with Registrar of Companies 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 for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 and for the period ended December 31, 2017 please refer to paragraph titled “Details of Related Parties Transactions as Restated” in the chapter titled ‘Financial Statements as restated’ on page 234 of the Draft 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 205 of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

Requirement of Funds

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be Rs [●] lakhs (the “**Net Proceeds**”).

We intend to utilize the Net Proceeds (including pre IPO) towards the following objects:

1. Setting up of a soft gel manufacturing facility;
2. Building up of a corporate office and warehouse;
3. Upgrading Air Handling Unit at our existing manufacturing facility Unit I;
4. Repayment/prepayment of certain secured borrowings;
5. Funding the working capital requirements of the Company;
6. General corporate purposes.

(Collectively, herein referred to as the “**Objects**”)

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.

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.

ISSUE PROCEEDS

The details of the proceeds of the Issue are set out in the following table:

(Rs in lakhs)

Particulars	Estimated amount ⁽¹⁾
Gross Proceeds from the Issue	[●]
(Less) Issue related expenses	[●]
Net Proceeds (including pre IPO)	[●]

(1) To be finalized on determination of the Issue Price.

UTILISATION OF NET PROCEEDS (INCLUDING PRE IPO)

The Net Proceeds (including pre IPO) are proposed to be used in the manner set out in the following table:

(Rs in lakhs)

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.	Setting up of a soft gel manufacturing facility	1,000.00	[●]%	[●]%
2.	Building up of a corporate office and warehouse	729.92	[●]%	[●]%
3.	Upgrading Air Handling Unit at our existing manufacturing facility Unit I	157.90	[●]%	[●]%

4.	Repayment/Prepayment of certain secured borrowings	92.13	[●]%	[●]%
5.	Funding the working capital requirements of the Company	450.00	[●]%	[●]%
6.	General corporate purposes	[●]	[●]%	[●]%
	Total	[●]	[●]%	[●]%

(1) To be finalized on determination of the Issue Price.

Schedule of Implementation and Deployment of Funds

We propose to deploy the Net Proceeds (including pre IPO) for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Red Herring Prospectus, our Company had not deployed any funds towards the objects of the Issue.

(Rs. in lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilisation of Net Proceeds (Financial Year 2018-2019)	Estimated Utilisation of Net Proceeds (Financial Year 2019-2020)
1.	Setting up of a soft gel manufacturing facility	1,000.00	1,000.00	-
2.	Building up of a corporate office and warehouse	729.92	150.00	579.92
3.	Upgrading Air Handling Unit at our existing manufacturing facility Unit I	157.90	157.90	-
4.	Repayment/Prepayment of certain secured borrowings	92.13	92.13	-
5.	Funding the working capital requirements of the Company	450.00	450.00	-
6.	General corporate purposes*	[●]	[●]	[●]

*To be finalised upon determination of Issue Price and updated in the Prospectus prior to filing with the ROC.

To the extent our Company is unable to utilise any portion of the Net Proceeds (including pre IPO) towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds (including pre IPO) in the subsequent Financial Years towards the Objects.

FUND REQUIREMENTS

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the Book Running Lead Manager or appraised by any bank, financial institution or any other external agency. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds (including pre IPO) as stated above, our Company may re-allocate the Net Proceeds (including pre IPO) to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds (including pre IPO) or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

Means of Finance

We intend to finance the funds required for setting up of a soft gel manufacturing facility, building up of a corporate office and warehouse, upgrading Air Handling Unit at our Unit I, repayment/prepayment of certain secured borrowings availed by our Company from the Net Proceeds (including pre IPO). The working capital requirements under our Objects will be met through the Net Proceeds (including pre IPO) to the extent of Rs 450.00 lakhs and internal accruals/net worth and bank finance and as provided for below.

<i>(Rs. in lakhs)</i>				
Objects of the Issue	Amount Required	IPO Proceeds (including pre IPO funds, if any)	Internal Accruals/ Net worth/	Bank Loan
Setting up of a soft gel manufacturing facility	1,000.00	1,000.00	-	-
Building up of a corporate office and warehouse	729.92 [#]	729.92	-	-
Upgrading Air Handling Unit our existing manufacturing facility Unit I	157.90	157.90	-	-
Repayment/Prepayment of certain secured borrowings	92.13	92.13	-	-
Funding the working capital requirements of the Company	2,984.53	450.00	2,334.53	200.00
General corporate purposes*	[●]	[●]	[●]	[●]

*To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

[#]Amount to be incurred by M/s. Jasco Paper Products for their share of 20% area is not included herein.

Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds (including pre IPO) and existing identifiable internal accruals.

SETTING UP OF A SOFT GEL MANUFACTURING FACILITY

We currently have two manufacturing units, both of which are situated at Baddi. Unit I is situated at Sai Road, Baddi and Unit II is situated at Plot No. 2, Ext HPSIDC, Baddi. At present, we are manufacturing tablets, capsules, dry syrups and oral syrups at Unit I and tablets and capsules at Unit II. We propose to widen our product range by setting up of soft gel manufacturing facility at our Unit II. We believe that we shall receive adequate demand for such products and such facility shall enable us to widen our product range and enhance our customer base. We propose to utilize an aggregate of Rs 1,000.00 lakhs, out of Net Proceeds towards setting up of a soft gel manufacturing facility at our Unit II.

Estimated Costs

The total estimated cost of towards setting up of a soft gel manufacturing facility at our Unit II is Rs 1,000.00 lakhs. The total cost towards setting up of a soft gel manufacturing facility at our Unit II has been estimated by our management in accordance with our business plan approved by our Board of

Directors pursuant to its meeting dated May 10, 2018 and based on quotations received from third party suppliers.

The detailed breakdown of such estimated cost is set forth below.

Particulars	Amount in (Rs. lakhs)
Plant & Machinery	587.28
Air Handling System	100.60
Setting up of HVAC, clean room panels, electrification, civil and other related work	289.00
Contingencies & other costs	23.12
Total	1,000.00

Means of finance

The total estimated cost for setting up of a soft gel manufacturing facility at our Unit II is proposed to be funded as follows:

Particulars	Amount (Rs in lakhs)
Out of Issue Proceeds	1,000.00
Internal Accruals	Nil
Total	1,000.00

Note: Any increase in the cost for setting up of a soft gel manufacturing facility at our Unit II or shortfall in the funding would be financed through internal accruals.

Land & Factory Building

We propose to set up soft gel manufacturing facility at our existing manufacturing facility at Unit II. Our existing manufacturing facility is situated at Plot No. 2- EXT, Industrial Area, Baddi, Dist Solan, Himachal Pradesh in the name of our Company. Our management has ensured that the Unit II has adequate space required for setting up for proposed soft gel manufacturing facility.

Plant & Machinery

The company proposes to acquire machineries at an estimated cost of about Rs. 587.28 lakhs. The detailed list of plant & machinery to be acquired by the company provided by M/s. Sky Softgel Co. Ltd. vide proforma invoice No. IDMD180516T dated May 16, 2018 is as under:-

No.	Description	Quantity	Total amount (Rs. In Lakhs)*
A. Softgel Equipment			
1	Softgel encapsulation machine (SS-100T)	1	146.51
2	Double Deck In-line Tumbling Dryer (2buckets x 2 levels)	1	65.11
3	Die roll change parts (OB#16)	1	Included
3-1	Additional Die roll change parts (OB#17, OV#7, 10, 16, RO#4)	10	56.98
4	Medicine transfer pump (Peristaltic)	1	4.07
5	Spare parts for two years	1	2.44
B. Gelatin Preparation Equipment			
1	Gelatin melting tank (600ℓ × 2 tank)	1	65.11
2	Gelatin service tank (200ℓ)	5	28.49
C. Medicine Preparation Equipment			
1	Medicine service tank (200ℓ)	4	19.53

2	Colloid Stone Mill included one spare stone set	1	20.35
3	Homo & Vacuum Mixer (200ℓ)	1	34.19
4	Vibrator (200ℓ) with scrapper	1	4.75
D. Drying Equipment			
1	Capsule dry tray (PPE)	8000	97.67
2	Capsule dry trailer	150	18.31
1	DQ/IQ/OQ Protocol	1	4.07
EX-WORKS PRICE			567.58
1	Export packing and Local transport		6.10
2	Installation and commissioning charge		3.39
TOTAL FOB KOREAN PORT, KOREA			577.08

Note1: Freight and insurance charges of Rs. 10.20 lakhs is estimated for bring the machineries from Korea to Delhi.

Note 2: In case of imported machineries, exchange rate of conversion is taken as RBI reference rate as on the date of the quotation for the particular currency. RBI rate of conversion used for Dollar is 1 USD = Rs. 67.8276 as on 16.05.2018.

Air Handling Systems

The Company proposes to acquire Air handling systems at an estimated cost of about Rs. 100.60 lakhs. The detailed list of AHU cum dehumidifiers to be acquired by the company provided by M/s. Rehoboth Enviro Systems dated May 10, 2018 is as under:

Sr No.	Description AHU Cum dehumidifiers	Model	Qty	Unit Price (Rs. in Lakhs)	Total Price (Rs. in Lakhs)
1	For Encapsulation				
	Rehoboth make AHU cum DEH model RDS 420 (DEH capacity - 4200 cmh or 2520 cfm, fresh air qty – 250 cfm, supply air qty – 4800 cfm) along with fine filter – Reactivation will be 100% electrical heaters.	RDS-420 (2520 cfm)	1	17.50	17.50
2	For Encapsulation 2				
	Rehoboth make AHU cum DEH model RDS 420 (DEH capacity - 4200 cmh or 2520 cfm, fresh air qty – 250 cfm, supply air qty – 4800 cfm) along with fine filter – Reactivation will be 100% electrical heaters.	RDS-420 (2520 cfm)	1	17.50	17.50
3	For Drying 1 area				

	10 lakhs capsules to be dried in 36 hours Rehoboth make AHU cum DEH model RDS 420 (DEH capacity - 4200 cmh or 2520 cfm, supply air qty – 5000 cfm) along with fine filter – Reactivation will be 100% electrical heaters.	RDS-420 (2520 cfm)	1	17.50	17.50
4	For drying 2 area				
	10 lakhs capsules to be dried in 36 hours Rehoboth make AHU cum DEH model RDS 420 (DEH capacity - 4200 cmh or 2520 cfm, supply air qty – 5000 cfm) along with fine filter – Reactivation will be 100% electrical heaters.	RDS-420 (2520 cfm)	1	17.50	17.50
5	For Soft Gel Packing – 1 Area				
	Rehoboth make AHU cum DEH model RDS 200 (DEH capacity - 2000 cmh or 1200 cfm) fresh air qty- 150, supply air qty – 4000 cfm) along with fine filter – Reactivation will be 100% electrical heaters.	RDS-200 (1200 cfm)	1	15.00	15.00
6	For Soft Gel Packing – 2 Area				
	Rehoboth make AHU cum DEH model RDS 200 (DEH capacity - 2000 cmh or 1200 cfm) fresh air qty- 150, supply air qty – 4000 cfm) along with fine filter – Reactivation will be 100% electrical heaters.	RDS-200 (1200 cfm)	1	15.00	15.00
	TOTAL				100.00
	Supervision of erection and commissioning charges		6 units		0.60

Setting up of HVAC, clean room panels, electrification, civil and other related work

The estimated costs for setting up of HVAC, clean room panels, electrification, civil and other related

work is Rs. 289.00 lakhs. The estimated costs is as per quotation provided by M/s. Hexakore techno Build LLP vide offer No. HEXAKORE/MDc/003 dated May 16, 2018 is as under:

(Rs. in lakhs)

Sr. No	Description	Supply	Installation	Total
1	HVAC	79.44	5.17	84.61
2	Modular Panels & Civil	61.19	5.00	66.19
3	Electrical	27.45	6.00	33.45
4	Utilities and Equipments	74.75	0.00	74.75
5	Project Management	30.00	0.00	30.00
	TOTAL			289.00

Contingencies & other costs

We have created a provision for contingency of Rs. 23.12 lakhs to cover legal fees, professional fees to various consultants, related taxes, levies and other duties, as applicable, and any increase in the estimated cost of setting up of a soft gel manufacturing facility.

No second-hand machinery or material is proposed to be purchased out of the aforesaid objects. The abovementioned Plant & Machinery is proposed to be acquired in a ready-to use condition.

We have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery and material at the same costs. The quantity of the machinery and material to be purchased is based on the estimates of our management. Our Company shall have the flexibility to deploy the machinery and material at our manufacturing facility, according to the business requirements of such facility, which are dynamic, which may evolve with the passage of time and based on the estimates of our management.

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above.

Proposed Schedule of Implementation:

Sr No	Particulars	Commencement	Completion
1.	Plant & Machinery & AHU – Placement of Order, delivery & Installation. Setting up of HVAC, clean room panels, electrification, civil and other related work	August 2018	March 2019
2.	Trial Run	April 2019	April 2019
3.	Commercial Production	May 2019	

Funds deployed

In accordance with the certificate of M/s M/s. G.S. Gambhir & Associates, Chartered Accountants, dated May 17, 2018, as of May 16, 2018 our Company has not deployed any funds towards setting up of soft gel manufacturing facility at our Unit II.

Others

Power: The company has an existing connected load of 490.00 kW sanctioned by Himachal Pradesh State electricity Board. We shall apply to State Government for additional requirement.

Water: The Company meet its water requirement at Unit II by purchasing the same from Himachal Pradesh state Industrial Development Corporation Ltd.

Government and other approvals: No additional government approvals shall be required by Company in this connection. However our Company is in the process of revising its consent to establish and consent to operate for its existing manufacturing facility at Unit II.

BUILDING UP OF A CORPORATE OFFICE AND WAREHOUSE

We presently conduct our corporate functions through our registered office at Building No. 213, Industrial Area, Phase I, Chandigarh and warehouse operations through Two Storied, Near Radha Swami Satsang Bhawan, Sai Road, Baddi Tehsil Baddi. Both these premises have been taken on lease basis. As we aim to grow our operations and develop our brand image, we envisage increased inventories and bandwidth and hence we intend to build up a corporate office and warehouse at our jointly owned premises situated at Janta Industrial Estate, Sector 82, S.A.S nagar (Mohali) Tehsil & District. Our Company holds 60% of share in the said premises through its director Parvinder Singh Gulati along with relatives of director viz. Jasleen Kaur Matta holding 20% and Jasmeet Singh Gulati holding 20% each respectively. Jasmeet Singh Gulati has given his No Objection Letter dated May 18, 2018 to use his share in the said land for the construction of the office and warehouse to be used by our Company. Further our Company has also entered into a leasehold agreement dated May 18, 2018 with Jasmeet Singh Gulati for a period of five years with effect from June 1, 2018 for a period of 5 years at a rent of Rs. 60,000/- per month to use his share of 20% of the land for the construction of corporate office and warehouse.

The total area of the plot is around 3,097.78 square yards. We propose to construct a building of around 69,682 sq. ft. on the said area. Of the said area, 20% of the area shall be used by M/s. Jasco Paper Products in accordance with agreement entered with Jasleen Kaur Matta. The total cost of construction of the office and warehouse and cost of interiors as per quotation from Charanjit and Associates, Chartered Architects dated May 2, 2018 is Rs. 912.40 lakhs. Since 20% of the area shall be used by M/s. Jasco Paper Products, they have agreed to bear the proposed costs to the tune of their share of 20% i.e. Rs. 182.49 lakhs. Jasleen Kaur Matta has also given her No Objection Letter dated May 18, 2018 to use her share in the said land for the construction of the corporate office and warehouse. Our Company has entered into an agreement dated May 18, 2018 with Jasleen Kaur Matta and M/s. Jasco Paper Products wherein they have agreed to bear 20% of total costs of construction and have assured that they have identifiable means of finance to bear such costs and they shall not withdraw their consent or terminate the agreement without our prior consent. We intend to utilise Rs. 729.92 lakhs out of Net Proceeds towards this purpose. The details of cost to be incurred as per quotation is as follows:

Costs of construction:

(Rs. in lakhs)

Sr No.	Item	Unit	Quantity	Rate	Total Amount	80% to be borne by Company
1	Bricks	No	320000	5.5	17.60	14.08
2	Cement	Bag	28500	275	78.38	62.70

3	Sand (Wash & Coarse)	Cft	72000	24	17.28	13.82
4	Bajri	Cft	50500	35	17.68	14.14
5	Gatkha	Cft	17000	25	4.25	3.40
6	Reinforcement Steel	Ton	430	46500	199.95	159.96
7	UPVC/ Aluminium Joinery	Sft	2100	800	16.80	13.44
8	Automatic Rolling Shutters	No	3	163000	4.89	3.91
9	M.S. Gate, Grills & parapet railing			L.S.	15.75	12.60
10	Kota, Granite & epoxy Flooring etc.	Sft	68000	90	61.20	48.96
11	Water proofing & Termite treatment				8.50	6.80
12	Lifts	No	2	1400000	28.00	22.40
13	Electricals fittings, Fixtures & heavy elctricals			L.S.	21.00	16.80
14	Paints (Inside and outside)	L.S.			18.30	14.64
15	Hardware	L.S.			6.80	5.44
16	Public Health/ Sanitary Fittings & Fixtures			L.S.	19.75	15.80
17	Total cost of material for construction				536.12	428.90
18	Total Labour charges 30% of Total Cost				160.84	128.67
19	Govt fees + Labour cess & sundries				11.50	9.20
20	Architect's fees & supervision charges				10.50	8.40
21	Structural Engg fee				2.00	1.60
	Total				720.96	576.76

Costs of office interiors

(Rs. in lakhs)

Sr No.	Item	Unit	Quantity	Rate	Total Amount	80% to be borne by Company
1	Flooring (Imported Marble, Carpet & tile)		12000	260	31.20	24.96
2	Suspended Ceiling (POP & MicroFibre Tile)		12000	130	15.60	12.48
3	Wall Panelling & Glass Partition		3800	440	16.72	13.38
4	Furniture		L.S.		38.00	30.40
5	HVAC		120	36000	43.20	34.56
6	Paints		L.S.		9.75	7.80
7	Electrical & LAN		12000	180	21.60	17.28

8	Misc items (blinds, Signages, 3M tape, pantry		L.S.		9.80	7.84
9	TOTAL				185.87	148.70
	Architect's Fees @3%				5.58	4.46
	TOTAL				191.45	153.16

Means of finance

(Rs. in lakhs)

Total Estimated Costs of construction and interiors as per quotation	912.41
Less: 20% costs to be borne by M/s. Jasco Paper Products	182.49
80% costs to be borne by the Company	729.92
Proposed Source – Net Proceeds from IPO	729.92

Funds deployed

In accordance with the certificate of M/s M/s. G.S. Gambhir & Associates, Chartered Accountants, dated May 17, 2018, as of May 16, 2018 our Company has not deployed any funds towards building of corporate office and warehouse.

Schedule of implementation

We estimate that the said construction activities shall take around two years to complete from estimated month of commencement i.e. August, 2018.

We have not entered into any definitive agreements with the contractors and there can be no assurance that the same contractors would be engaged to eventually build the corporate office and warehouse at the same costs. The costs of construction and interiors to be incurred is based on the estimates of our management and quotation. Any additional costs shall be borne out of internal accruals.

UPGRADING AIR HANDLING UNIT AT OUR MANUFACTURING UNIT I

At present, the Air Handling System installed at our Unit I is to maintain the temperature and class of Air which includes climatic conditions, humidity controlled by dehumidifier, air flow etc as per GMP Guidelines and Schedule M. Clean Room AHU's are provided with appropriate pre-filters. The clean rooms are maintained at appropriate air pressures to avoid contaminations and relative humidity. We further propose to upgrade our existing AHU at Unit I in accordance with WHO GMP guidelines. This will require installation of dehumidifiers and complete AHU systems so as to enable change of Air Pressure, Air change overs, temperature and humidity conditions so as to maintain the Air quality as per WHO GMP guidelines. The total cost is estimated to be Rs. 157.90 lakhs (excluding GST) as per quotation from Rehoboth Enviro Systems dated May 16, 2018, the details of which are as under;

Sr No.	Description Standard dehumidifiers/ Air handling units	Model	Qty	Unit Price (Rs. in Lakhs)	Total Price (Rs. in Lakhs)
	Standard Dehumidifier				
1	For System 1				
	Rehoboth make standard dehumidifier model RDS 300 (DEH capacity -3000 cmh or 1800 cfm) -Reactivation will be 100% electrical heaters	RDS-300 (1800 cfm)	2	12.00	24.00
2	For System 2				

	Rehoboth make standard dehumidifier model RDS 420 (DEH capacity 4200 cmh or 2520 cfm) -Reactivation will be 100% electrical heaters	RDS-420 (2520 cfm)	3	14.00	42.00
3	For System 3				
	Rehoboth make standard dehumidifier model RDS 500 (DEH capacity- 5000 cmh or 3000 cfm) -Reactivation will be 100% electrical heaters	RDS-500 (3000 cfm)	2	17.00	34.00
	(A)				100.00
	Air Handling units				
4	AHU For (5000 cfm) Rehoboth make Air Handling unit for (5000 cfm capacity)	5000 cfm	4	3.00	12.00
5	AHU For (6000 cfm) Rehoboth make Air handling unit for (6000 cfm capacity)	6000 cfm	4	4.00	16.00
6	AHU For (8000 cfm) Rehoboth make Air handling unit for (8000 cfm capacity)	8000 cfm	4	6.00	24.00
	TOTAL				52.00
	GRAND TOTAL (A+B)				152.00
	FREIGHT CHARGES				5.90
	Supervision of erection and commissioning charges		6 units		Inclusive

The above rates are exclusive of GST.

Funds deployed

In accordance with the certificate of M/s. G.S. Gambhir & Associates, Chartered Accountants, dated May 17, 2018, as of May 16, 2018 our Company has not deployed any funds towards purchasing of Air Handling Systems.

Schedule of implementation

We propose to commence the above activity in August 2018 and complete the same by March 2019.

PART REPAYMENT / PREPAYMENT OF CERTAIN BORROWINGS AVAILED BY OUR COMPANY

Our business is capital intensive and we avail majority of our fund requirements in the ordinary course of business from various banks and financial institutions. For further details of the loans availed by our Company, see chapter titled "Financial Indebtedness" on page 254 of this Draft Red Herring Prospectus. As on May 16, 2018, with respect to the loan proposed to be repaid from the Net Proceeds (including pre IPO), our Company had outstanding indebtedness amounting to Rs. 92.13 lakhs as confirmed by our Statutory Auditor, M/s. G.S. Gambhir & Associates, Chartered Accountants vide Certificate dated May 17, 2018. We propose to repay such borrowings to the extent of Rs. 92.13 lakhs from the Net Proceeds (including pre IPO). We believe that such part repayment/prepayment will help reduce our outstanding indebtedness and improve our debt equity ratio. We believe that reducing our indebtedness will result in enhanced equity base, reduce our finance costs, improve our profitability and improve our leverage capacity.

The details of the repayment of loans are provided below:

Name of Lender	Amount Outstanding as on May 16, 2018 (Rs in lakhs)	Nature of facility	Rate Of Interest (%)	Security	Tenure	Purpose	Utilisation	Repayment from the Net Proceeds including Pre IPO (Rs. in lakhs)
Punjab National Bank	92.13	Term loan	10.20%	Equitable Mortgages of Factory purchased out of Borrowed fund	72 months	Plant & machines	Plant & Machines	92.13

We may repay the above loans, before we obtain proceeds from the Issue, through other means and source of financing, including bridge loan or other financial arrangements, which will then be repaid from the proceeds of the Issue. Further we may also have to pay prepayment charges, if any in accordance with the loan agreements.

FUNDING THE WORKING CAPITAL REQUIREMENTS OF OUR COMPANY

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, net worth, financing from various banks and financial institutions and unsecured loans. As on March 31, 2016 and March 31, 2017, the amount outstanding on our Company's fund based working capital facility was Rs 397.35 lakhs and Rs Nil respectively as per restated financial statements. As on date of the DRHP, our sanctioned working capital facilities comprised of fund based limit of Rs. 800.00 lakhs. For further details, please refer to the chapter titled "Financial Indebtedness" beginning on page 254 of this DRHP.

Our Company's existing working capital requirement and funding on the basis of Restated Financial Information as of March 31, 2016 and March 31, 2017:

Amount (Rs. in lakhs)

Particulars	March 31, 2017	March 31, 2016
Current Assets		
Inventories		
-Raw material & Packing Material	626.00	505.21
-Work in progress	205.70	89.22
-Finished Goods & Stock in Trade	474.88	362.56
Trade Receivables	673.54	658.25
Cash and Bank Balance	27.29	414.23
Short term loans & advances & other current assets	239.38	218.07
Total (A)	2,246.82	2,247.54
Current Liabilities		
Trade Payables	599.57	501.52
Other Current Liabilities & Short Term Provision	609.46	377.98
Total (B)	1,209.03	879.50
Total Working Capital (A)-(B)	1,037.79	1,368.04
Existing Funding Pattern		
Working Capital funding from Banks	-	397.35
Internal accruals/Net Worth	1,037.79	970.69
Total Source	1,037.79	1,368.04

Basis of estimation of working capital requirement

On the basis of our existing working capital requirements and the projected working capital requirements, our Board pursuant to its resolution dated May 10, 2018 has approved the business plan for the Fiscal 2019. The projected working capital requirements for Fiscal 2019 is stated below:

Amount (Rs. in lakhs)

Particulars	March 31, 2018 (Provisional & unaudited)	March 31, 2019 (Estimated)
Current Assets (A)		
Inventories		
-Raw material & Packing Material	730.22	1,150.34
-Work in progress	307.55	357.90
-Finished Goods & Stock in Trade	316.20	354.42
Trade Receivables	799.57	1,250.36
Cash and Bank Balance	501.24	258.87
Short term loans & advances & other current assets	656.54	457.17
Total (A)	3,311.32	3,829.06
Current Liabilities (B)		
Trade Payables	677.59	519.94
Other Current Liabilities & Short term Provision	699.56	324.59
Total (B)	1,377.15	844.53
Total Working Capital (A)-(B)	1,934.17	2,984.53

Particulars	March 31, 2018 (Provisional & unaudited)	March 31, 2019 (Estimated)
Proposed Funding Pattern		
IPO Proceeds including Pre IPO	-	450.00
Working capital loan from bank	148.06	200.00
Internal Accruals/Net worth	1,786.11	2,334.53
Total Source	1,934.17	2,984.53

Assumption for working capital requirements

(In months)

Particulars	Holding Level for March 31, 2016	Holding Level for March 31, 2017	Holding Level for March 31, 2018 (Provisional & unaudited)	Holding Level for March 31, 2019 (Estimated)
Current Assets				
Inventories				
-Raw material & Packing Material	2.21	2.95	4.44	5.30
-Work in progress	0.25	0.60	1.03	0.99
-Finished Goods & Stock in Trade	0.99	1.32	1.01	0.99
Trade Receivables	1.66	1.70	1.93	2.50
Current Liabilities				
Trade Payables	1.62	2.24	3.11	1.75

Justification for “Holding Period” levels

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

Assets- Current Assets	
Inventories	We have assumed raw material Inventory period of 5.30 months for the for the fiscal 2018-19 which is higher than 4.44 months in FY 2017-18; we aim to increase our existing levels of production, maintain raw material for our soft gel facility production and hence intend to maintain higher level of inventory. We have assumed work in progress inventory of 0.99 months in FY 2018-19 as compared to 1.03 months in FY 2017-18 and finished goods and stock in trade inventory of around 0.99 months in FY 2018-19 which is on similar lines of 1.01 months in FY 2017-18.
Trade receivables	Our Company has given credit facility of 1.70 months as per our restated financial statements in FY 2016-17 and 1.93 months in FY 2017-18 as per provisional financial statements. Going forward our Company intends to provide liberal credit facility to our debtors for expanding our business operations and hence have estimated debtor days of 2.50 months.

Assets- Current Assets	
Liabilities–Current Liabilities	
Trade Payables	Our creditors for goods based on restated financial statements were 2.24 months in FY 2016-17 and as per provisional financial statements it was 3.11 months in FY 2017-18. Going forward we have estimated trade payable level of 1.75 months in FY 2018-19 as we expect to prune our creditors days by infusing funds towards working capital from the net Issue Proceeds and achieve better pricing terms by making quicker payments to our creditors.

Our Company proposes to utilize Rs. 450.00 lakhs of the Net Proceeds (including pre IPO) in Fiscal 2019 towards our working capital requirements. The balance portion of our working capital requirement for the Fiscal 2019 will be arranged from existing Bank loans and internal accruals/ network.

Pursuant to the certificate dated May 17, 2018, by M/s. G.S. Gambhir & Associates, Chartered Accountants, Chartered Accountants, have compiled the working capital estimates from the Restated Financial Information for the Financial Years 2016 and 2017, provisional financial statements for the year ended March 31, 2018 as prepared by the management and the working capital projections as approved by the Board pursuant to its resolution dated May 10, 2018.

7. General Corporate Purposes

The Net Proceeds (including pre IPO) will be first utilized towards the Objects as mentioned as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds (including pre IPO), in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds (including pre IPO), if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) strategic initiatives
- (ii) brand building and strengthening of marketing activities; and
- (iii) on-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds (including pre IPO) for general corporate purposes, as mentioned above.

ISSUE RELATED EXPENSES

The total expenses of the Issue are estimated to be approximately Rs [●] lakhs. The expenses of this Issue, include among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

Expenses	Expenses (Rs in lakhs)	Expenses (% of total issue expenses)	Expenses (% of Gross Issue Proceeds)
Fees payable to Book Running Lead Manager (including Underwriting commission)	[●]	[●]	[●]

Brokerage and selling commission payable to Syndicate**	[●]	[●]	[●]
Commission payable to Registered Brokers***	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs****	[●]	[●]	[●]
Others (listing fees, legal fees, advertising, marketing, stationery charges, bankers to the Issue, auditor's fees, etc)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

*Will be incorporated at the time of filing of the Prospectus.

**Selling commission payable to the members of the Syndicate, CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:

Portion for RIIs	[●]% ^ (exclusive of Goods and Service Tax)
Portion for NIIs	[●]% ^ (exclusive of Goods and Service Tax)

^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price)

Further, the Members of Syndicate, RTAs and CDPs will be entitled to bidding charges of Rs [●] (plus applicable Goods and Service Tax) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant RTA/CDP.

***Registered Brokers, will be entitled to a commission of Rs. [●] (plus applicable Goods and Service Tax) per Bid cum Application Form, on valid Bids, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the bid has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.

**** SCSBs would be entitled to a processing fee of Rs. [●] (plus Goods and Service Tax) for processing the Bid cum Application Forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDPs and submitted to SCSBs.

Deployment of Funds

The details of the amount spent by our Company as of the date of the DRHP towards issue expenses are Rs. [●].

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 fund requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance fund requirements will be repaid from the Net Proceeds (including pre IPO) 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 UTILIZATION 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 (including pre IPO).

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 Draft 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 Net Proceeds (including pre IPO) will be paid by us to the Promoters and Promoter Group, the Directors, associates or Key Management Personnel or Group Companies, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the BRLM 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 higher end of the Price Band.

Investors should also refer to the sections, “Our Business”, “Risk Factors” and “Financial Statements” on pages 166, 25 and 234, respectively of this Draft Red Herring Prospectus, to have an informed view before making an investment decision.

QUALITATIVE FACTORS

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

- Experienced Promoters and management team
- Diversified business operations and revenue basis
- Widespread distribution channel through franchisee network
- Wide range of product offerings
- Quality Assurance

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*” beginning on page 166 of this Draft 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 2015, 2016, 2017 and for the period ended December 31, 2017 prepared in accordance with Indian GAAP, Companies Act and SEBI ICDR Regulations. 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

As per our Company’s Restated Financial Statements

Year ended	Basic & Diluted EPS (Rs.)	Weight
March 31, 2015	0.46	1
March 31, 2016	1.07	2
March 31, 2017	2.44	3
Weighted average		1.65
December 31, 2017		4.05*

*Not Annualised

Notes:

The earnings per share has been computed by dividing net profit 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 have been computed as per AS20. The face value of each Equity Share is Rs. 10/-. Basic EPS is Net profit attributable to equity shareholders divided by Weighted average number of Equity Shares outstanding during the year / period.

On February 15, 2018, our Company issued 99,99,000 equity shares to the existing shareholders as fully paid Bonus Shares in the ratio of 5:1. For calculating the EPS above, these bonus shares have been taken into account for calculating the weighted average number of equity shares.

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

Particulars	P/E on floor price (no. of times)	P/E on cap price (no. of times)
P/E ratio based on Basic EPS for FY 2016-17	[●]	[●]
P/E ratio based on Weighted Average EPS	[●]	[●]

Industry P/E Ratio

Particulars	P/E Ratio
Highest	98.41
Lowest	6.14
Average	45.38

Note: The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this chapter. For further details, see Comparison of Accounting Ratios with Listed Industry Companies on Note 6 of this chapter.

3. Return on Net worth (RoNW)

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

Year ended	RoNW (%)	Weight
March 31, 2015	3.75	1
March 31, 2016	8.09	2
March 31, 2017	15.59	3
Weighted Average		11.12
December 31, 2017		21.22*

*Not Annualised

Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year. Net worth has been calculated as sum of Equity Share Capital and Reserves & Surplus.

4. Minimum Return on Total Net Worth post Issue needed to maintain Pre Issue EPS for the year ended March 31, 2017 is [●]/%

Particulars	%
At Floor price	[●]
At Cap price	[●]

5. Net Asset Value (NAV)

Net Asset Value as per restated financial statements:

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2017	15.64
Net Asset Value per Equity Share as of December 31, 2017	19.09
Net Asset Value per Equity Share after the Issue- At Floor Price	[●]
Net Asset Value per Equity Share after the Issue- At Cap Price	[●]
Issue Price per equity share	[●]

Notes:

- Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares. Net worth has been calculated as sum of Equity Share Capital and Reserves & Surplus.
- On February 15, 2018, our Company issued 99,99,000 equity shares to the existing shareholders as fully paid Bonus Shares in the ratio of 5:1. For calculating the NAV above, these bonus shares have been taken into account.

- Issue Price per equity share will be determined on conclusion of Book Building Process.

6. Comparison with other listed companies

Name of the Company	CMP*	EPS (Basic and Diluted) (Rs.)	P/E Ratio	RoNW (%)	NAV (Rs.)	Face Value (Rs.)	Total Income (Rs. in lakhs)
MDC Pharmaceuticals Limited	[●]	2.44	[●]	15.59	15.64	10.00	4,765.17
Peer Group							
Gufic Bio Sciences Limited	145.65	1.48	98.41	25.42	5.81	1.00	25,023.32
Jagsonpal pharmaceuticals Limited	27.8	4.53	6.14	10.79	41.96	5.00	14,433.93
Jenburkt Pharmaceuticals Limited	659	28.96	22.76	25.10	115.40	10.00	10,607.02
Zota healthcare Limited	209.25	3.86	54.21	24.35	15.85	10.00	7,163.64

*Source: www.nseindia.com and www.bseindia.com

Notes:

1. Considering the nature and size of business of the Company, the peers are not strictly comparable. However, above Companies have been included for broad comparison.
2. The figures for MDC Pharmaceuticals Limited are based on the restated financial statements for the year ended March 31, 2017.
3. The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2017.
4. Current Market Price (CMP) is the closing prices of respective scripts as on May 14, 2018.
5. NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.
6. P/E Ratio has been computed based on the closing market price of equity shares on May 14, 2018, divided by the EPS.
7. RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves).
8. The Issue of MDC Pharmaceuticals 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. 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 MDC Pharmaceuticals Limited is Rs. [●] per Equity Share.
9. The trading price of Equity Shares could decline due to factors mentioned in “Risk Factors” beginning on page 25 and you may lose all or part of your investments. For further details see section titled “Risk Factors” beginning on page 25 and the financials of the Company including profitability and return ratios, as set out in the section titled “Financial Statements” beginning on page 234 of this Draft Red Herring Prospectus for a more informed view.

STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
MDC PHARMACEUTICALS LIMITED
213, First Floor Industrial Area,
Phase – I, Chandigarh - 160001
India

Dear Sirs,

Sub: Statement of possible Special tax benefit ('the Statement') available to MDC PHARMACEUTICALS LIMITED and its shareholders prepared in accordance with the requirements under Schedule VIII Part A Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')

We hereby confirm that the enclosed annexure, prepared by **MDC PHARMACEUTICALS LIMITED** ('the Company') provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income Tax Act, 1961 (the "Act") as amended time to time, 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 and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, these benefits are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, 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.

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

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

The enclosed annexure is intended solely for your information and for inclusion in the Draft Prospectus/RHP/ Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For P S D & Associates
Chartered Accountants
FRN 004501C

(Girish Vyas)

Partner

Membership No. 427738

Date: 14th May, 2018

Place: Mumbai

Encl: Annexure

Annexure to the statement of possible Tax Benefits

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ('the Act')

- Special Tax Benefits available to the Company under the Act:
There are no special Tax Benefits available to the Company.
- Special Tax Benefits available to the shareholders of the Company under the Act:
There are no special Tax Benefits available to the shareholders of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
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.
3. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2018-19.
4. This statement is intended only 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 tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the nonresident has fiscal domicile.
6. 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.

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 Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 25 and 234 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

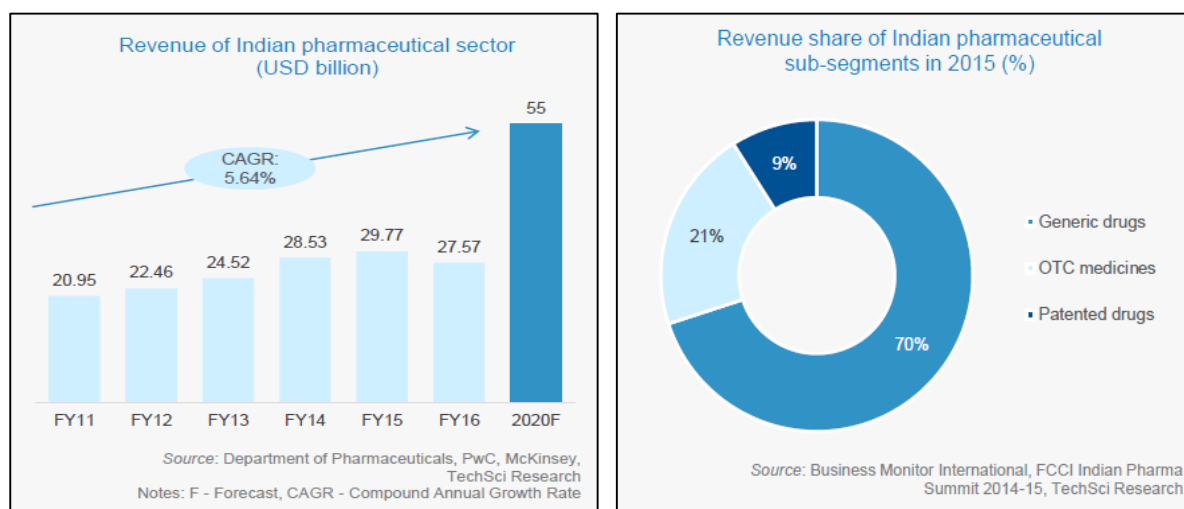
INTRODUCTION TO THE INDIAN PHARMACEUTICAL INDUSTRY

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



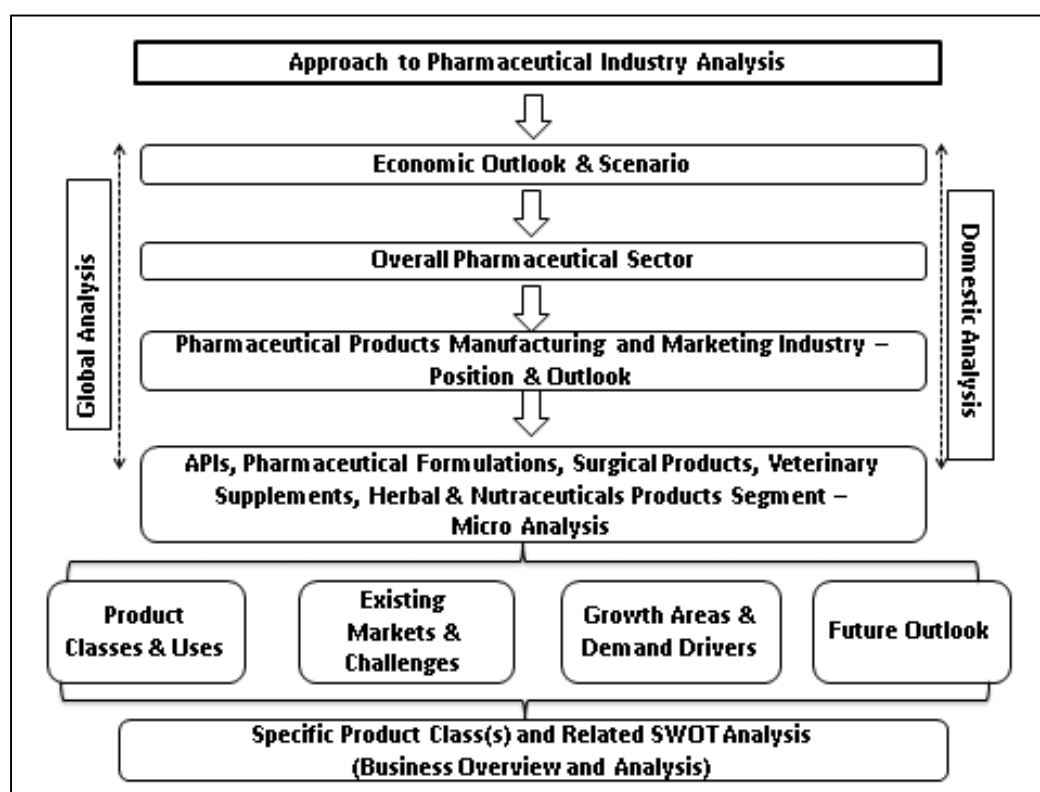
(Source: Indian Pharmaceuticals Industry Analysis - India Brand Equity Foundation - www.ibef.org)

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, Herbal & Nutraceuticals Products.

Thus, the micro analysis of segments such as APIs, Pharmaceutical Formulations, Surgical Products, Veterinary Supplements, Herbal & Nutraceuticals Products 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, Herbal & Nutraceuticals Products 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

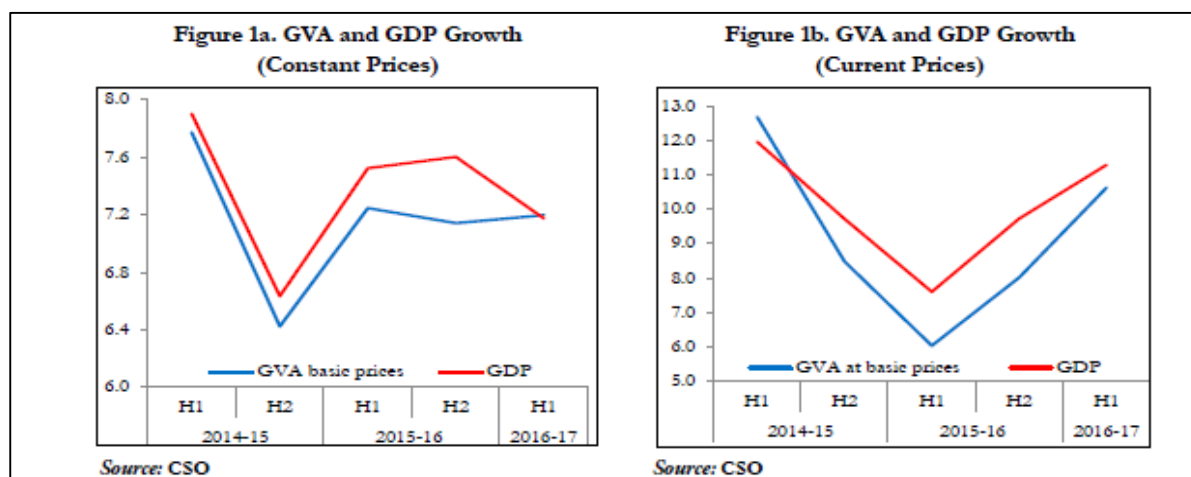
the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. 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 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 percent 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)

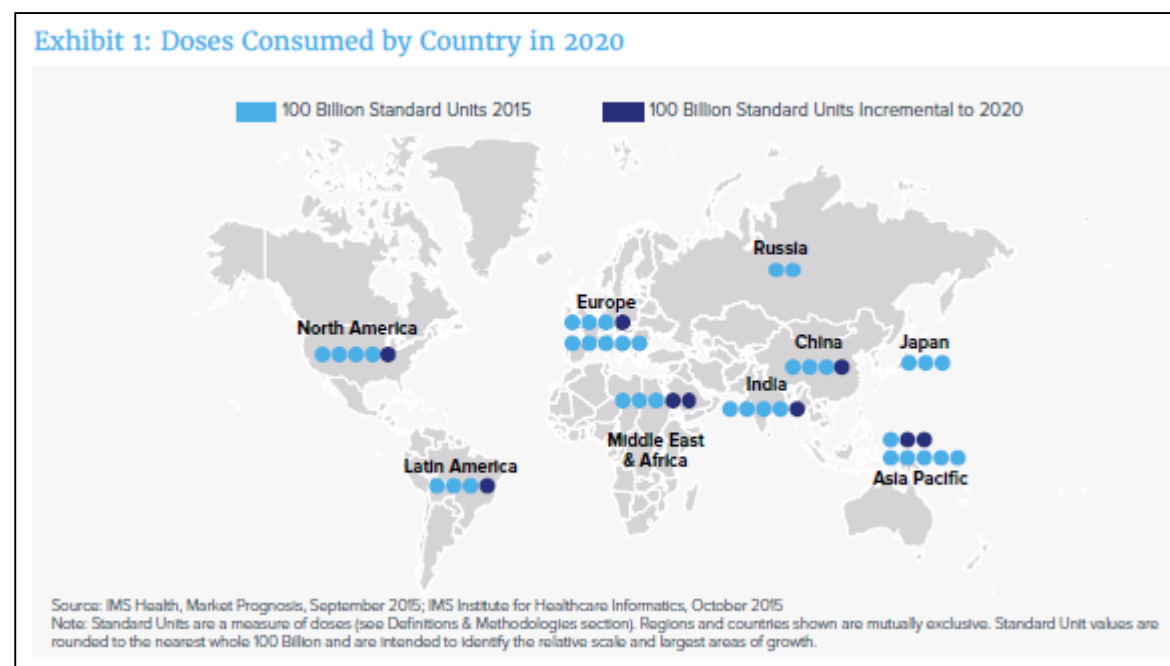
MEDICINE USE IN 2020 - ACCESS TO MEDICINES INCREASES BY 2020 BUT SIGNIFICANT DIFFERENCES EXIST BY COUNTRY

- 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.

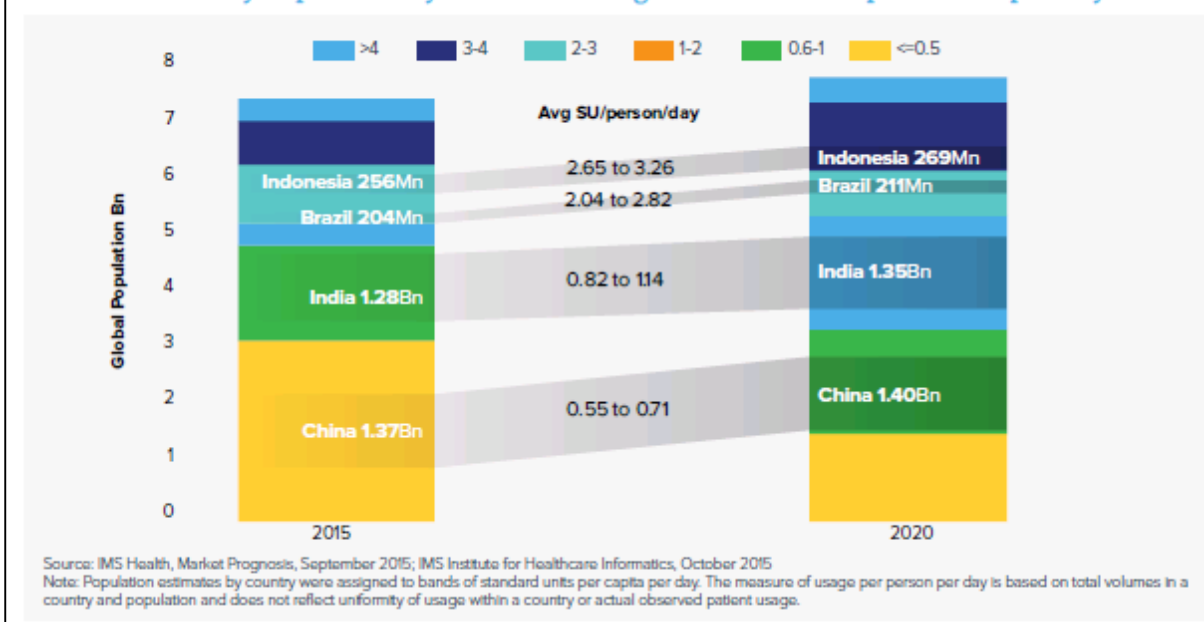
In 2020, Europe's 889 million people will have only modest increases in usage rising from about 818 billion to 916 billion doses, mostly occurring in central and eastern European countries such as Poland, which will approach developed market average usage. Asia Pacific, with 1.3 billion people (excluding 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.

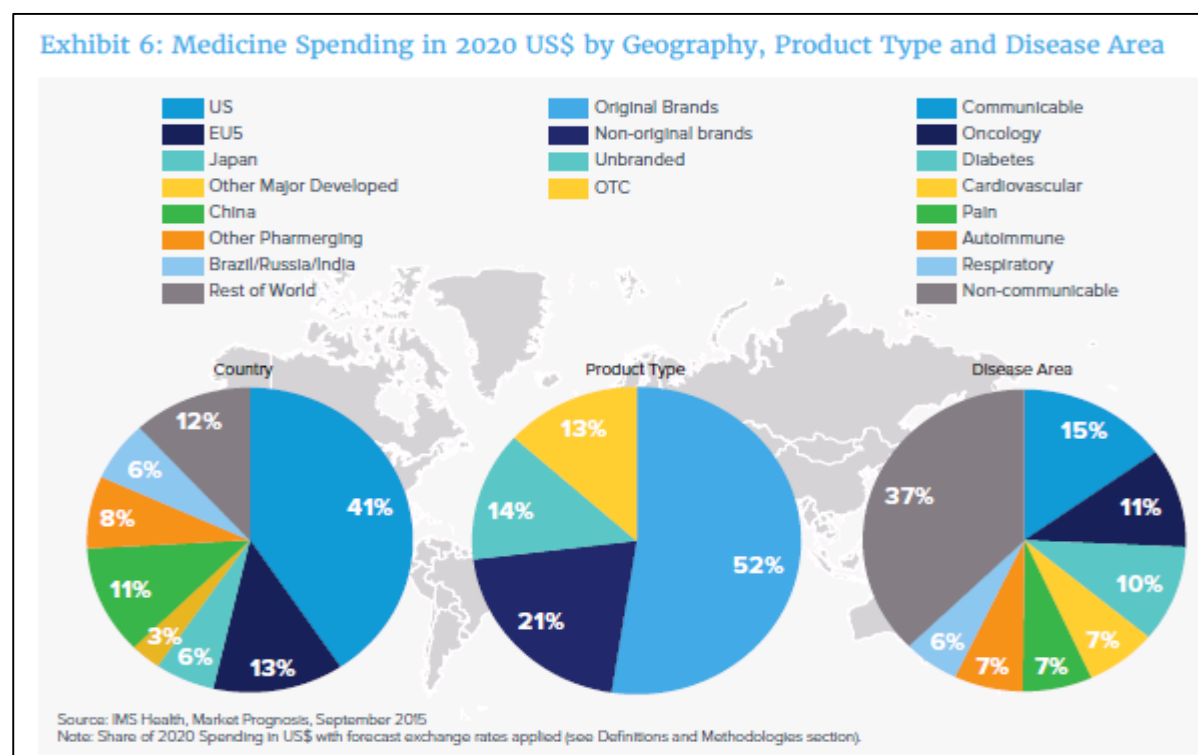
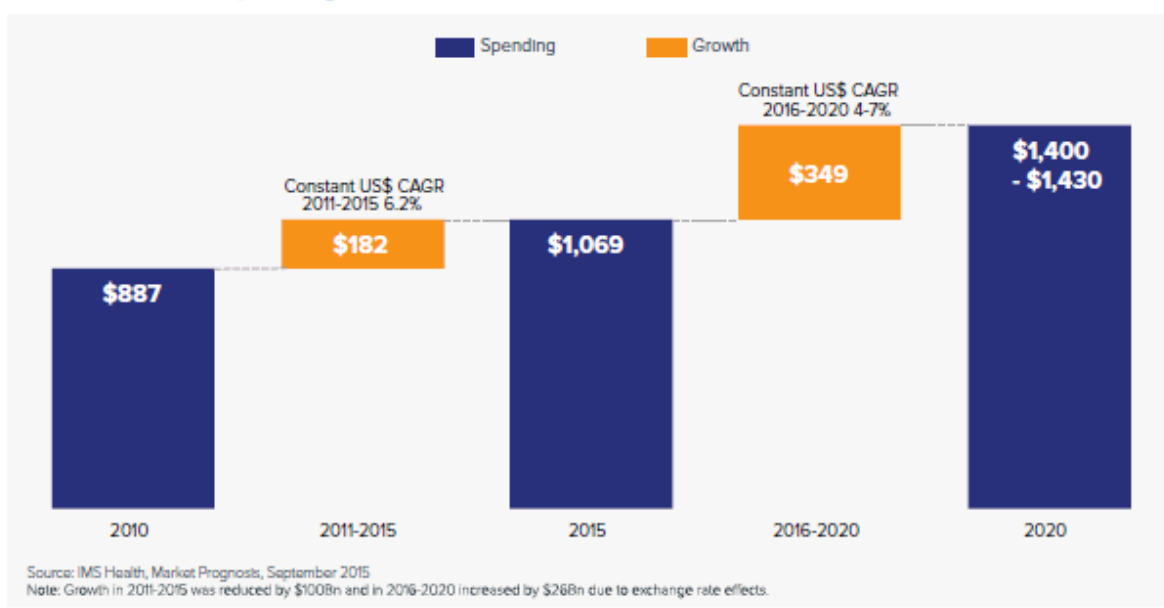


Exhibit 7: Global Spending and Growth, 2010–2020



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.

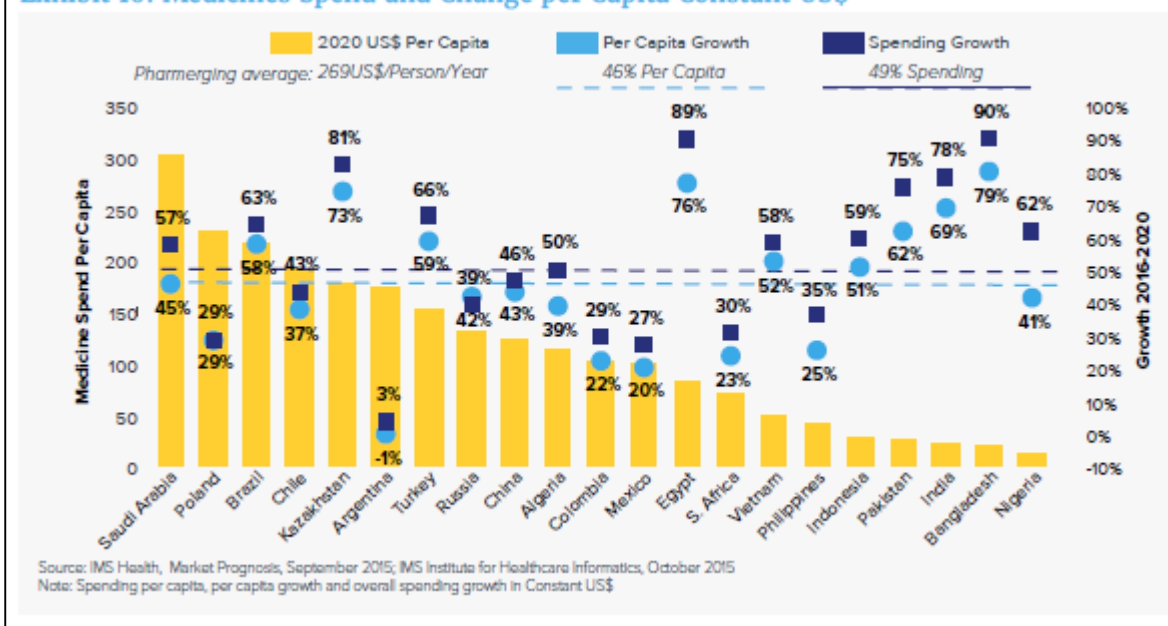
The incentives to wider generic usage will double generic spending, as generic penetration of the unprotected market is targeted by the Ministry of Labor Health and Welfare (MLHW) to reach 80% by 2020, up from 54.4% for the quarter ending June 2015.¹ The 2010-2015 period saw substantial increase in the 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.

Exhibit 16: Medicines Spend and Change per Capita Constant US\$



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 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.

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.

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

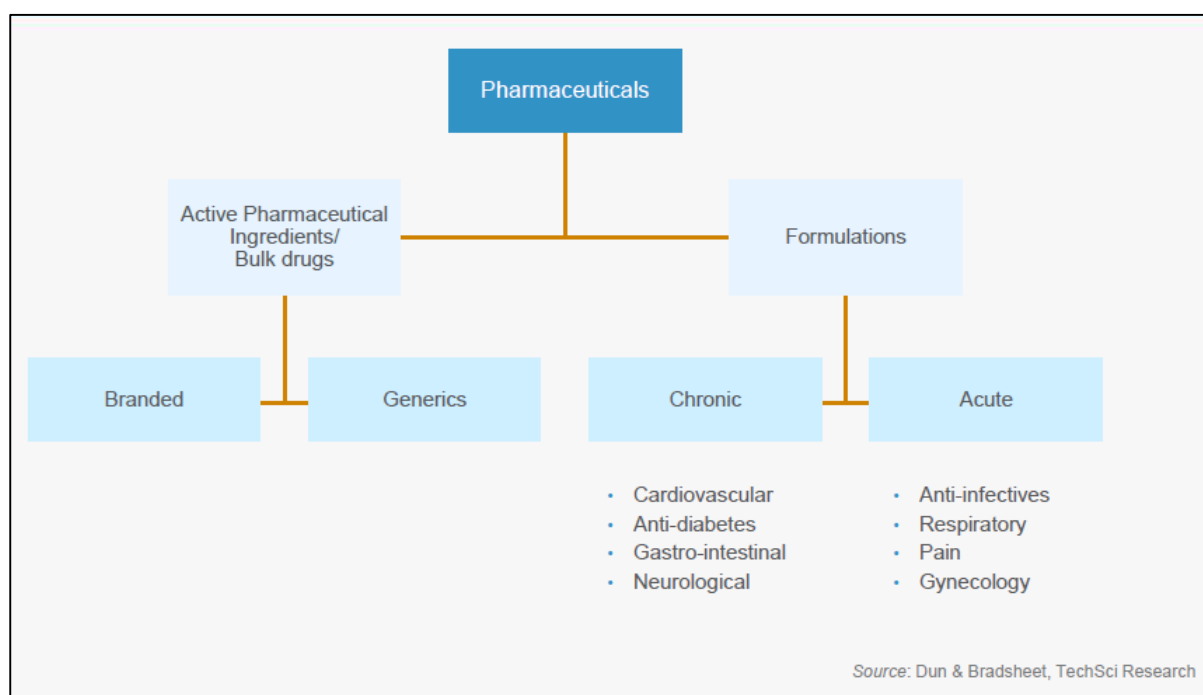
Note:- According to a study by UBM India, the Indian arm of London-based media and events company; @ - According to India Ratings (a Fitch company); # - according to Assocham and TechSci Research
(Source: *Indian Pharmaceuticals Industry Analysis - India Brand Equity Foundation* - www.ibef.org)

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.

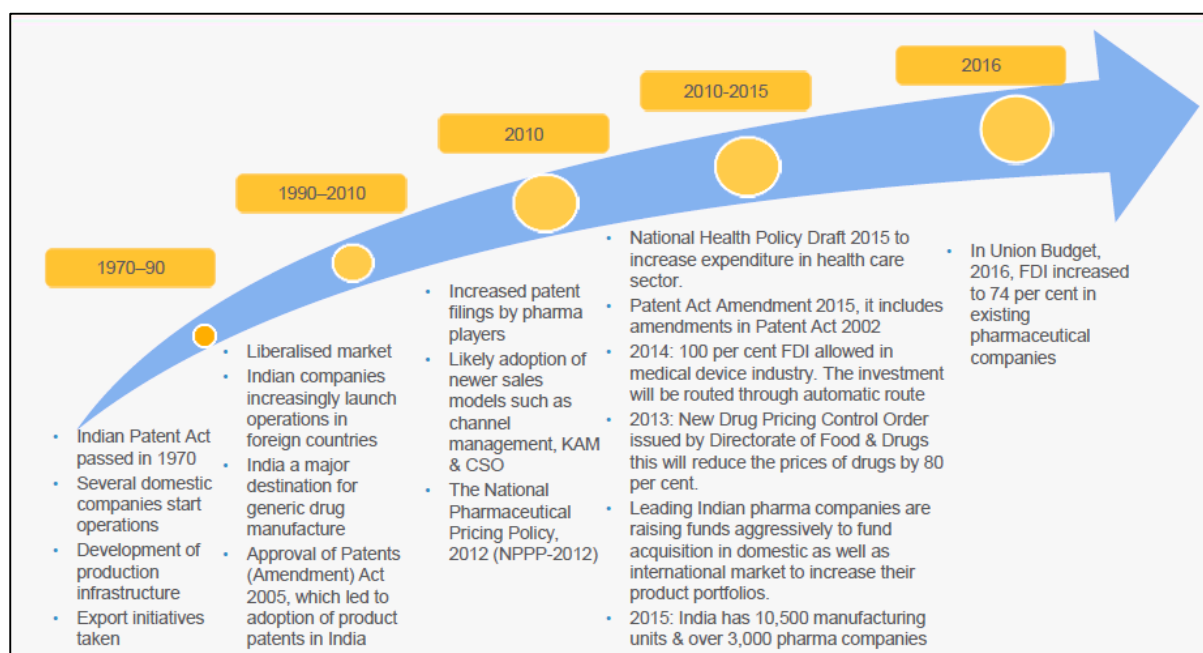
(Source: *Pharmaceuticals May 2017 - India Brand Equity Foundation* - www.ibef.org)

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

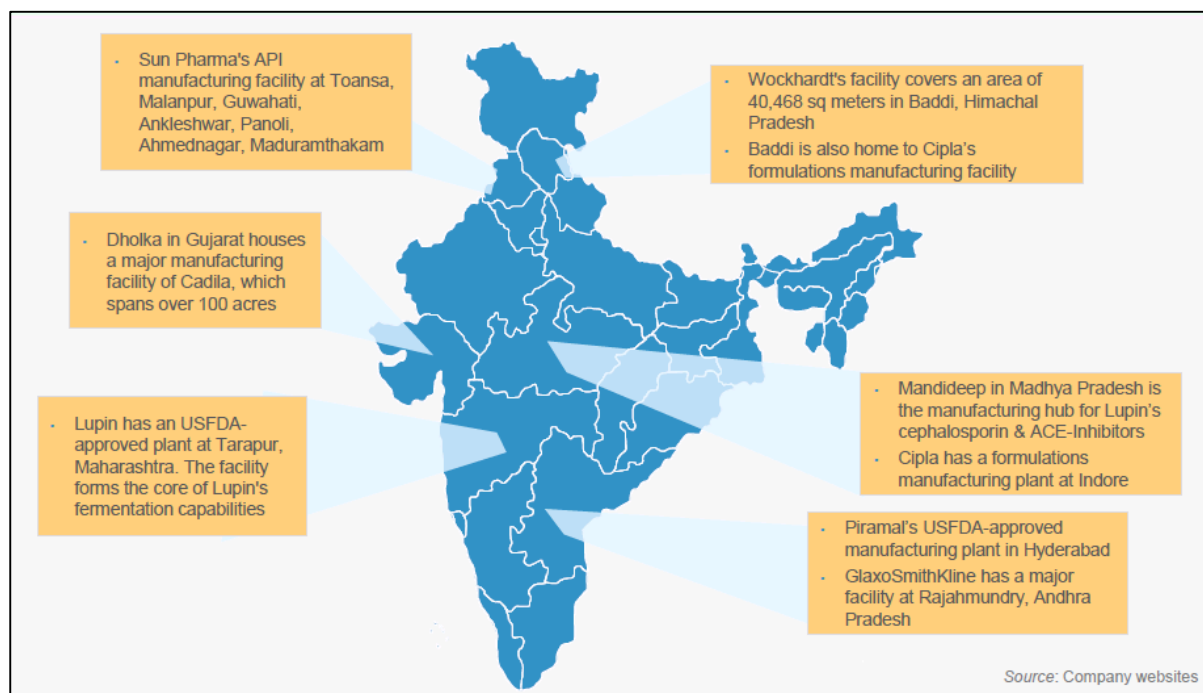
The introduction of product patents in India in 2005 gave a boost to the discovery of new drugs. India reiterated its commitment to IP protection following the introduction of product patents. In December 2016, Suven Life Sciences was granted product patent for the treatment of neurodegenerative diseases.

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)

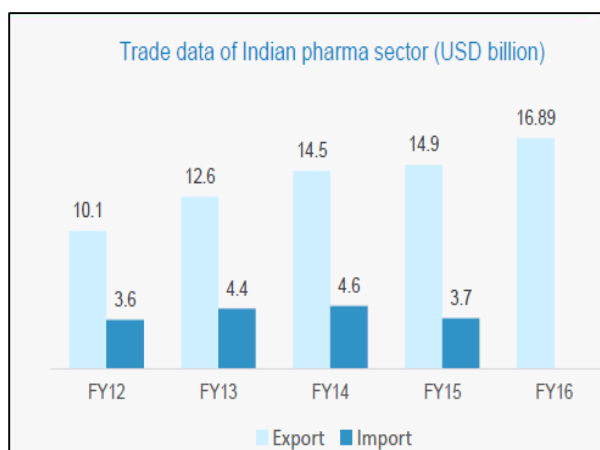
STATES HOSTING KEY PHARMACEUTICAL VENTURES



(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).

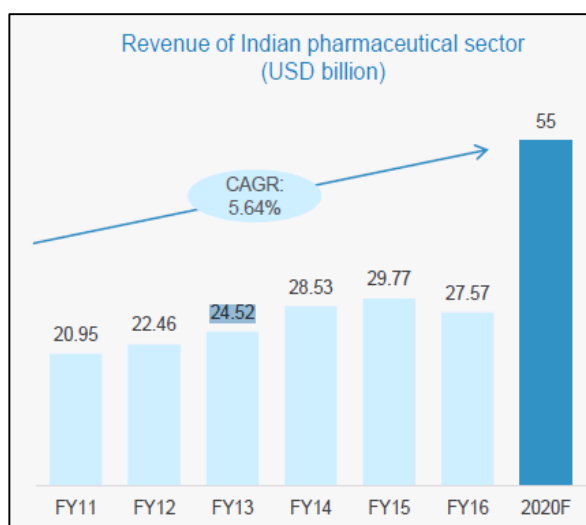


(Source: Pharmaceuticals May 2017 - India Brand Equity Foundation - www.ibef.org)

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

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the chapter titled “Forward-Looking Statements” beginning on page 24 of this DRHP, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ended March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this DRHP, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on pages 25 and 234, respectively.

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

OVERVIEW

Incorporated in 1994, we are an ISO 9001:2015 certified Company engaged in the development and manufacturing of pharmaceutical formulations, nutraceutical formulations and marketing of cosmetic and skin care products. Our core strength lies in developing and manufacturing a variety of pharmaceutical and nutraceutical products at our own manufacturing facilities situated in Himachal Pradesh, which we commercialize through our wide franchisee network across various states of the country. We are present in various areas such as Anti-Hypertensive formulations, Cardio-Vascular pharmaceutical formulations, Antibiotics, Anti-Malarials, Anti-Histamine drugs, etc. We deal in cosmetics range and skin care products through our brand Mutrela. Further with the growing demand for nutraceutical products, we offer a range of such products which deals in haircare supplements, joint pains & rheumatics and arthritis supplements, eye care supplements, etc.

We operate both in domestic and international markets. In domestic markets, we have ensured to have our presence spread throughout the country and have achieved the same by supplying in 28 states and 4 union territories through our franchisee network of more than 450 franchisees with a product range of more than 475 products comprising of pharmaceutical products, cosmetics and nutraceutical products. To develop our export operations, we have made 28 applications for registration of our pharmaceutical products/medicines out of which 25 applications are registered in Myanmar and 3 are registered in Guatemala and Jordan. Currently out of 25 applications registered in Myanmar, 6 applications have expired, for which we have applied for renewal and are currently pending. At present, for our export operations we get the products manufactured from third parties approved by the importing country. We have been mainly engaged in deemed export until recently wherein we have started direct exports in three countries viz. Sri Lanka, Nepal and Afghanistan. For the year period ended December 31, 2017, our domestic and export operations (both direct and deemed) contributed 94.01% and 5.99% respectively of our total revenue from operations and for the year ended March 31, 2017, our domestic and export operations (both direct and deemed) contributed 97.62% and 2.38% respectively of our total revenue from operations.

Our business operations are supported by two manufacturing facilities located in Baddi, Himachal Pradesh engaged in manufacturing of formulations. Unit I is situated at Dharampur, Baddi, Himachal Pradesh, spread over an area of 5,512 sq. mtr. whereas Unit II is situated at Plot no. 2, Exl HPSIDC, Baddi, Himachal Pradesh spread over an area of 572 sq. mtr. . Currently, we manufacture tablets, capsules, oral syrups, dry syrups at Unit I and tablets and capsules at Unit II. We believe that each of

our facilities is designed, equipped and operated to deliver quality products within defined cost and delivery schedules. Our both units are GMP certified (currently under renewal process) and our products conform to FSSAI standards.

The backbone of our revenue from operations is our distribution network and our marketing team. At present, we operate through franchisee network marketing strategy wherein we have entered into more than 450 franchise agreements. Such franchisee markets products under our brand of Company, thereby leveraging our brand value. This marketing strategy also helps us to increase our reach in many cities of India. After taking franchise of products, our distributor takes care of marketing, distribution and selling of those products in that area. We have also set up our own portal for commercialisation of our cosmeceutical products and their distribution through e-commerce. The online portal for e-commerce is <https://www.murtelacosmetics.com/> Further we have also tie-up with the leading e-commerce company for marketing of few range of our products. In addition to manufacturing and supplying for our own products, we also manufacture for certain third parties in domestic markets.

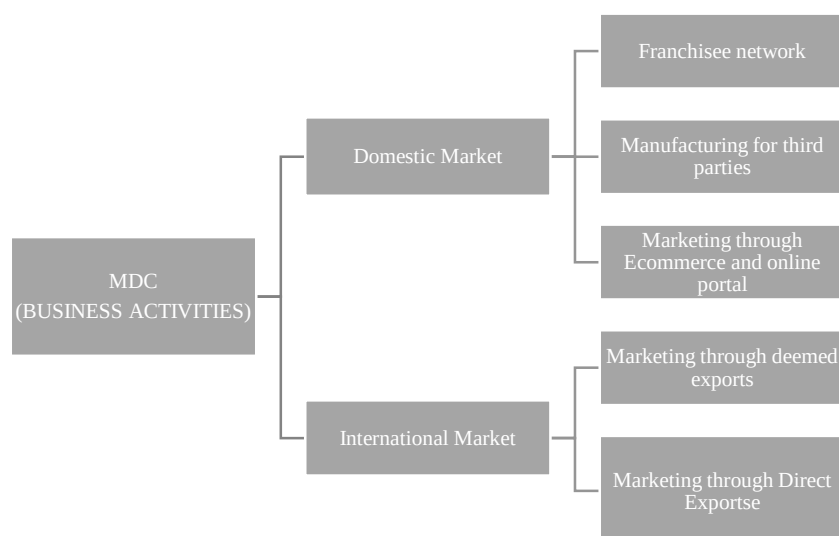
Our journey began with our promoters viz. Parvinder Singh Gulati, Gurmeet Singh Narula and Sham Lal Singla who have been the pillars of our growth since inception. Driven by passion for building an integrated pharmaceutical company, backed by their more than two decades of individual experience, our Promoters have built the values system of our Company. With their enriching experience and progressive thinking, we aim to continue grow in the pharmaceutical industry in India and abroad.

We have been bestowed upon with few accolades as mentioned below:

- In 2012, Pharma excellency Award by Government of Himachal Pradesh
- In 2016, Award for outstanding contribution by Pharma cum food technical institute.

From FY 2012-13 to FY 2016-17, as per our Restated Financial Statements, i) our total revenue has shown growth from Rs. 3,465.40 lakhs to Rs. 4,765.17 lakhs, representing a CAGR of 6.57% ii) our EBITDA has shown growth from Rs. 378.80 lakhs to Rs. 661.15 lakhs, representing a CAGR of 11.78% iii) our profit after tax has shown growth from Rs. 92.69 lakhs to a profit of Rs. 292.57 lakhs representing a CAGR of 25.83% and iv) our Return on networth has shown a growth from 7.53% to 15.59%. Our restated total revenue, EBITDA and profit after tax for the nine months ended December 31, 2017 was Rs. 3,767.02 lakhs, Rs. 797.35 lakhs and Rs. 486.04 lakhs respectively, with an EBITDA margin of 21.17% and PAT margin of 12.90%. Our RONW for the period ended December 31, 2017 was 21.22%.

OUR BUSINESS STRUCTURE

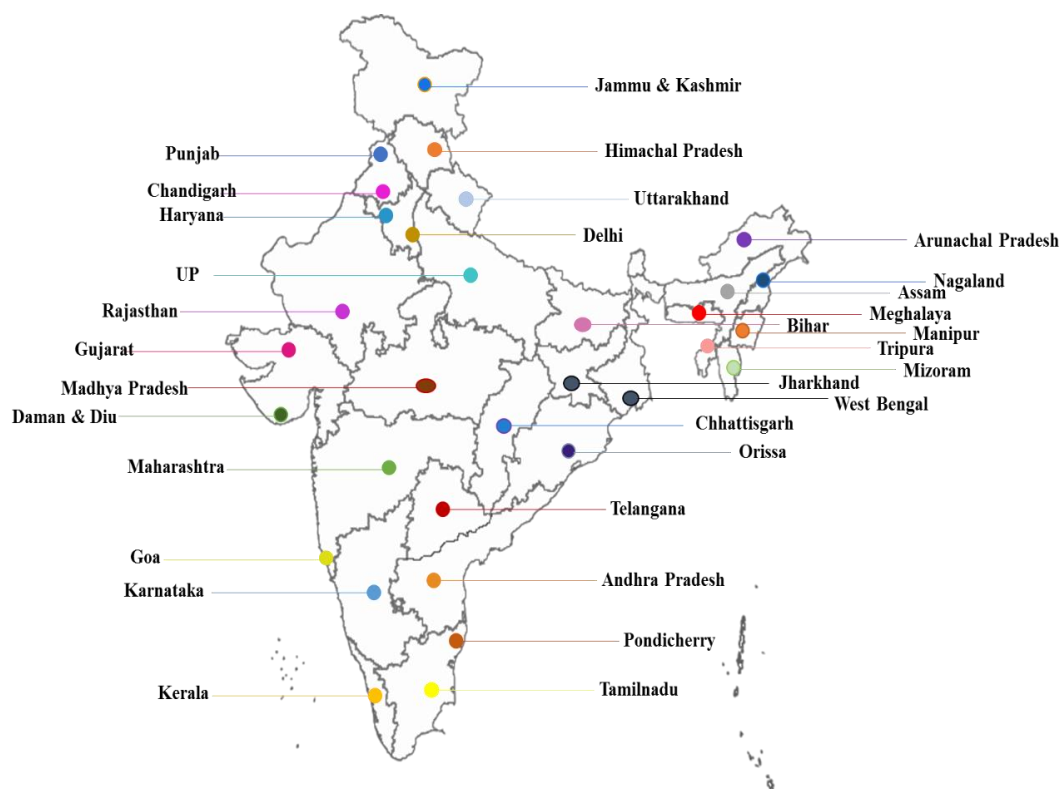


For domestic markets, we are manufacturing pharmaceutical and nutraceutical products. Further we are engaged in marketing of cosmeceutical products which we are getting manufactured from third parties. We market our products through a) franchisee network which is spread throughout the country through network of more than 450 franchisees with a product range of more than 475 products comprising of pharmaceutical products, cosmetics and nutraceutical products. b) through our own portal for commercialisation of our cosmeceutical products and their distribution through e-commerce. The online portal for e-commerce is <https://www.murtelacosmetics.com/>. Further we have also tie-up with the leading e-commerce company for marketing of few range of our products. We also manufacture products for certain thirds who market such products under their own brands.

At present, for our international markets, we get the products manufactured from third parties approved by the importing country. We have been mainly engaged in deemed export until recently wherein we have started direct exports in three countries viz. Sri Lanka, Nepal and Afghanistan. To develop our export operations, we have made 28 applications for registration of our pharmaceutical products/medicines out of which 25 applications are registered in Myanmar and 3 are registered in Guatemala and Jordan. Currently out of 25 applications registered in Myanmar, 6 applications have expired, for which we have applied for renewal and are currently pending.

OUR PRESENCE IN DOMESTIC MARKETS

We supply in around 28 states and 4 union territories. Based on revenue from operations for the period ended December 31, 2017, our domestic presence is presented below:



COUNTRYWISE EXPORT SALES FOR PERIOD ENDED DECEMBER 31, 2017

Export sale		
Sl.	Country of export	Sale (Rs. in lakhs)
1	Afganistan	179.27
2	Nepal	15.25
3	Sri Lanka	4.52

	Total (A)	199.02
Deemed export sale		
1	Myanmar (Burma)	26.18
	Total (B)	26.18
	Total (A+B)	225.20

FORM OF PRODUCTS MANUFACTURED BY OUR COMPANY

Both our units are dedicated to the manufacture of FDFs (Finished Dosage Formulations)

Tablet	Capsule	Oral syrups	Dry Syrup
A medicine in a tablet form is a dosage which is provided to the patients. It is a solid form of medicine which may contain diluents and prepared by molding or by compression.	A medicine in a Capsule form is a dosage which is provided to the patient. It is in powder form which may contain mixture of two or more medicines and the outer coating is made of gel caps.	An oral solution is a medicine in liquid form for drinking. Mix the oral solution with water and drink it immediately. An oral solution of a medicine is better for patients who don't like swallowing tablets and prefer liquid medications	Dry Syrups are commercial dry mixtures that require the addition of water at the time of dispensing.
			

CATEGORY WISE REVEUNE FOR THE PERIOD ENDED DECEMBER 31, 2017

(Rs. in lakhs)

UNIT	TABLETS	CAPSULES	SYRUPS	DRY SYRUPS	TOTAL
Unit-1	953.29	238.95	805.29	78.30	2,075.82
Unit-2	1068.06	215.33	-	-	1,283.39
Export	25.95	-	-	-	25.95
Others (including credit notes & discount)	-	-	-	-	373.14

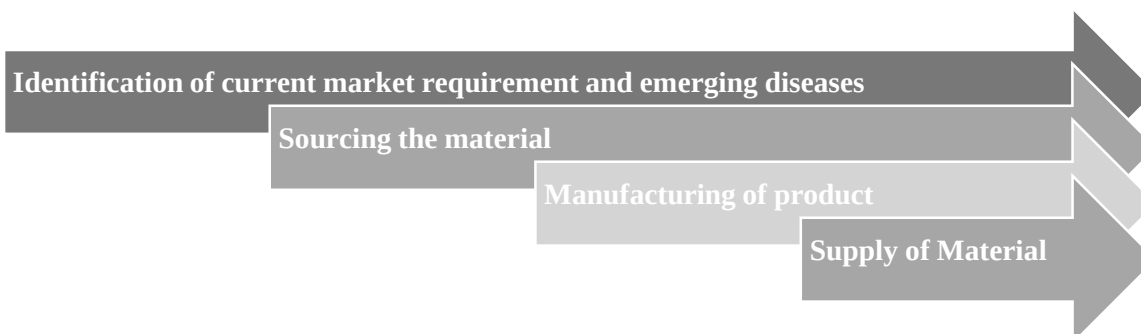
PRODUCT RANGE OF OUR COMPANY

Our Company have diverse product portfolio of Pharmaceutical, nutraceuticals & cosmetic products. Our Company has requisite infrastructure to accommodate stock of every component. The major categories of products dealt in by our Company are as follows:-

Product Areas	Brief Description
Antibiotics	Antibiotics, also called antibacterial, are a type of antimicrobial drug used in the treatment and prevention of bacterial infections
Anti-Malarials	Antimalarial, also known as antimalarial medications, are designed to prevent or cure malaria
Anti-Histamine	A drug or other compound that inhibits the physiological effects of histamine, used especially in the treatment of allergies
Analgesic	An analgesic or painkiller is any member of the group of drugs used to achieve analgesia, relief from pain
Psychiatric Product	A product relating to mental illness or its treatment
Skin Care Products	A product relating treatment of skin related problems
Anti-Hypertensive	Antihypertensive are a class of drugs that are used to treat hypertension (high blood pressure)
Nutraceutical Products	Nutraceutical product is a food or fortified food product that not only supplements the diet but also assists in treating or preventing disease (apart from anemia), so provides medical benefits
Antacid Preparation	Antacid preparations serve to neutralize gastric acid after it is secreted. These still-helpful agents have a continuing role in treating mild, occasional heartburn and supplementing prescription drugs in more severe disease
Calcium Supplements	Calcium is a nutrient that is essential for strong bones. It is a dietary supplement used when the amount of calcium taken in the diet is not enough
Cardiovascular Products	Medicines for diseases relating to the structure and function of the heart and blood vessels

BUSINESS PROCESS

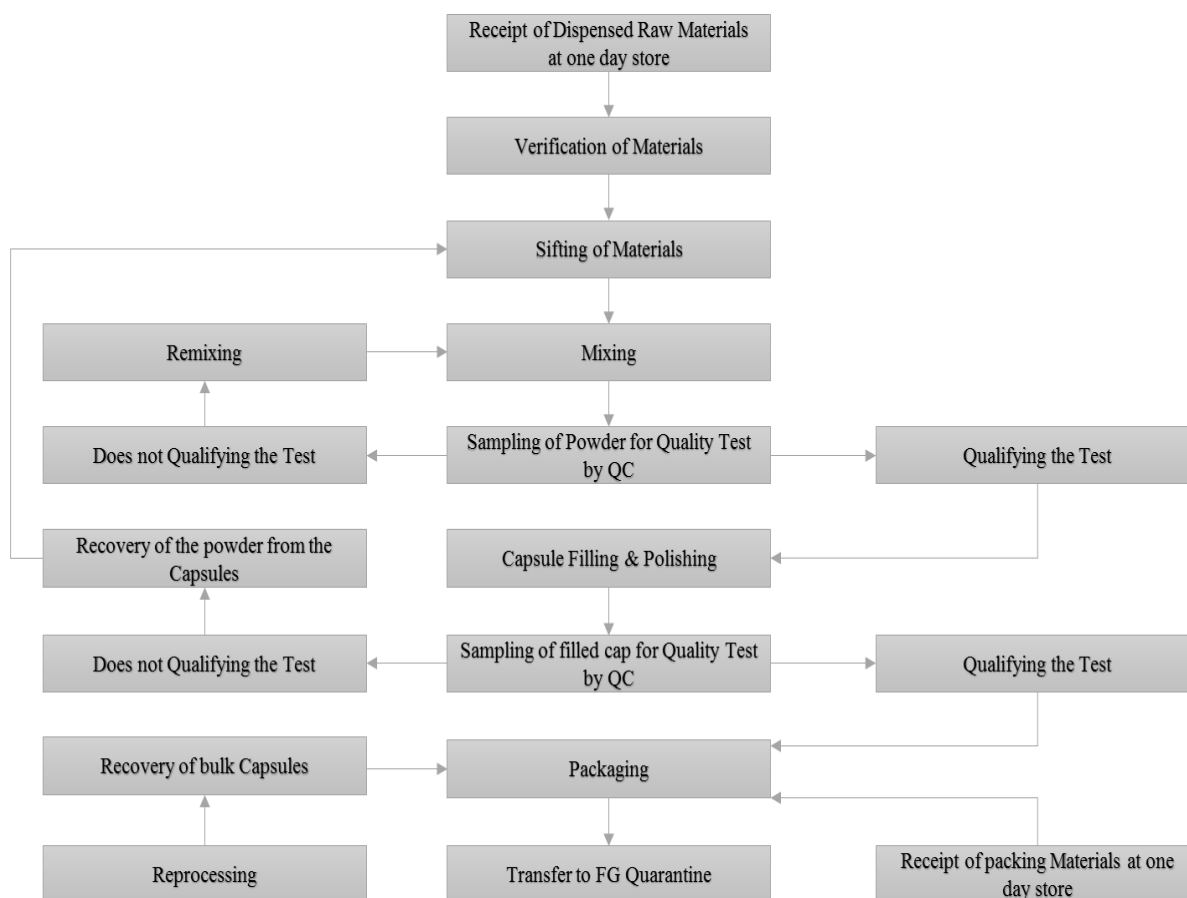
Our business revolves around studying the needs of our clients and supplying products:



MANUFACTURING PROCESS

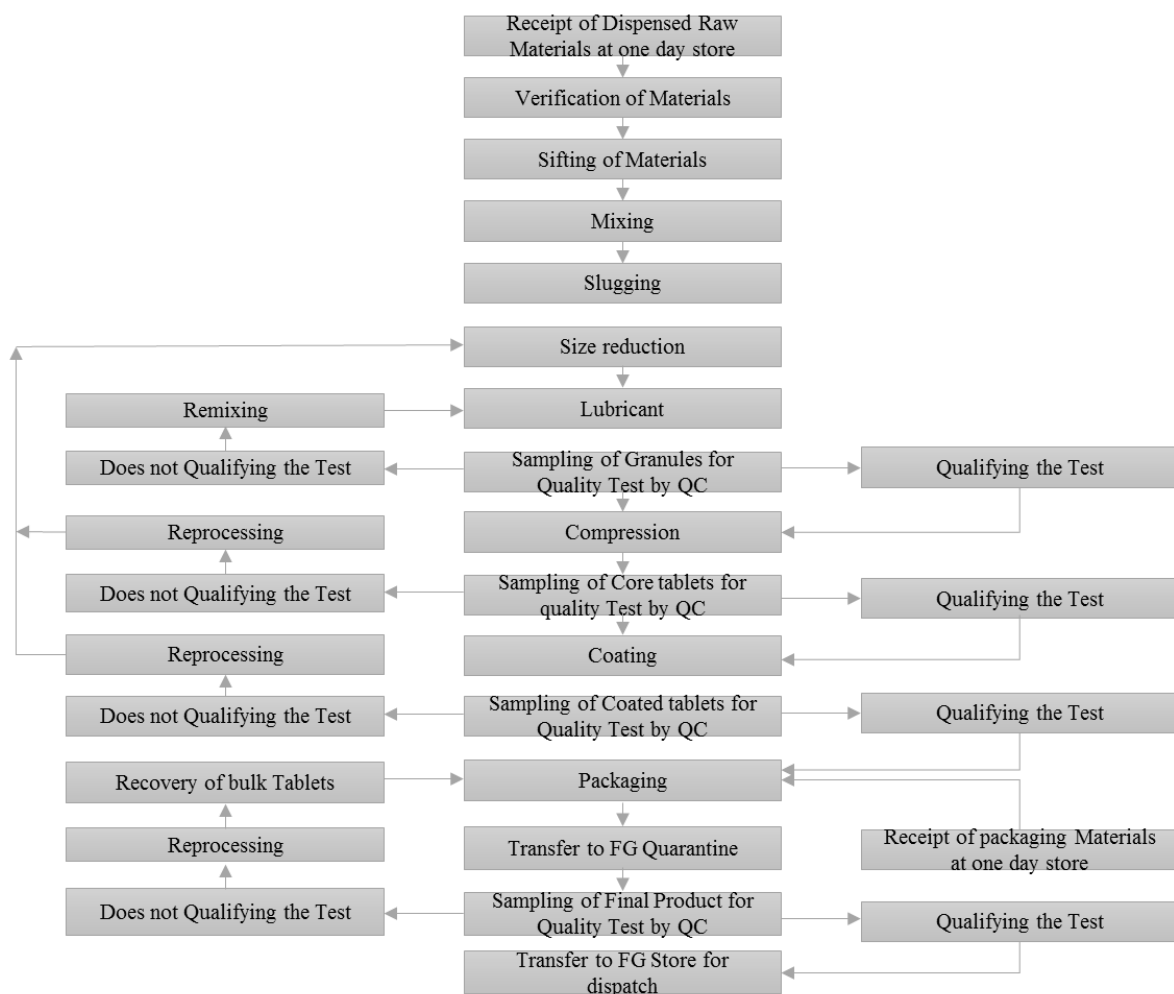
Capsules:

Our Company has automatic capsule filling machine which is suitable for filling powders and pellets. The machine is functional in use as they have capabilities for output and over rules handy operations. Capsule fillers are used to fill gelatin with pre determined quantity powders and pellets. Capsules are normally fed into the machine, the filler then align, opens and accurately fills each capsule and recloses. Fillers generate minimum dust with lowest level of product loss. Non-separated, double loaded capsules and improperly inserted capsules are automatically rejected by machines to maintain the consistency in the quality of product. Most capsule fillers are characterized with fast changeover time to accommodate a variety of capsules in terms of shapes and size. These machines require minimal maintenance and are easy to clean. Also, the installation of speed adjusting equipment and automatic counters ensures the right quantity of capsules being filled and packed.



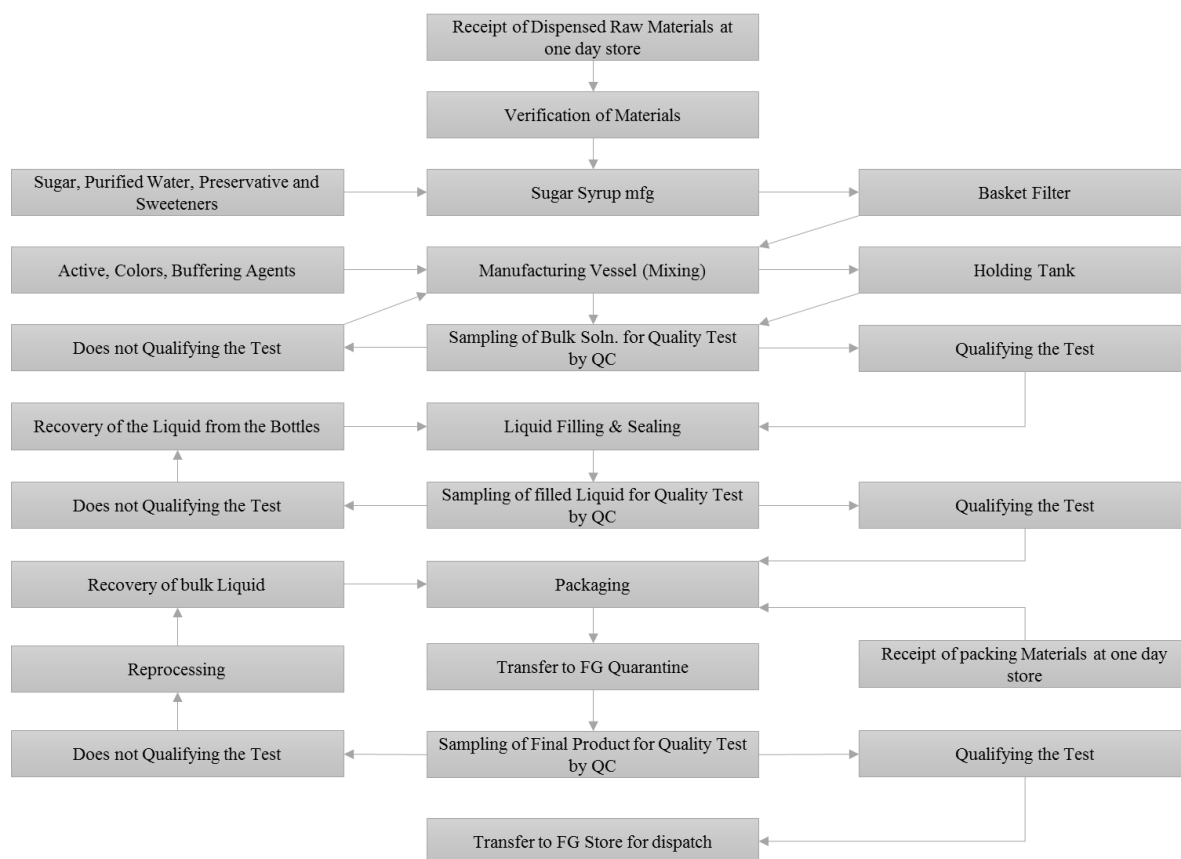
Tablets:

The manufacture of tablets is a complex multi-stage process under which the materials change their physical characteristics a number of times before the final dosage form is produced. The tablets are made by granulation; wet granulation and dry granulation. Regardless of whether tablets are made by direct compression or granulation, the steps of milling and mixing, is the same. Numerous unit processes are involved in making tablets, including particle size reduction and sizing, blending, granulation, drying, compaction, and (frequently) coating. Various factors associated with these processes can seriously affect content uniformity, bioavailability or stability.



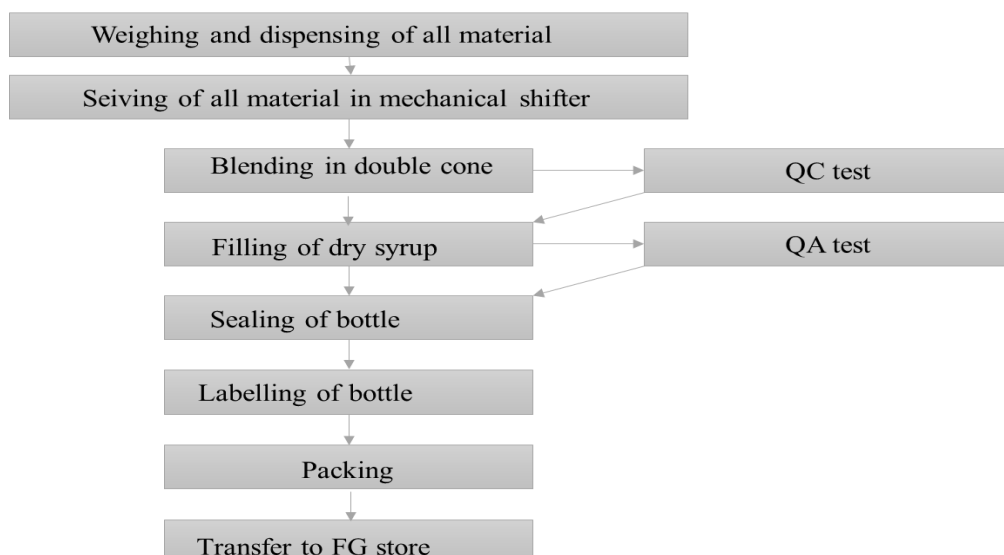
Oral Syrup:

The oral liquid manufacturing process is a batch process. Initially, the raw material goes through a Quality Check (QC) and if approved various Pharmaceutical Ingredients (PI) and Excipients are dispensed for processing. In the tank 1 all the excipients are mixed with the sugar syrup. The mixture of sugar syrup and excipients is taken to the tank 2 where Pharmaceutical Ingredients (PIs) are mixed. The solution from the tank 2 is taken to the co-mill and homogenizer where all the raw materials are mixed uniformly to form a homogeneous solution. This solution is pumped into the tank 3 where it is stored before filling in the bottles. At this stage, a Quality Check is carried out to check various quality-related aspects of the raw materials. If the solution is approved during the quality check, it is taken to the filling section. In the filling section, the bottles are filled as per the requirement where the specified quantity is dispensed by the machine. After filling the bottle, the capping takes place and the bottle is sealed. The sealed bottle is taken for inspection where the bottle is checked for quality related aspects like right amount of liquid filled in the bottle, bottle is air tight and sealed properly, after filling the bottle, the labelling takes place. In labelling section, the various manufacturing details are printed onto the primary pack like batch number, date of manufacturing, maximum retail price of the therapeutic, etc. as required by Food and Drugs Act. Additionally, secondary packing is done for the oral liquids in cardboard boxes and corrugated boxes. The packed oral liquids go through QC for final inspection.



Dry Syrup

Dry syrups which are also known as powder for suspension are dosage forms that contain the medication in powder form. This solid powder should be reconstituted by dissolving or suspending in water before administration. Dry syrup is usually suitable for children and elderly patients because of easy administration. Many antibiotics which are not stable in liquid media for long period can easily supply in this dry form. They are to be reformulated by mixing with certain amount of boiled water and should be use up within certain periods of times which is normally 5 days. The processing steps are also reduced for dry syrup compared to other oral liquids and subsequently reduced cost.



OUR COMPETITIVE STRENGTHS

1. Experienced Promoters and management team

Our Promoters have played a key role in developing our business and we benefit from their significant experience in the pharmaceuticals business. They have an individual experience of more than two decades in pharmaceutical industry. For further details of our Promoter's experience and background, please refer the chapter titled "Our Promoter and Promoter Group" on page no. 221 of this Draft Red Herring Prospectus. We also have a qualified senior management team with experience in the domestic and international pharmaceutical industries, including regulatory affairs, manufacturing, quality control, sales, marketing and finance. We are led by a qualified and experienced management team that we believe has the expertise and vision to manage and grow our business. We believe that the pharmaceutical industry domain knowledge and experience of our Promoters and our management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new geographies.

2. Focus on Quality Assurance

We believe quality is a key differentiator in our business and thus we have adopted uniform manufacturing standards across both our facilities to achieve standardized product quality for all our markets. Our manufacturing units abide by the GMP guidelines to meet quality standards for manufacture and supply of products. Our products undergo quality check at various levels of production to ensure that any quality defects or product errors are rectified on real time basis. We also have an in-house laboratory for conducting various tests for further improvements in our products. Since we also deal in food supplements, our required products also meet FSSAI standards. We are also ISO certified company for our products. We have quality policy to improve quality management system. We have been bestowed upon with few accolades in the past such as Award for outstanding contribution by Pharma cum food technical institute in 2012, Pharma excellency Award by Government of Himachal Pradesh in 2016. We believe that such certifications and accreditations would allow us to market our products well. We have recruited skilled and dedicated pharmaceutical as well as technical professionals who follow stringent standards of production to assure quality products.

3. Widespread distribution channel through franchisee network strategy across various states.

Our aim to adopt franchisee model for distribution is to provide buyers with products of appropriate quality in appropriate time, place at an attractive pricing. We have ensured to have our presence spread throughout the country and have achieved the same by supplying in 28 states and 4 union territories through our more than 450 franchisee network with product range of more than 475 products comprising of pharmaceutical products, cosmetics and nutraceutical products. Our widespread domestic presence

not only mitigates the risk of dependence on few regions but also helps us to leverage our brand value. We have recently explored sale of products through e-commerce medium. We have entered into contract with different party (the franchisee) not only to use our brand, but also to obtain products, services and support from the franchisor. We have developed a brand image owing to our franchisee network.

4. *Wide and diverse range of product offerings*

Our Company has product portfolio of more than 475 products comprising of pharmaceutical products, cosmetics and nutraceutical products. At present, we are supplying products in capsules, tablets, oral syrups and dry syrup form. We propose to enhance our product basket by manufacturing soft gels as well. Our products are used as antibiotics, anti malarials, skincare, calcium supplements, for cardiovascular diseases, etc. which enabled us to widen our reach and end consumers. We also manufacture products on the basis of needs and requirements in the market. We believe that we have necessary resources, experience and network to launch additional products in future. With an operating history of more than two decades, we are primarily known for our range of formulations.

BUSINESS STRATEGY

We intend to strengthen our position in India and further expand our operations internationally in regulated and semi-regulated markets in order to achieve long-term sustainable growth and increase brand value. Our principal strategies and initiatives to achieve these objectives are set out below:

1. *Expanding our nutraceutical product basket with installation of Soft Gel Encapsulation machineries*

At present, our product range comprises of pharmaceutical formulations, nutraceutical products and cosmetic and skincare products. We mainly sell nutraceutical products in the form of tablets, capsules and syrups. We intend to enhance our nutraceutical product range by developing soft gel capsules. We propose to install new plant & machineries for soft gel encapsulation at our Unit II, situated at Baddi through utilization of Net Proceeds. We believe such installation shall create an installed capacity of around 1200 lakhs capsules. We aim to complete the said installation by March 2019 and start commercial production of soft gel capsules by May 2019. For further details, please refer the chapter titled "Objects of the Issue" beginning on page 114 of the Draft Red Herring Prospectus.

2. *Focus on increasing our global sales*

Our Company has been serving international markets through deemed exports. We have recently also started directly exporting our products in some countries. For the year ended March 31, 2017 and for the nine months ended December 31, 2017, our revenue from deemed and direct exports contributed 2.38% and 5.99% respectively of our total revenue from operations. To develop our export operations, we have made 28 applications for registration of our pharmaceutical products/medicines out of which 25 applications are registered in Myanmar and 3 are registered in Guatemala and Jordan. Currently out of 25 applications registered in Myanmar, 6 applications have expired, for which we have applied for renewal and are currently pending. In the near future we intend to continue to grow our sales particularly in Myanmar, Sri Lanka, Nepal Afghanistan, Guatemala, Jordan and Uzbekistan by aggressively registering our remaining products in these markets. Our growth strategy will vary from country to country depending on applicable regulatory requirements. Our broad strategic initiatives for key international markets include establishing our presence in developed or emerging Asian markets and developing a robust product basket to support the growth in our existing markets. In the future, we may either engage with companies with strong local presence or alternatively appoint local distributors through whom we can undertake our own sales and marketing.

3. *Making our existing manufacturing units compliant with WHO GMP guidelines*

Currently, our manufacturing units abide by GMP guidelines (our license is under renewal). We aim to upgrade our existing manufacturing units so as to make them compliant with WHO GMP guidelines. In this connection, we are proposing to upgrade our AHU unit by installing the necessary equipments and machineries. Our management is also looking into the other compliances required in this direction

and shall take the necessary actions. For further details, please refer the chapter titled “Objects of the Issue” beginning on page 114 of the DRHP.

4. *Increasing Operational efficiency*

We will continue to invest in increasing our operational efficiency throughout the organization. We are addressing the increase in operational output through continuous process improvement, quality check, and technology development. We continue to further develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels. We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control.

5. *Pursuing value added acquisitions and expanding through strategic investments*

Our aim to provide a broad range of products may require a wide array of technologies and capabilities. The rapid pace of technological development in the pharmaceuticals industry, specialized expertise required in different areas of medicine and the process of bringing a product from development to market make it difficult for us to grow our business only organically. Therefore, in addition to organic growth through our R&D efforts, we continue to explore acquisition targets to grow our business by unlocking potential efficiency and synergy benefits. Where appropriate and advantageous for our business, we intend to selectively pursue opportunities that will strengthen our market position, enhance our technical capabilities, increase our sales, marketing and distribution network, customers and geographical reach.

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 franchisee network that are associated with our Company. Our team through their vast experience and good rapport with such franchisee network and other customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. We believe our relationship with our customers is strong and established as we receive repeated orders. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of customers.

RAW MATERIALS

Our manufacturing processes require a wide variety of raw materials like APIs and excipients. For our varied products range of pharmaceutical formulations, we require different APIs viz. Amoxycillin, Cefixime, Cefpodoxime, Cefuroxime, Clavulanate, Atorvastatin, Rosuvastatin, Cilnidipine, etc. and different excipients viz. starch DP, MCCP plain, Calcium C.M.C, Talcom, Gelatin, C.C. sodium etc.

For our nutraceutical products, we generally require coenzyme q10, L-carnatine Biotin and all segments of Vitamins A, C, Vit, B1, B2, B6, B12, Methylcobalamine, Omega-3 fatty acid, alpha lipoic acid, amino acids, lycopene, Beta carotene, Grape seeds extract, green tea extract, collagen peptide, Sodium Hyaluronate, Chondroitin sulphate, folic acid, calcium pantothenate, para amino benzoic acid (PABA) and various type of Micro nutrients & trace elements. We also require primary packaging materials (such as primary, printed and other materials) which includes glass bottles, pet bottles, glass vials, glass ampoules printed labels, printed cartons etc., and services from good manufacturing practices service providers. Further at present we are outsourcing manufacturing of our cosmetic and skincare products. We purchase these raw materials from a list of sources that we maintain, after a quality assurance approval which has been approved by our internal quality control department process as well as by our customers.

We follow the following procedures prior to approving any vendor:

- We ensure that the raw materials are produced and supplied according to the quality standards specified and also that the vendor is able to maintain the same standard of quality for all its supplies;
- This is done by conducting a risk assessment in relation to the vendor to reduce the risk with respect to finished product formulation to ensure that regulatory and legal requirements are complied with, and identifying any potential for improvement; and

We obtain majority of our raw materials in India from Maharashtra, Gujarat, Delhi, Himachal Pradesh, Punjab among other states. Generally, there are multiple sources that can supply the raw materials that we require. Our raw material sourcing is not dependent on a single source of supply and we have access to alternate sources for our procurement of raw materials.

EXPORT AND EXPORT OBLIGATIONS

As on the date of filing of this Draft Red Herring Prospectus, Our Company does not have any export obligation.

UTILITIES & INFRASTRUCTURE

Infrastructure Facilities

Our registered office, manufacturing utilities and warehouse are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

All our facilities are equipped with requisite utilities and infrastructure including the following:

Power

We have arrangements for regular power supply at our factory premises, registered office and warehouse. At our registered office we meet our power requirements by purchasing electricity from Union Territory, Chandigarh Electricity Department. The current sanction limit provided to us is 58.933 KVAH.

At both our manufacturing utilities we meet our power requirements by purchasing electricity from Himachal Pradesh State electricity Board. The current sanction limit provided at our Unit I is 94.50 kW and at Unit II is 490.00 kW. We also have DG set to meet with any contingencies.

At our warehouse we meet our power requirements by purchasing electricity from Himachal Pradesh State electricity Board.

Boiler

At one of our manufacturing unit situated at PLOT/PHASE No. 2, Ext. HPSIDC, Industrial Area, Baddi, Distt. Solan, (HP) , Baddi – 173205, we have boiler of 20 mts. of 200kg with consumption limit of 70 ltr.

Water

Our registered office and warehouse has adequate water supply arrangements for human consumption and sanitation purpose which is supplied by local bodies. Our manufacturing unit's current water requirement is for carrying out manufacturing operations, human consumption and general needs of the employees. Water requirement at unit-1 is met by bore well water and at Unit-II is met by the Himachal Pradesh state Industrial Development Corporation Ltd. As high purity water is used in the pharmaceutical industry, our Company has installed water purification / processing system which ensures required purity of the water.

Air Handling Unit

The Air Handling System is installed to maintain the temperature within both our manufacturing premises which includes climatic conditions, humidity controlled by dehumidifier, air flow etc. Clean

Room AHU's are provided with appropriate pre-filters and terminal High Efficiency Particulate (HEPA) Air Filters. The clean rooms are maintained at appropriate air pressures to avoid contaminations and relative humidity. We further propose to upgrade our existing AHU at Unit I in accordance with WHO GMP guidelines and set-up AHU at Unit II for soft gel manufacturing. For details, refer the chapter titled "Objects of the Issue" beginning on page 114 of the DRHP.

PLANT & MACHINERY

Our Company is proposing to enter into soft gel encapsulation by installing new plant & machineries at our Unit II situated at Baddi, Himachal Pradesh. The detailed list of plant & machinery to be acquired by the company provided by M/s. Sky Softgel Co. Ltd. vide proforma invoice No. IDMD180516T dated May 16, 2018 is as under:-

No	Description	Quantity	Total amount (Rs. In Lakhs)*
A. Softgel Equipment			
1	Softgel encapsulation machine (SS-100T)	1	146.51
2	Double Deck In-line Tumbling Dryer (2buckets x 2 levels)	1	65.11
3	Die roll change parts (OB#16)	1	Included
3-1	Additional Die roll change parts (OB#17, OV#7, 10, 16, RO#4)	10	56.98
4	Medicine transfer pump (Peristaltic)	1	4.07
5	Spare parts for two years	1	2.44
B. Gelatin Preparation Equipment			
1	Gelatin melting tank (600ℓ × 2 tank)	1	65.11
2	Gelatin service tank (200ℓ)	5	28.49
C. Medicine Preparation Equipment			
1	Medicine service tank (200ℓ)	4	19.53
2	Colloid Stone Mill included one spare stone set	1	20.35
3	Homo & Vacuum Mixer (200ℓ)	1	34.19
4	Vibrator (200ℓ) with scrapper	1	4.75
D. Drying Equipment			
1	Capsule dry tray (PPE)	8000	97.67
2	Capsule dry trailer	150	18.31
1	DQ/IQ/OQ Protocol	1	4.07
EX-WORKS PRICE			567.58
1	Export packing and Local transport		6.10
2	Installation and commissioning charge		3.39
TOTAL FOB KOREAN PORT, KOREA			577.08

Note1: Freight and insurance charges of Rs. 10.20 lakhs is estimated for bring the machineries from Korea to Delhi.

Note 2: In case of imported machineries, exchange rate of conversion is taken as RBI reference rate as on the date of the quotation for the particular currency. RBI rate of conversion used for Dollar is 1 USD = Rs. 67.8276 as on 16.05.2018.

Air Handling Systems

The Company proposes to acquire Air handling systems at an estimated cost of about Rs. 100.60 lakhs. The detailed list of AHU cum dehumidifiers to be acquired by the company provided by M/s. Rehoboth Enviro Systems dated May 10, 2018 is as under:

Sr. No.	Description AHU Cum dehumidifiers	Model	Qty	Unit Price (Rs. in Lakhs)	Total Price (Rs. in Lakhs)
1	For Encapsulation				
	Rehoboth make AHU cum DEH model RDS 420 (DEH capacity - 4200 cmh or 2520 cfm, fresh air qty – 250 cfm, supply air qty – 4800 cfm) along with fine filter – Reactivation will be 100% electrical heaters.	RDS-420 (2520 cfm)	1	17.50	17.50
2	For Encapsulation 2				
	Rehoboth make AHU cum DEH model RDS 420 (DEH capacity - 4200 cmh or 2520 cfm, fresh air qty – 250 cfm, supply air qty – 4800 cfm) along with fine filter – Reactivation will be 100% electrical heaters.	RDS-420 (2520 cfm)	1	17.50	17.50
3	For Drying 1 area				
	10 lakhs capsules to be dried in 36 hours Rehoboth make AHU cum DEH model RDS 420 (DEH capacity - 4200 cmh or 2520 cfm, supply air qty – 5000 cfm) along with fine filter – Reactivation will be 100% electrical heaters.	RDS-420 (2520 cfm)	1	17.50	17.50
4	For drying 2 area				
	10 lakhs capsules to be dried in 36 hours Rehoboth make AHU cum DEH model RDS 420 (DEH capacity - 4200 cmh or 2520 cfm, supply air qty – 5000 cfm) along with fine filter – Reactivation will be 100% electrical heaters.	RDS-420 (2520 cfm)	1	17.50	17.50
5	For Soft Gel Packing – 1 Area				
	Rehoboth make AHU cum DEH model RDS 200 (DEH capacity - 2000 cmh or 1200 cfm) fresh air qty-150, supply air qty – 4000 cfm) along with fine filter – Reactivation will be 100% electrical heaters.	RDS-200 (1200 cfm)	1	15.00	15.00

Sr. No.	Description AHU Cum dehumidifiers	Model	Qty	Unit Price (Rs. in Lakhs)	Total Price (Rs. in Lakhs)
6	For Soft Gel Packing – 2 Area				
	Rehoboth make AHU cum DEH model RDS 200 (DEH capacity - 2000 cmh or 1200 cfm) fresh air qty-150, supply air qty – 4000 cfm) along with fine filter – Reactivation will be 100% electrical heaters.	RDS-200 (1200 cfm)	1	15.00	15.00
	TOTAL				100.00
	Supervision of erection and commissioning charges		6 units		0.60

Setting up of HVAC, clean room panels, electrification, civil and other related work

The estimated costs for setting up of HVAC, clean room panels, electrification, civil and other related work is Rs. 289.00 lakhs. The estimated costs is as per quotation provided by M/s. Hexakore techno Build LLP vide offer No. HEXAKORE/MDc/003 dated May 16, 2018 is as under:

Sr. No	Description	Supply	Installation	Total
1	HVAC	79.44	5.17	84.61
2	Modular Panels & Civil	61.19	5.00	66.19
3	Electrical	27.45	6.00	33.45
4	Utilities and Equipments	74.75	0.00	74.75
5	Project Management	30.00	0.00	30.00
	TOTAL			289.00

As on the date of the DRHP, we are yet to place order for 100% of the plant & machineries worth Rs. 587.28 lakhs, Air handling systems worth Rs. 100.60 lakhs and setting up of HVAC, clean room panels, etc. estimated at Rs. 289.00 lakhs

CAPACITY AND CAPACITY UTILISATION

We have two manufacturing units located at Baddi, Himachal Pradesh of which Unit I is currently into manufacturing of capsules, tablets, oral syrups and dry syrups and Unit II is into manufacturing of capsules and tablets. The combined production and utilized capacities of our Company for these products for the past three years and also the projected capacities and utilizations for the subsequent three years are set forth in the following tables:

Past Capacity:

(Units in lakhs)

Sr. No.	Particulars	Installed Capacity*	Units (In lakhs)	Utilization					
				2015-16	2015-16 (%)	2016-17	2016-17 (%)	2017-18	2017-18 (%)
1.	Tablets	5300	Nos.	2047	38.62%	2034	38.38%	1921.20	36.25%
2.	Capsules	2300	Nos.	324	14.09%	243	10.57%	597	25.96%
3.	Syrups	150	Bottles	59.73	39.82%	51.34	34.23%	62.04	41.36%
4.	Dry Syrups	60	Bottles	8.87	14.78%	4.32	7.20%	6.23	10.38%

Proposed Capacity

(Units in lakhs)

	Particulars	Installed Capacity	Units	Utilization					
				2018-19	2018-19 (%)	2019-20	2019-20 (%)	2020-21	2020-21 (%)
1.	Tablets	5300	Nos.	2175.44	41.05%	2535.95	47.85%	2789.52	52.64%

2.	Capsules**	3500	Nos.	717.12	31.18%	824.69	23.56%	948.39	41.23%
3.	Syrups	150	Bottles	74.45	49.63%	85.61	57.07%	98.45	65.63%
4.	Dry Syrups	60	Bottles	7.47	12.45%	8.59	14.32%	9.87	16.45%

*The above data is based on management estimates.

**We are proposing to increase the installed capacity of capsules by setting up a new soft get Encapsulation plant at our Unit II, situated at Baddi lakhs through utilization of Net Proceeds. We believe such installation shall create an installed capacity of around 1200 lakhs capsules. Further the installation is estimated to complete by March 2019. For further details please refer to chapter titled “Objects of the Issue” on page 114 of this DRHP.

COLLABORATIONS

As on date of this Draft Red Herring Prospectus, our Company has not entered into any 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 December 31, 2017, we have 186 employees at our manufacturing facilities. These employees look after our manufacturing operations including production, quality controls, technical and engineering support services, stores and administration. We also employ casual or temporary labour on need basis. Further at our registered office we have 49 employees. These employees look after sales & marketing, administration, accounting, secretarial and other functions. All these employees are guided and supervised by our directors. 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 strong 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. We maintain safety standards at our facilities to ensure that none of our employees are exposed to any hazards.

COMPETITION

The pharmaceutical industry is characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary drugs. We face potential competition from many different sources, from both organized and unorganized sector including major pharmaceutical, governmental agencies and public and private research institutions. Any drug that we successfully develop and commercialize will compete with existing treatments and new treatments that may become available in the future.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, more convenient, less expensive or with a more favorable label than ours or any other drug that we may develop. Our competitors also may obtain other regulatory approvals for their drugs more rapidly than we may obtain approval for our drug, which could result in our competitors establishing a strong market position before we are able to enter the market. Many of the companies against which we are competing, or against which we may compete in the future, have significantly greater financial resources and expertise in research and development, manufacturing, obtaining regulatory approvals and marketing approved drugs than we do.

Our competitors in India include Gufic Biosciences Limited, Jenburkt Pharmaceuticals Limited, Jagsonpal Pharmaceuticals Limited and Zota Healthcare Limited, among others. In our export markets, we compete with local companies, multinational corporations and companies from other emerging markets.

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. We have taken Fire floater Policy for a substantial majority of our assets at both our Factory Units and third party office in Faridabad from where we export our products to international market. These policies also insure us against the risk of earthquakes (fire and shock). We also have a Burglary Policy that covers our products stocked at our Factory and third party office in Faridabad. We believe that our insurance coverage is adequate for our business needs and operations. We have Workmen Compensation policy to secure our workers against any accidents or mishaps. 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.	Property description	Activity carried on by the Company	Vendor	Consideration excluding stamp duty charges (Amt, in Rs.)
1.	Plot No. 2- EXT, Industrial Area, Baddi, Dist Solan, Himachal Pradesh	Factory Premises	Himachal Pradesh State Industrial Development Corporation Limited	Rs. 28,37,730/-
2.	Janta Industrial Estate, Sector 82, S.A.S nagar (Mohali) Tehsil & District *	Corporate office to be developed with IPO proceeds, for further details please refer chapter titled “Objects of the Issue” on page No. 114 of this DRHP	B. D. Wire Allied Industries	Rs.1,50,00,000
3.	No.197 Pargana, Dharampur, Tehsil Nalagarh Baddi Himachal Pradesh Sai Road, Baddi, Himachal Pradesh	Factory Premises	Babu Ram	Rs. 7,18,500

**Our Company owns 60% of share in the property through its director Parvinder Singh Gulati along with viz. Jasleen Kaur Matta holding 20% and Jasmeet Singh Gulati holding 20% each respectively. Further we have entered into lease hold agreement dated May 18, 2018 with Jasmeet Singh Gulati to use the 20% of land w.e.f June 1, 2018 for 5 years.*

- Leased Properties:**

Sr. No.	Location of property	Licensor /Lessor	Lease Rent /License Fees	Tenor		Use
				From	To	
1.	Building No. 213, Industrial Area, Phase I, Chandigarh	Nirmal Singal & Anita Singal	Rs. 72,500/- per month	February 1, 2016	January 31, 2019	Registered Office
2.	Two Storied, Near Radha Swami Satsang Bhawan, Sai Road, Baddi Tehsil Baddi	Kewal Krishan	Rs. 1,20,000/- per month	April 1, 2016	March 31, 2019	Warehouse
3.	Janta Industrial Estate, Sector 82, S.A.S nagar (Mohali) Tehsil & District *	Jasmeet Singh Gulati	Rs. 60,000/- per month	June 1, 2018	June 1, 2023	Corporate office to be developed with IPO proceeds, for further details please refer chapter titled “Objects of the Issue” on page No. 114 of this DRHP

**Our Company we have entered into lease hold agreement dated May 18, 2018 with Jasmeet Singh Gulati to use the 20% of land w.e.f June 1, 2018 for 5 years.*

INTELLECTUAL PROPERTY RIGHTS

As on the date of the DRHP, our Company has applied for 97 trademarks out of which 49 trademarks are registered and 48 applications are currently pending. For details of registered and applied trademarks, please refer the chapter titled “Government and Other Statutory Approvals” beginning on page 267 of this Draft Red Herring Prospectus.

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft 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 as a player in business of manufacturing, supplying and exporting pharmaceuticals. 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 number 267 of this Draft 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 labeling, 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.

The Pharmacy Act, 1948 (“PA”)

The PA provides that all pharmacists require a registration which includes providing a) full name and residential address of the pharmacist b) the date of the first admission to the register; c) his qualifications for registration, d) his professional address, and if he is employed by any person, the name of such person; and e) such further particulars as may be prescribed.

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 channelising 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.

National List of Essential Medicines 2015

Essential medicines are those that satisfy the priority healthcare needs of majority of the population. The medicines mentioned under the list should be available at affordable cost and with assured quality. The Government of India, Ministry of Health & Family Welfare (MOHFW) is mandated to ensure the quality healthcare system by assuring availability of safe and efficacious medicines for its population. The primary purpose of NLEM is to promote rational use of medicines considering the three important aspects i.e. cost, safety and efficacy. Furthermore it promotes prescription by generic names. Healthcare delivery institutions, health insurance bodies, standards setting institutions for medicines, medicine price control bodies, health economists and other healthcare stakeholders will be immensely benefitted in framing their policies. The first NLEM was prepared in the year 1996 and was subsequently revised in 2003. The lists of medicines are divided into 29 sections therapeutic area wise. There are 376 drugs under the list.

Narcotic Drugs and Psychotropic Substances Act, 1985

The Narcotic Drugs and Psychotropic Substances Act, 1985 ("Narcotic Act") provides for the Government of India to take all measures necessary or expedient for the purpose of preventing and combating abuse of manufactured drugs and the illicit traffic therein. Violation of any provision under the Narcotic Act may attract a penalty in excess of Rs. 1 lakh.

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.

Good Manufacturing Practice Guidelines (GMP)

These guidelines are provided under ‘Schedule T’ of Drug and Cosmetic Act, 1940. Good manufacturing practices (GMP) are the practices required in order to confirm the guidelines recommended by agencies that control authorization and licensing for manufacture and sale of food, drug products, and active pharmaceutical products. These guidelines provide minimum requirements that a pharmaceutical or a food product manufacturer must meet to assure that the products are of high quality and do not pose any risk to the consumer or public. Good manufacturing practices, along with good laboratory practices and good clinical practices, are overseen by regulatory agencies in various sectors in India.

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.

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

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

The Indian Boilers Act, 1923

The Indian Boilers Act, 1923 (the “Boilers Act”) states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application,

for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twenty-four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

The Clinical Establishments (Registration and Regulation) Act, 2010

The Clinical Establishments (Registration and Regulation) Act, 2010 enacted by the Central Government to provide for registration and regulation of all clinical establishments in the country with a view to prescribing the minimum standards of facilities and services provided by them. The Act is applicable to all kinds of clinical establishments from the public and private sectors, of all recognized systems of medicine including single doctor clinics. The only exception will be establishments run by the Armed forces.

The Explosives Act, 1884

The Explosives Act, 1884 (the “Explosives Act”) has been enacted to regulate the manufacture, possession, use, sale, transport and importation of explosives. The Explosives Act stipulates as follows: No person-

- i. who has not completed the age of 18 years;
- ii. who has been sentenced on conviction of any offence involving violence or moral turpitude for a term of not less than 6 months, at any time during a period of 5 years after the expiration of the sentence;
- iii. who has been ordered to execute under Chapter VIII of the Code of Criminal Procedure, 1973 (2 of 1974), a bond for keeping the peace or for good behaviour, at any time during the term of the bond; or
- iv. whose licence under this Act has been cancelled, whether before or after the commencement of the Indian Explosives(Amendments) Act, 1978 (32 of 1978) for contravention of the provisions of this Act or the Rules made thereunder, at any time during a period of 5 years from the date of cancellation of such licence shall:
 - a) manufacture, sell, transport, import or export any Explosive; or
 - b) possess any such Explosive as the Central Government may, having regard to the nature thereof, by notification in the Official Gazette, specify.

Further, no person shall import, export, transport, manufacture, possess, use or sell any explosive which is not an authorised explosive. The Explosives Act also prescribes safety standards and qualifications required in order to obtain a license for the manufacture, use, possession, sale etc., of explosives.

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

The Sales Promotion Act regulates the conditions of service of sales promotion employees and applies to pharmaceutical industry. It provides the conditions of appointment, leave and maintenance of registers and other documents of such employees. It provides enabling provision for application of the provisions of labour laws including The Workmen’s Compensation Act, 1923, The Industrial Disputes Act, 1947, The Minimum Wages Act, 1948, The Maternity Benefit Act, 1961, The Payment of Bonus Act 1965 and The Payment of Gratuity Act, 1972 to sales promotion employees. The Sales Promotion Act provides monetary penalties for breach of its provisions.

The 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, harboring 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.

The Medicinal and Toilet Preparations (Excise Duties) Act, 1955 (“MTP Act”)

MTP Act came into force on 27th April, 1955. MTP Act is applicable to the whole of India. The objective of MTP Act is to levy and collect excise duties on medicinal and toilet preparations consisting of alcohol, opium, Indian hemp and narcotic substances. The seventh schedule also lists the same. Entry 84 of the Union List, which falls under seventh schedule of the Constitution of India, provides that the Union government would be the regulating authority for the imposition of excise duty on medicinal and toilet preparations consisting of alcohol, opium, Indian hemp and narcotic substances. Excise duty is a source of revenue for Government and is a form of indirect tax. It is charged on excisable goods produced and manufactured in India. The duty is not upon sale of goods. Therefore, MTP Act came into existence to manage and curb the alcohol and related goods consumption and to use it in an effective way.

Food Safety and Standard Act, 2006

The Food Safety and Standards Act, 2006 (the “FSSA”) was enacted on August 23, 2006 with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (the “Food Authority”) for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The Food Authority is required to provide scientific advice and technical support to the Government of India and the state governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by ‘Food Safety Appellate Tribunal’.

In exercise of powers under the FSSA, the Food Authority has framed the Food Safety and Standards Rules, 2011 (the “FSSR”) which were notified in the Gazette of India dated May 5, 2011 and have been operative since August 5, 2011. The FSSR provides the procedure for registration and licensing process for food business and lays down detailed standards for various food products. The FSSR also sets out the enforcement structure of ‘commissioner of food safety’, ‘the food safety officer’ and ‘the food analyst’ and procedures of taking extracts, seizure, sampling and analysis. The FSSA lays down penalties for various offences (including recall procedures).

The Food Authority has also framed the following food safety and standards regulations:

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;
- Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011; and
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011.

Industrial Policy of Relevant State

Himachal Pradesh Industrial Policy 2013

The policy aims at achieving average annual industrial growth rate of 15%, aligned with the target of 9% per annum growth in state GDP. The Policy intends to clearly enunciate the State Government’s vision, approach and strategy for “Retention” of existing industry and for the “promotion” of new investments in the manufacturing and allied sectors in the state. The Policy aims at achieving an average annual industrial growth rate of 15% per annum, aligned with the target of 9% per annum annual growth in state GDP as envisaged in the 12th Five Year Plan, with the manufacturing sector contributing at least 25% of the state GDP by the year 2022.

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.

Employees' State Insurance Act, 1948 (the "ESI Act")

It is an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

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, 1979

The Equal Remuneration Act 1979 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.

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 administrated 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. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. 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 replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

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 are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

OTHER LAWS

The Factories Act, 1948

The Factories Act, 1948 (“Factories Act”) aims at regulating labour employed in factories. A “factory” is defined as “any premises...whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were 81 working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on...”. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

hops 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.

ENVIRONMENTAL LEGISLATIONS

The Environment Protection Act, 1986 ("Environment Protection Act")

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act 1981 ("the Act") was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act 1974 ("the Act") was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

The Public Liability Insurance Act, 1991

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008

The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility

generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

National Environmental Policy, 2006

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

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 2017 ("**FDI Policy 2017**"), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 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 2017, 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 in Automatic Route and 74% in Brownfield projects under the automatic route and FDI beyond 74% in Brownfield projects requires government route.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Certain forms and resolutions filed with Registrar of Companies (prior to 2006) are not traceable by our Company. With respect to this chapter these include forms and resolutions for incorporation of the Company. Hence, this chapter is prepared based on the ROC search reports, data provided by management and to the best of information available.

CORPORATE PROFILE AND BRIEF HISTORY

Our Company was originally incorporated as MDC Pharmaceuticals Private Limited at Jalandhar as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 14, 1994 bearing Registration Number 53-14820 issued by the Registrar of Companies, Punjab, HP & Chandigarh.

Subsequently, our Company was converted into a public limited company pursuant to special resolution passed by the members in Extraordinary General Meeting held on February 26, 2018 and the name of our Company was changed to MDC Pharmaceuticals Limited vide a Fresh Certificate of Incorporation dated March 13, 2018 issued by the Registrar of Companies, Chandigarh, Punjab. The Corporate Identification number of our Company is U24231CH1994PLC014820.

Sham Lal Singla, Parvinder Singh Gulati, Gurmeet Singh Narula are promoters and initial subscribers to the Memorandum of Association of our company. For further details w.r.t their shareholding, please refer chapter titled “Capital Structure” on page 95 of this Draft Red Herring Prospectus.

Our Company engaged in the development and manufacturing of pharmaceutical formulations, nutraceutical formulations and marketing of cosmetic and skin care products. Our core strength lies in developing and manufacturing a variety of pharmaceutical and nutraceutical products at our own manufacturing facilities situated in Himachal Pradesh, which we commercialize through our wide franchisee network across various states of the country. We are present in various therapy areas such as Anti-Hypertensive formulations, Cardio-Vascular pharmaceutical formulations, Antibiotics, Anti-Malarials, Anti-Histamine drugs, etc.

For information of 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 166, 234, 235 and 267 respectively of this Draft Red Herring Prospectus.

CHANGES IN OUR REGISTERED OFFICE

At the time of Incorporation, registered office of our Company was situated at 52, Industrial Area phase I Chandigarh-160001 U. T. India. The registered office of our company was then shifted to:

DATE	FROM	TO	REASON
February 2, 2018*	52, Industrial Area phase I Chandigarh-160001 U. T. India	213, First Floor Industrial Area, Phase I Chandigarh - 160001 India.	Administrative Convenience

*Since the change was within the local limits of city of the same Registrar of Companies the resolution was approved by the Board of Directors by passing Resolution dated February 2, 2018

KEY EVENTS AND MILESTONES

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

YEAR	EVENTS
1994	Incorporation of our company
2000	Commencement of commercial production in Manufacturing Facility of the Company at Solan, Himachal Pradesh
2006	Commencement of commercial production in Manufacturing Facility of the Company at Baddi, Himachal Pradesh
2012	Closure of Manufacturing unit at Solan
2015	Set up of the Manufacturing Facility of the Company at Baddi, Himachal Pradesh
2017	Certified as an ISO-9001:2015 Company
2016	GMP Certification under Health & Family Welfare Department, Himachal Pradesh
	Token of appreciation for participation in North India Pharma Manufacturer Conclave conference
	Award for outstanding contribution by Pharma CUM food technical institute.
2018	Conversion of Company into Public Limited Company

MAIN OBJECTS OF OUR COMPANY

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To carry on the business in India or elsewhere as manufacturers, buyers, sellers, importers, merchants, distributors, stockists, traders and dealers in ayurvedic, allopathic, homeopathic, unani and other pharmaceuticals drugs and medicines, nutraceuticals, injections, capsules, lotions, patent and proprietary medicines, common medical preparations, elixirs, drops, tonics, syrups, dry syrups, capsules, soft gel capsules, other liquid drugs, basic drugs and medicines, injections, tablets, lotions, ointments, antibiotics, hormones, lever extracts, dietary supplements, biologicals and non biological capsules, tranquilisers, vitamins and tonic preparations, medicated ointments, hormone preparations, ayurvedic and herbal products, medicated cosmetics including powder medicated creams etc, cosmetics, soaps, artificial limbs, hospital requisites, repacked preparations, anti-asthmatic preparations, ophthalmic lotions and ointments, drugs and druggists defined under drugs act and rules in all its branches
2. To buy, sell import-export and otherwise deal in all types of hygienic agricultural seeds, fertilizers and all types of plants goods, pesticides, insecticides, fungicides and all types of plant protection chemicals equipment and all types of equipments required to forestry, animal husbandry farming pisciculture sericulture agriculture agricultural equipment for produce and all other foods materials of animals origin fuel.

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
January 12, 2006	Increase of Authorised Share Capital from Rs. 2,00,000 consisting of 20,000 Equity Shares of Rs.10/- each to Rs. 5,00,000 consisting of 50,000 Equity Shares of Rs.10/- each by creating additional 30,000 Equity Shares of Rs.10/- each.
June 30, 2007	Increase of Authorised Share Capital from Rs. 5,00,000 consisting of 50,000 Equity Shares of Rs.10/- to Rs. 1,00,00,000 consisting of 10,00,000 Equity Shares of Rs.10/- each by creating additional 9,50,000 Equity Shares of Rs.10/- each.

DATE OF AGM / EGM	CHANGES
March 29,2008	Increase of Authorised Share Capital from Rs. 1,00,00,000 consisting of 10,00,000 Equity Shares of Rs.10/- each to Rs. 2,00,00,000 consisting of 20,00,000 Equity Shares of Rs.10/- each
January 20, 2018	Increase of Authorised Share Capital from Rs. 2,00,00,000 consisting of 20,00,000 Equity Shares of Rs.10/- each to Rs. 20,00,00,000 consisting of 2,00,00,000 Equity Shares of Rs.10/- each
February 26, 2018	Clause III (A) of the Memorandum of Association of the Company is altered by replacing Clause III (A) 1 with the following: “To carry on the business in India or elsewhere as manufacturers, buyers, sellers, importers, merchants, distributors, stockists, traders and dealers in ayurvedic, allopathic, homeopathic, unani and other pharmaceuticals drugs and medicines, nutraceuticals, injections, capsules, lotions, patent and proprietary medicines, common medical preparations, ellixirs, drops, tonics, syrups, dry syrups, capsules, soft gel capsules, other liquid drugs, basic drugs and medicines, injections, tablets, lotions, ointments, antibiotics, hormones, lever extracts, dietary supplements, biologicals and non biological capsules, tranquilisers, vitamins and tonic preparations, medicated ointments, hormone preparations, ayurvedic and herbal products, medicated cosmetics including powder medicated creams etc, cosmetics, soaps, artificial limbs, hospital requisites, repacked preparations, anti-asthamatic preparations, ophthalmic lotions and ointments, drugs and druggists defined under drugs act and rules in all its branches.” • Adoption of MOA as per Companies Act, 2013.
Feruary 26, 2018	Clause I of the Memorandum of Association of the Company changed pursuant to Conversion of Company into Private Company to reflect changed name i.e. MDC Pharmaceuticals Limited. A fresh certificate of incorporation pursuant to the change of name was granted by the ROC on March 13, 2018.

COUNTRYWISE EXPORT SALES FOR PERIOD ENDED DECEMBER 31, 2017

Export sale		
Sl.	Country of export	Sale (Rs. in lakhs)
1	Afganistan	179.27
2	Nepal	15.25
3	Sri Lanka	4.52
	Total (A)	199.02
Deemed export sale		
1	Myanmar (Burma)	26.18
	Total (B)	26.18
	Total (A+B)	225.20

OUR HOLDING / SUBSIDIARY COMPANY

Our Company neither has a Holding Company nor any Subsidiary Company as on date of filing of this Draft 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 234 and 95 respectively, of this Draft Red Herring Prospectus.

CHANGES IN THE ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS

There is no change in the activities being carried out by our Company in the last five years which may have had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

INJUNCTIONS OR RESTRAINING ORDERS

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

MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY

There has been no merger or acquisition of businesses or undertakings in the history of our Company.

SHAREHOLDERS’ AGREEMENTS

Except as mentioned below, our Company has not entered into any other agreements as on date of filing of this Draft Red Herring Prospectus.

Investment Agreement dated January 31, 2018 Sham Lal Singla , Parvinder Singh Gulati and Gurmeet Singh Narula and between our Company (collectively referred to as “Parties”).

Key terms of the said agreement is mentioned below;

1. The parties recognize that the Company may decide to induce one or more strategic investor or to offer the share to the public. In such case the parties agree to dilute their shareholding proportionately.
2. None of the party & its associates/affiliates may directly or indirectly pledge, gift, sell, assign, or transfer any shares or grant, declare, create or dispose of any right or interest in any shares or create an encumbrance in favor of any other person, without consent between parties.
3. The parties agree to maintain shareholding proportion (percentage) as mentioned in the agreement throughout the term of the said agreement unless decided otherwise with consent between the parties.
4. Our Company and the promoters of the Company shall not provide any person with any rights in relation to the Company which are more favourable than those provided to the investors under the Agreement without the prior written consent of the investors under the terms of the conditions entailed under the Agreement;
5. Our Company and the promoters shall bring in the Initial Public Offering to raise capital and list the securities of our Company on the SME platform of the recognised stock exchange
6. In the event, our Company is unable to comply with the listing criteria which has been explicitly mentioned in the Agreement, the Agreement stands to be terminated.

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 Draft Red Herring Prospectus.

STRATEGIC PARTNERS

Our Company does not have any strategic partner(s) as on the date of this Draft Red Herring Prospectus.

FINANCIAL PARTNERS

As on the date of this Draft 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.

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 Draft Red Herring Prospectus.

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 Draft Red Herring Prospectus.

STRIKES AND LOCK-OUTS

There have been no instances of strikes or lockouts in our Company since incorporation.

REVALUATION OF ASSETS

Our Company has not revalued its assets since its incorporation and has not issued any Equity Shares including bonus shares by capitalizing any revaluation reserves.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

As on the date of this Draft Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

NUMBER OF SHAREHOLDERS

Our Company has 40 shareholders as on date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association we are required to have not less than 3 directors and not more than 15 directors, subject to the applicable provisions of the Companies Act, 2013. We currently have 8 directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of Draft Red Herring Prospectus:

Sr. No.	Name, Father's name, Age, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Reappointment as Director	Other Directorship/Designated Partner
1.	Name: Parvinder Singh Gulati Father's Name: Inderjit Singh Gulati Age: 56 years Designation: Chairman & Whole Time Director Address: 319, Sector, 21-A Chandigarh 160022 Chandigarh India. Occupation: Business Nationality: Indian DIN: 01565151 Term: 5 years w.e.f February 26, 2018 and liable to retire by rotation	Designated as Chairman On March 16, 2018 & as Whole Time Director on February 26, 2018	Public Limited Company: Nil Private Limited Company: • Lifestyle Bio Sciences Pvt Ltd. • Nz Health Care Pvt Ltd. • Zanon Lifesciences Pvt Ltd. • Vitamec Healthcare Pvt Ltd. • Supreme Bio Tech Pvt Ltd. • Mdc Estates Pvt Ltd Designated Partner in LLP: Nil
2.	Name: Sham Lal Singla Father's Name: Ram Kishan Singla Age: 65 years Designation: Managing Director Address: House No 1030, Sec 2, Panchkula - 134002, Haryana India. Occupation: Business Nationality: Indian DIN: 00496397 Term : 5 years w.e.f February 26, 2018 and liable to retire by rotation	Designated as Managing Director on February 26, 2018	Public Limited Company: • Doon Infrastructure Limited. Private Limited Company: • Rhine Formulations Private Limited- (Under process of Striking off) • Lifestyle Bio Sciences Private Limited. • I M Healthcare Private Limited. Section 8 Company • Baddi Infrastructure Designated Partner in LLP: Nil

Sr. No.	Name, Father's name, Age, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Reappointment as Director	Other Directorship/Designated Partner
3.	Name: Gurmeet Singh Narula Father's Name: Ajit Singh Narula Age: 50 years Designation: Whole Time Director Address: H. N. - 1574 Sector - 33-D Chandigarh 160047 Chandigarh India. Occupation: Business Nationality: Indian DIN: 02398004 Term: 5 years w.e.f February 26, 2018 and liable to retire by rotation	Designated as Whole Time Director on February 26, 2018	Public Limited Company – Nil Private Limited Company - Lifestyle Bio Sciences Private Limited. - Supreme Bio Tech Private Limited. - Spark Multitrade Private Limited. Designated Partner in LLP: Nil
4.	Name: Vir Pal Singh Father's Name: Parashadi Age: 43 Years Designation: Executive Director Address: Suratgarh Aligarh sahnaul Uttar Pradesh-202282 Occupation: Professional Nationality: Indian DIN: 08074450 Term: Liable to retire by rotation	February 26, 2018	Public Limited Company: Nil Private Limited Company Nil Designated Partner in LLP: Nil
5.	Name: Ravdeep Singh Matta Father's Name: Gurcharan Singh Matta Age: 34 Years Designation: Non-Executive Director Address: House no.275-L Model town,Karnal,Haryana-132001 Occupation: Business Nationality: Indian DIN: 01589954 Term: Liable to retire by rotation	February 26, 2018	Public Limited Company: Nil Private Limited Company - Horizon Offset Private Limited - Jasco Labs Private Limited - Diya Healthcare Private Limited - Jasco Multipacking Private Limited Designated Partner in LLP: Nil
6.	Name: Jatinder Singh Wig Father's Name: Gurbahaksh Singh Wig Age: 61 Years Designation: Independent Director	February 26, 2018	Public Limited Company: Nil Private Limited Company: Nil

Sr. No.	Name, Father's name, Age, Designation, Address, Occupation, Nationality, Term and DIN	Date of Appointment/ Reappointment as Director	Other Directorship/Designated Partner
	Address: House no.620 Phase-3-B-1,S.A.S Nagar (Mohali) Punjab-160059 Occupation: Professional Nationality: Indian DIN: 08074279 Term: 5 Years w.e.f February 26, 2018		Designated Partner in LLP: Nil
7.	Name: Manisha Sharma Father's Name: Rajesh Sharma Age: 30 Years Designation: Independent Director Address: Flat no.k-403,Vip road Jaipuria Sunrise Green Zirakpur, Mohali,S.A.S Nagar,Mohali,Punjab-140603 Occupation: Professional Nationality: Indian DIN: 08073704 Term: 5 Years w.e.f February 26, 2018	February 26 th , 2018	Public Limited Company: Nil Private Limited Company Nil Designated Partner in LLP: Nil
8.	Name: Harkanwal Kaur Bhatia Father's Name: Lakhbir Singh Bhatia Age: 37 Years Designation: Business Address: House No 33, Sector 21 A, Chandigarh-160020 Occupation: Business Nationality: Indian DIN: 07936863 Term: 5 Years w.e.f February 26, 2018	February 26 th , 2018	Public Limited Company: Nil Private Limited Company Nil Designated Partner in LLP: • Brand Toniq LLP • Keena Ayurveda LLP

BRIEF BIOGRAPHIES OF OUR DIRECTORS

- i. **Parvinder Singh Gulati** aged 56 years is the Promoter and Chairman and Whole time Director of our Company. He has been associated with our Company since incorporation and has been designated as Chairman w.e.f March 16, 2018 and Whole Time Director w.e.f February 26, 2018. He has an experience of more than 20 Years in the Pharma Industry in which we operate. He has been instrumental in formulating the overall strategies of our Company and is entrusted with the responsibility of looking after the overall management and operations of our Company.
- ii. **Sham Lal Singla** aged 65 years is the Promoter and Managing Director of our Company. He has been associated with our Company since incorporation and has been designated as Whole

time director w.e.f February 26, 2018. He has an experience of more than 30 Years in the Pharma Industry in which we operate. He has obtained Bachelor of Science Degree from Punjab University and Masters in Chemistry from Meerut University. He has also passed Pre medical examination from Punjab University He has been instrumental in formulating the production strategies of our Company and is entrusted with the responsibility of looking after the production management and operations at manufacturing units of our Company. He oversee the production process, ensure that production is cost effective and monitor product standards and implement quality-control programmes.

- iii. **Gurmeet Singh Narula** aged 50 years is the Promoter and Whole Time Director of our Company. He has been associated with our Company since incorporation and has been designated as Whole time director w.e.f February 26, 2018. He has an experience of more than 20 Years in the industry in which we operate. He has been instrumental in formulating the marketing strategies of our Company and is entrusted with the responsibility of looking after Export operations of the Company. He Assess Market potential & leverage through right product mix aligned with Healthcare Solutions. Over the years he has built cohesive sales & marketing team to coach & develop different type of Sales, Marketing Brand and Category strategies.
- iv. **Vir Pal Singh** aged 43 Years is the Executive Director of the Company. He was appointed on February 26, 2018. He hold Bachelor of Science degree from Ch. Charan Singh University, Meerut. He has been assigned to look after day to day manufacturing operations in our manufacturing facility. He is involved in the pre-production (planning) stage as well as the production (control and supervision) stage.
- v. **Ravdeep Singh Matta** aged 34 Years is the Non-Executive Director of the Company. He was appointed on February 26, 2018. He has completed his Bachelor of Commerce from Kurukshetra University.
- vi. **Jatinder Singh Wig** aged 61 Years is the Independent Director of the Company. He was appointed on February 26, 2018. He has obtained Bachelor of Science from Kurukshetra University and Diploma in Sales and Marketing Management from Rajendra Prasad Institute of Communication and Management, Bombay.
- vii. **Manisha Sharma** aged 31 Years is the Independent Director of the Company. She was appointed on February 26, 2018. She has obtained Bachelor Degree of Arts from Punjab University.
- viii. **Harkanwal Kaur Bhatia** aged 37 years is the Independent Director of the Company. She was appointed on February 26, 2018. She has completed Bachelor of Arts from Punjab University

CONFIRMATIONS

As on the date of this Draft Red Herring Prospectus:

1. None of the Directors of the Company are related to each other as per section 2(77) of the Companies Act, 2013. However Parvinder Singh Gulati is brother in law of Gurmeet Singh Narula
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of our Directors are on the RBI List of willful defaulters.

5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.
6. None of the Promoters, 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/COMMISSION PAID TO DIRECTORS

During the last financial year ended on March 31, 2017, the directors have been paid gross remuneration as follows :

Name of Director	Amount (Rs in lakhs)
Parvinder Singh Gulati	138.75
Gurmeet Singh Narula	112.00
Sham Lal Singla	121.60
Vir pal Singh	9.70

All the directors on the Board of the Company have been appointed after the end of the financial year 2016-17 therefore no remuneration has been paid to the Directors in the past financial years. Remuneration/Compensation/Commission to be paid to the Directors shall be as mutually agreed between the Directors and the Company at the time of appointment and as disclosed herein, subject to such revision as may be made, from time to time, under the applicable laws.

Terms and conditions of employment of our Managing Director:

Sham Lal Singla is the Managing Director of our Company. He has been associated with our Company since incorporation and has been designated as Managing Director w.e.f February 26, 2018

Remuneration	Not exceeding Rs. 8.00 lakhs per month or as may be decided by the board of directors and perquisites in addition to the salary agreed upon ,which may be reviewed by the Board annually.
Reimbursement	Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy. Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company

However, the total managerial remuneration payable to the director shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time (i.e as per section 1 of Part II of Schedule V) or whether in case in any financial year, during his currency of tenure of a managerial person, the Company has no profits or its profits are inadequate, it may without approval of Central Government pay, the remuneration to above managerial personnel not exceeding the ceiling (not exceeding the highest of the limit prescribed under section 2 of Part II of Schedule V of the Act.

Terms and conditions of employment of our Whole Time Director:

Parvinder Singh Gulati aged 56 years is the Chairman and Wholetime Director of our Company. He has been associated with our Company since incorporation and has been designated as Chairman on March 16, 2018 and as Wholetime Director w.e.f February 26, 2018

Remuneration	Not exceeding Rs. 8.85 lakhs only per month or as may be decided by the board of directors and perquisites in addition to the salary agreed upon, which may be reviewed by the Board annually.
Reimbursement	Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy.

	Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company

Gurmeet Singh Narula aged 50 years is the Promoter and Wholetime Director of our Company. He has been associated with our Company since incorporation and has been designated as Whole time director w.e.f February 26, 2018

Remuneration	Not exceeding Rs. 8.00 lakhs (Rupees Eight Lac only) per month or as may be decided by the board and perquisites in addition to salary as agreed upon , which may be reviewed by the Board annually.
Reimbursement	Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy.
	Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company

However, the total managerial remuneration payable to the director shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time (i.e as per section 1 of Part II of Schedule V) or whether in case in any financial year, during his currency of tenure of a managerial person, the Company has no profits or its profits are inadequate, it may without approval of Central Government pay, the remuneration to above managerial personnel not exceeding the ceiling (not exceeding the highest of the limit prescribed under section 2 of Part II of Schedule V of the Act.

Terms and conditions of employment of our Executive Directors

Executive Directors of our Company may be paid remuneration, 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 their appointment letters and other applicable laws and regulations.

Terms and conditions of employment of our Independent Directors and Non-Executive Directors

Independent Directors and Non-Executive Directors of our Company may be paid sitting fees for each meeting of the Board attended by them, reimbursement of out of pocket expenses, 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 their appointment letters and other applicable laws and regulations.

REMUNERATION/COMPENSATION/COMMISSION PAID TO DIRECTORS IN ASSOCIATE COMPANY

Our directors are not paid any compensation or remuneration by our associate company..

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. As on the date of this Draft Red Herring Prospectus, except as mentioned below none of the directors of hold any share s in the share capital of our Company:

Name of Director	Number of Shares	Holding
Parvinder Singh Gulati	41,53,400	32.53%
Gurmeet Singh Narula	41,29,500	32.34%
Sham Lal Singla	39,99,500	31.32%

SHAREHOLDING OF OUR DIRECTORS IN THE ASSOCIATE COMPANY

The shareholding of our Directors in our Associate is set forth herein below:

Name of Director	Number of Shares	Holding

Sham Lal Singla	1,50,000	10.00%
Gurmeet Singh Narula	1,80,000	12.00%

INTERESTS OF DIRECTORS

Our Directors are interested in our Company in the following manner: -

- All the Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles of Association;
- All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them to the extent of any dividends payable to them and other distributions in respect of the said Equity Shares;
- All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firms in which they are partners as declared in their respective declarations;
- Parvinder Singh Gulati , our Chairman and Whole Time Director , Gurmeet Singh Narula, our Whole Time Director, and Sham Lal Singla, Managing Director have extended their personal guarantees for securing the repayment of certain bank loans obtained by our Company. For details, please refer chapter titled “Financial Indebtedness” beginning on page 254 of this Draft Red Herring Prospectus.

Except as stated above and under the heading “Financial Statements, as restated – Annexure Y– Restated Statement of Related Parties Transactions” on page FS-33, under the section titled “Financial Information”, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company.

SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

As on date of this draft red Herring Prospectus we do not have any subsidiary/associate companies.

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 Draft Red Herring Prospectus:

Name	Date of event	Nature of event	Reason
Sham Lal Singla	February 26, 2018	Change in Designation	Designated as Managing Director
Parvinder Singh Gulati	February 26, 2018	Change in Designation	Designated as Whole Time Director
Gurmeet Singh Narula	February 26, 2018	Change in Designation	Designated as Whole Term director
Vir Pal Singh	February 26, 2018	Appointment	Appointment as Executive Director
Ravdeep Singh Matta	February 26, 2018	Appointment	Appointment as Non-Executive Director
Jatinder Singh Wig	February 26, 2018	Appointment	Appointment as Independent Director
Manisha Sharma	February 26, 2018	Appointment	Appointment as Independent Director

Name	Date of event	Nature of event	Reason
Harkanwal Kaur Bhatia	February 26, 2018	Appointment	Appointment as Independent Director

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on March 16, 2018 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 for borrowing, from time to time, any sum or sums of money at its discretion on such terms and conditions as the Board may deem fit and appropriate, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), from the financial institutions, Company's banker's, firms, bodies corporate and/or from any other person or persons whether by way of loan, advances, deposits, bill discounting, issue of debentures, bonds or any financial instruments or otherwise and whether secured or unsecured, borrowed by our Company and outstanding at any one time may 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 specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 25.00 crores.

CORPORATE GOVERNANCE

The provisions of the SEBI Listing Regulations will be applicable to our Company immediately upon the listing of our Equity Shares with National Stock Exchange of India Limited. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Chapter IV of the SEBI Listing Regulations as may be applicable. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges, the SEBI (LODR) Regulations, 2015 and the SEBI 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, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board of Directors is constituted in compliance with the Companies Act, Listing Agreement to be executed with Stock Exchange and in accordance with best practices in corporate governance, our Board of Directors functions either as a full board or through management which provides our Board of Directors detailed reports on its performance periodically.

Currently our Board has 8 Directors, of which the Chairman of the Board is whole time Director. The constitution of our Board is in compliance with section 149 of the Companies Act, 2013.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

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

- 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 vide resolution passed in the meeting of the Board of Directors dated March 16, 2018. The constituted Audit Committee comprises following members:

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Harkanwal Kaur Bhatia	Chairman	Independent Director
2.	Manisha Sharma	Member	Independent Director

Sr. No.	Name of the Director	Status	Nature of Directorship
3.	Parvinder Singh Gulati	Member	Chairman & Whole Time 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/responsibilities:

- 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
Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 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 Internal Auditor.-

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. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approving payment to statutory auditors for any other services rendered by the statutory auditors;
4. Approving initial or any subsequent modification of transactions of the Company with related parties;
5. Scrutinizing inter-corporate loans and investments;
6. Valuation of undertakings or assets of the Company, wherever it is necessary;
7. Evaluation of internal financial controls and risk management systems;
8. Monitoring the end use of funds raised through public offers and related matters;
9. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms section 134 of the Companies Act, 2013;

- b) Changes, if any, in accounting policies and practices along with reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report.
10. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
 11. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 12. Reviewing, with the management, performance of statutory and internal auditors, and 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. Discussing with the 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. Discussing with the 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. Looking 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. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
 19. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 20. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and
 21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the equity listing agreements as and when amended from time to time.

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 committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven day's notice in advance.

Tenure:

The Audit 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 Audit Committee as approved by the Board.

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 March 16, 2018 .

The Stakeholder's Relationship Committee comprises the following Directors:

Sr. No.	Name of the Director	Status	Nature of Directorship
1.	Ravdeep Singh Matta	Chairman	Non-Executive Director
2.	Parvinder Singh Gulati	Member	Chairman cum Whole-time Director
3.	Gurmeet Singh Narula	Member	Whole-time Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholder's Relationship Committee.

The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholder / Investor 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 / Investor Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholder/ Investor 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 a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
 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 SME equity listing agreement as and when applicable and as 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 March 16, 2018. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Ravdeep Singh Matta	Chairman	Non-executive Director
Manisha Sharma	Member	Independent Director
Harkanwal Kaur Bhatia	Member	Independent Director
Parvinder Singh Gulati	Member	Chairman & Whole Time director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

- A. **Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.
- B. **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/Compensation Committee shall be called by at least seven days' notice in advance.

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.

C. Terms of Reference:

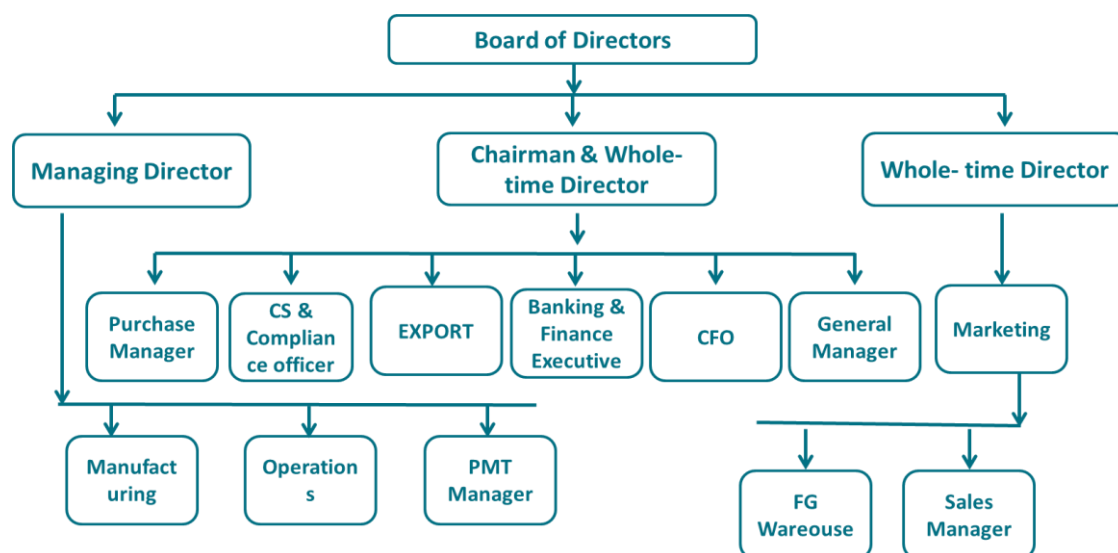
- Identify persons who are qualified to become Directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment ad removal and shall carry out evaluations of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for directors, Key Managerial Personnel and other employees;
- While formulating the criteria to ensure that—
 1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 3. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.”
- 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 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.
- Formulate the assessment/evaluation criteria for performance evaluation of the Directors of the Company;
- Devise a policy on the Board diversity;
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

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 National Stock Exchange of India 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 March 16, 2018 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

KEY ORGANIZATIONAL 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:

- a. **Sham Lal Singla** aged 65 years is the Promoter and Managing Director of our Company. He has been associated with our Company since incorporation and has been designated as Whole time director w.e.f February 26, 2018. He has obtained Bachelor of Science Degree from Punjab University and Masters in chemistry from Meerut University. He has also passed Pre medical examination from Punjab University He has an experience of more than 30 Years in the Pharma Industry in which we operate. He has been instrumental in formulating the production strategies of our Company and is entrusted with the responsibility of looking after the production management and operations at manufacturing units of our Company. He oversee the production process, ensure that production is cost effective and monitor product standards and implement quality-control programmes.
- b. **Gurmeet Singh Narula** aged 50 years is the Promoter and Whole Time Director of our Company. He has been associated with our Company since incorporation and has been designated as Whole time director w.e.f February 26, 2018. He has an experience of more than 20 Years in the industry in which we operate. He has been instrumental in formulating the marketing strategies of our Company and is entrusted with the responsibility of looking after Export operations of the Company. He Assess Market potential & leverage through right product mix aligned with Healthcare Solutions. Over the years he has built cohesive sales & marketing team to coach & develop different type of Sales, Marketing Brand and Category strategies.
- c. **Parvinder Singh Gulati** aged 56 years is the Chairman and Whole Time Director of our Company. He has been associated with our Company since incorporation and has been designated as Chairman on March 16, 2018 and as Whole Time Director w.e.f February 26, 2018. He has an experience of more than 20 Years in the Pharma Industry in which we operate. He has been instrumental in formulating the overall strategies of our Company and is entrusted with the responsibility of looking after the overall management and operations of our Company.
- d. **Pramila Devi** aged 52 years is the Chief Financial Officer of our Company. She has completed her Bachelor of Commerce from University of Garhwal and Masters in Commerce from Hemwati Nandan Bahuguna Garhwal University. She is one of the key member of the Middle Executive Management team, who assume a strategic role in the overall management of the company. She looks after primary day-to-day responsibility for planning, implementing, managing and controlling all financial-related activities of the company. This also includes direct responsibility for accounting, finance, forecasting, strategic planning, job costing and private and institutional financing.
- e. **Jolly Kashyap** aged 27 years is the Company Secretary and Compliance officer of our Company. She is an associate member of Institute of Company Secretaries of India and also holds degree in Bachelor of Commerce with Honors in Business Finance and Accounting from Punjab University. She has been entrusted with the responsibility of looking after the legal, Secretarial & compliance management and affairs of the company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel are related to each other within the meaning of section 2(77) of the Companies Act, 2013.

RELATIONSHIPS OF DIRECTORS/ AND PROMOTERS WITH KEY MANAGERIAL PERSONNEL

None of the Directors of our Company are related to the Key Managerial Personnel within the meaning of section 2(77) of the Companies Act, 2013.

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Directors 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 the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus:

Name of Key Managerial Personnel	Number of Shares	Holding%
Parvinder Singh Gulati	41,53,400	32.53
Gurmeet Singh Narula	41,29,500	32.34
Sham Lal Singla	39,99,500	31.32
Pramila Devi	2,000	0.02

REMUNERATION/ COMPENSATION TO KEY MANAGERIAL PERSONNEL

Except as disclosed below, none of our Key Managerial Personnel is paid any remuneration as on the date of this Draft Red Herring Prospectus.

Name of the Key Managerial Personnel	Remuneration paid during FY 2016-17 (Rupees in Lakhs)
Parvinder Singh Gulati	138.75
Gurmeet Singh Narula	112.00
Sham Lal Singla	121.60
Pramila Devi	6.99

* Jolly Kashyap has not drawn any remuneration as she was appointed in the year FY 2017-18.

BONUS OR PROFIT SHARING PLAN OF THE DIRECTORS/ KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Directors, Key Managerial Personnel.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel have received or are entitled to any contingent or deferred compensation.

LOANS TO KEY MANAGERIAL PERSONNEL

The Company has not given any loans and advances to the Key Managerial Personnel as on the date of this Draft 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 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, if any.

Except as disclosed in this Draft 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 in the heading titled “*Related Party Transactions*” under the Section titled “Financial Statements as Restated” beginning on page 234 of this Draft 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

The Changes in the Key Managerial Personnel in the last three years are as follows:

Name	Date of Appointment/ Designation	Nature of event	Reason
Parvinder Singh Gulati	February 26, 2018	Change in Designation	Designated as Whole Time director
Gurmeet Singh Narula	February 26, 2018	Change in Designation	Designated as Whole Time director
Sham Lal Singla	February 26, 2018	Change in Designation	Designated as Managing Director
Pramila Devi	February 9, 2018	Appointment	Designated as Chief Finance Officer
Jolly Kashyap	February 9, 2018	Appointment	Designated as Company Secretary

Other than the above changes, there have been no changes to the KMP of our company that are not in the normal cause of employment.

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 234 of this Draft 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 Sham Lal Singla, Parvinder Singh Gulati, Gurmeet Singh Narula . As on date of this Draft Red Herring Prospectus, our Promoters hold 1,22,82,400 Equity Shares representing 96.19% of the pre-issue Paid up Capital of our Company.

Brief profile of our Individual Promoters is as under:

	Sham Lal Singla, Promoter & Managing Director Sham Lal Singla aged 65 years is the Promoter and Managing Director of our Company. He has been associated with our Company since incorporation and has been designated as Managing Director w.e.f February 26, 2018. He has an experience of more than 30 Years in the Pharma Industry in which we operate. He has obtained Bachelor of Science Degree from Punjab University and Masters in chemistry from Meerut University. He has also passed Pre medical examination from Punjab University. He has been instrumental in formulating the production strategies of our Company and is entrusted with the responsibility of looking after the production management and operations at manufacturing units of our Company. He oversee the production process, ensure that production is cost effective and monitor product standards and implement quality-control programmes. Nationality: Indian DIN: 00496397 Passport No: G7891781 Driving License: CH0120090014543 Voters ID: IZC0661223 Address: H no 1030 Sec. 2 Panchkula 134002 Haryana, India For further details relating to Sham Lal Singla, including terms of appointment as Managing Director and other directorships please refer to the chapter titled “Our Management” beginning on page 205 of this Draft Red Herring Prospectus.
	Parvinder Singh Gulati, Promoter, Chairman and Whole time Director Parvinder Singh Gulati aged 55 years is the Chairman and Whole-time Director of our Company. He has been associated with our Company since incorporation and has been designated as Whole-time Director w.e.f February 26, 2018 and as Chairman w.e.f. 16th March, 2018. He has an experience of more than 20 Years in the Pharma Industry in which we operate. He has been instrumental in formulating the overall strategies of our Company and is entrusted with the responsibility of looking after the overall management and operations of our Company. Nationality: Indian DIN: 01565151 Passport No: J3061303 Driving License: CH0119921042575 Voters ID: PBA6777676 Address: House No. 319,sec 21-A Chandigarh-60022 India

	For further details relating to Parvinder Singh Gulati, including terms of appointment as Chairman & Whole-time Director and other directorships please refer to the chapter titled “Our Management” beginning on page 205 of this Draft Red Herring Prospectus.
	Gurmeet Singh Narula, Promoter and Whole time Director Gurmeet Singh Narula aged 50 years is the Promoter and Wholetime Director of our Company. He has been associated with our Company since incorporation and has been designated as Whole time director w.e.f February 26, 2018. He has an experience of more than 20 Years in the industry in which we operate. He has been instrumental in formulating the marketing strategies of our Company and is entrusted with the responsibility of looking after Export operations of the Company. He assess Market potential & leverage through right product mix aligned with Healthcare Solutions. Over the years he has build cohesive sales & marketing team to coach & develop different type of Sales, Marketing Brand and Category strategies. Nationality: Indian DIN: 02398004 Passport No: H4624184 Driving License: CH01 19900019603 Voters ID: PBA5245063 Address: H. N. - 1574 Sector - 33-D Chandigarh-160047 India For further details relating to Gurmeet Singh Narula, including terms of appointment as Whole time Director and other directorships please refer to the chapter titled “Our Management” beginning on page 205 of this Draft Red Herring Prospectus.

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 Draft Red Herring Prospectus.

INTEREST OF PROMOTERS

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 95 of this Draft 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 Directors and KMPs 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 refer to the chapter titled “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 205, 234 and 95 respectively of this Draft 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 Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Further, our Promoters has given personal guarantees, respectively, towards financial facilities amounting to Rs. [●] lakhs as on December 31, 2017 availed from Bankers to our Company; therefore, are interested to the extent of the said guarantees.

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in the chapter titled “Our Promoter and Our Promoter Group” and “Group Companies” beginning on page 221 and 227 respectively of this Draft 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 232 of this Draft Red Herring Prospectus.

Except as stated in "Related Party Transactions" beginning on page 232 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business

PAYMENT OR BENEFITS TO PROMOTERS

Except as stated otherwise in the chapter titled “Related Party Transactions” on page 232 of this Draft Red Herring Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Draft 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 Promoters:

Relationship with Promoters	Parvinder Singh Gulati	Gurmeet Singh Narula	Sham Lal Singla
Father	S. Inderjeet singh	Ajit Singh Narula	-
Mother	Satnam Kaur	Ajit Kaur Narula	-
Brother	1. Dharmi nder Singh 2. Tara Singh*	Manmeet Singh Narula Gurdeep Singh Narula*	1. Som Nath Singla, 2. Raj Kumar Singla*
Sister	1. Amrit Kaur,* 2. Amarjit Kaur*	Tirlochan Kaur, Maninder Kaur, Gurvinder Kaur	1. Champa Rani* 2. Kaushal ya Devi*
Spouse	Gurvinder Kaur	Navneet Kaur Narula	Aruna Singla
Son	Jasmeet Singh	Rajvinder Singh Narula	--

Relationship with Promoters	Parvinder Singh Gulati	Gurmeet Singh Narula	Sham Lal Singla
		Simar Jit Singh Narula*	
Daughter	Jasleen Kaur	-	1. Anshoo Singla, 2. Sharoon Singla
Spouse's Father	Ajit Singh Narula	Late Sh. Manmohan Singh Gandhi	-
Spouse's Mother	Ajit Kaur Narula	Surjeet Kaur	-
Spouse's Brother	1. Manmeet Singh Narula, 2. Gurmeet Singh Narula, 3. Gurdeep Singh Narula	Govind Gandhi	1. Parveen Aggarwal,** 2. Yogesh Aggarwal,* 3. Harish Aggarwal,** 4. Hemant Aggarwal**
Spouse's Sister	1. Tirlochan Kaur, 2. Maninder Kaur	-	Renu Aggarwal*

*Our Company has issued letters dated March 13, 2018 to each of the relatives of our Promoters, asking for details of entity(ies) in which they severally or jointly may have an interest and demanding their personal documents for identification of promoter group. However, we have not received reply from relatives of our Promoters viz. Tara Singh, Amrit Kaur, Amarjit Kaur, Maninder Kaur, Tirlochan Kaur,, Simar Jit Singh Narula, Renu Aggarwal, Yogesh Aggarwal, Raj Kumar Singla, Champa Rani, Kaushalya Devi. Therefore, the disclosures made in this Draft Red Herring Prospectus are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group and Group Companies in respect of those relatives.

**Further Parveen Aggarwal, Harish Aggarwal and Hemant Aggarwal, "immediate" relatives of our Promoters do not form part of the "Promoter Group" of the Company. Moreover, they do not own shareholding in our Company and are also not involved in the business of our Company. One of our promoter viz. Sham Lal Singla through a declaration dated April 12, 2018 has expressed his unwillingness to constitute Parveen Aggarwal, Harish Aggarwal and Hemant Aggarwal under the "Promoter Group" of the Company and has requested that consequently their entities should not be considered to be part of the "Promoter Group" and "Group Companies". Further he has submitted that information related to business/financial interest held by these relatives are not accessible for the purpose of disclosure in the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus. Therefore, though there are no formal disassociation agreements they are not treated as part of Promoter group and the disclosures made in this Prospectus are limited to the extent of information that has been made available by our Promoters in relation to Promoter Group and Group Companies.

Companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:

1. MDC Estates Private Limited
2. Hitech Formulations Pvt Ltd

3. Life Style Bio Sciences Private Limited
4. NZ Healthcare Private Limited
5. Zanon Lifesciences Private Limited
6. MDC Exports Private Limited
7. Vitamec Healthcare Private Limited
8. Supreme Biotech Private Limited
9. Supreme Agencies – Partnership Firm
10. Puneet Steel
11. Hitech Pharma
12. I M Healthcare Pvt. Ltd.
13. Jasco Labs Pvt Ltd
14. Lyra Laboratories Pvt Ltd
15. Spark Multitrade Pvt Ltd
16. Jasco Multipackaging Pvt Ltd
17. Nutra Gate, LLC
18. Hitech Pharma
19. Jasco Associates
20. Kingsway
21. M.H. Freight Carriers
22. Kohinoor Fashions
23. Gurunanak Electricity & Machinery store
24. Capital Cements

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

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, however Parvinder Singh Gulati is brother in law of Gurmeet Singh Narula.

DISASSOCIATION BY THE PROMOTER IN THE LAST THREE YEAR

Our Promoters have disassociated themselves from the following entities/firms during preceding three years.

Name of the promoter	Name of entity	Year of Disassociation	Reason for Disassociation
Parvinder Singh Gulati	Maya Biotech Private Limited	2017	Selling of investment
	Sun Remedies Private limited	2018	Strike off
	Mediaid Drugs & Cosmetics Private limited		Strike off
	MDC Bioceuticals Private limited		Strike off
	Mediaid Labs Private Limited		Selling of investment
Gurmeet Singh Narula	Maya Biotech Private limited	2017	Selling off Investment

Name of the promoter	Name of entity	Year of Disassociation	Reason for Disassociation
	MDC Bioceuticals Private limited	2018	Strike off
	Mediaid Drugs & Cosmetics Private Limited		Strike off
Sham Lal Singla	Maya Biotech Private Limited	2017	Selling off Investment
	MDC Bioceuticals Private limited	2018	Strike off
	Mediaid Drugs & Cosmetics Private Limited		Strike off
	Rhine Formulations Private Limited		Under Process of Striking Off

CHANGES IN CONTROL

There has been no change in the management or control of our Company in the last five 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 258 of this Draft Red Herring Prospectus.

CONFIRMATIONS

Our Company, our individual Promoters and their relatives(as defined under the Companies Act, 2013), Entities forming part of promoter group are not Wilful Defaulters and there are no violations of securities laws committed by our Promoter 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 232 of this Draft 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 COMPANIES

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 other companies as per the policy adopted by our Board. Pursuant to a resolution dated March 16, 2018, our Board vide a policy of materiality has resolved that companies as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 and companies other than AS 18 which are deemed to be material in nature are considered as our group companies. Further companies which have been disclosed as related parties in the restated financial statements of our company for the last five financial years and which are no longer associated with our company have not been disclosed as group companies.

Accordingly, in terms of the above policy adopted by our Board for determining group companies, we have set out below the details of our Group Company. Our Board has also approved that, as on the date of the aforesaid resolution, there are no other group companies of our Company other than the company disclosed below

Our Group Companies:

The details of our Group Companies are provided below:

1. Lyra Laboratories Private Limited

Corporate Information:

Lyra Laboratories Private Limited was incorporated on April 25, 2005 under the provisions of Companies Act, 1956. Its Registered Office is situated at Baddi, Barotiwala Road, Buranwala Himachal Pradesh- 174103 India. The Corporate Identification Number Is U24230HP2005PTC028301.

In terms of its Memorandum of Association, it is, *Inter-Alia*, carrying on the business of manufacturers, processors, importers, exporters, analysts and dealers in medicine, drugs, injections, formulations, allopathic and market the same all over India and abroad.

Interest of Promoters:

One of our promoter Parvinder Singh Gulati holds 1,51,667 shares of Rs.10/-each, aggregating to 21.67% of issued, subscribed and paid up capital of the company.

*Audited Financial information:**

Amt.(Rs. In lakhs) except NAV data

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Paid-up Equity Capital.	70.00	70.00	70.00
Reserves & Surplus.	511.98	399.64	285.25
Net Asset Value per equity share (Rs.)	83.14	67.09	50.75

*The Company is yet to prepare and file audited financials for the year ended March 31, 2018

2. Hi-tech Formulations Private Limited

Corporate Information:

Hi-Tech Formulations Private Limited was incorporated on September 17, 2002, under the Provisions of Companies Act, 1956. Its Registered office is situated at 213, Industrial Area, Phase-I Chandigarh-160002, India. The Corporate Identification Number is U24232CH2002PTC025430.

In terms of its Memorandum of Association, it is, inter-alia, carrying business in India or elsewhere as manufacturers, buyers, sellers, importers, exporters, merchants, distributors, C & F agents, stockist, traders, and dealers in ayurvedic, veterinary, allopathic, homeopathic, unani and other pharmaceutical drugs and medicines, injections, capsules, lotions, patent and proprietary medicines etc.

Interest of Promoters: None of our promoter holds any share in this company.

*Audited Financial information: **

Amt.(Rs. In lakhs) except NAV data

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Paid-up Equity Capital.	190.00	100.00	1.00
Reserves & Surplus.	(11.06)	(11.04)	26.74
Net Asset Value per equity share (Rs)	9.12	11.10	277.44

*The Company is yet to prepare and file audited financials for the year ended March 31, 2018

3. MDC Estates Private Limited

Corporate Information:

MDC Estates Private Limited was incorporated on August 23, 2005 under the provision of Companies Act, 1956. Its registered office is situated 319, Sector 21, A Chandigarh, India. The Corporate Identification Number is U72200CH2005PTC028851.

In terms of its Memorandum of Association, it is, inter-alia, carrying on the business of real estate and development of land/premises, building, creation of plots for the purpose of sale, lease and to carry out the business of colonisers & developers, construction of commercial/ residential buildings, sale and purchase of properties on commission basis.

Interest of Promoters:

One of our promoter, Parvinder Singh holds 1,17,500 equity shares of Rs 10/- each, aggregating to 32.64% of the issued, subscribed and paid up share capital of the company.

*Audited Financial Information: **

Amt.(Rs. In lakhs) except NAV data

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Paid-up Equity Capital.	36.00	36.00	36.00
Reserves & Surplus.	36.64	36.64	36.64
Net Asset Value per equity share (Rs)	20.18	20.18	20.18

*The Company is yet to prepare and file audited financials for the year ended March 31, 2018

4. Supreme Bio Tech Private Limited

Corporate Information:

Supreme Bio Tech Private Limited was incorporated on July 30, 1992 under the provision of Companies Act, 1956. Its registered office is situated at 52, Industrial Area, Phase I, Chandigarh, India. The Corporate Identification Number is U51397CH1992PTC012509.

In terms of its Memorandum of Association, it is, inter-alia, carrying on the business in India or elsewhere as manufacturer, buyer, sellers, importers, exporters, merchants, distributors, stockist, traders and dealers in Ayurvedic, Allopathic, Homeopathic, Unani and other pharmaceutical drugs and medicines.

Interest of Promoters:

Our promoters, Parvinder Singh Gulati and Gurmeet Singh Narula individually holds 5,200 equity shares each of Rs 100/- per share, aggregating to 43.33.% each respectively of the issued, subscribed and paid up share capital of the company respectively.

*Audited Financial Information:**

Amt. (Rs. In lakhs) except NAV data

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Paid-up Equity Capital.	12.00	12.00	12.00
Reserves & Surplus.	23.86	32.42	34.00
Net Asset Value per equity share (Rs)	298.91	370.16	383.34

*The Company is yet to prepare and file audited financials for the year ended March 31, 2018

5. MDC Exports Private Limited

Corporate Information:

MDC Exports Private Limited was incorporated on March 20, 2007 under the provision of Companies Act, 1956. Its registered office is situated at B-161 Lok Vihar, Pitampura, Delhi- 110034, India. The Corporate Identification Number is U24232DL2007PTC160789.

In terms of its Memorandum of Association, it is, inter-alia, carrying on the business as manufacturers, exporters, distributors/ agents/marketing, wholesale dealers, traders, suppliers of all kinds of drugs and pharmaceutical, Ayurvedic, Allopathic, Homeopathic, Unani and bio- chemicals medicines, formulations, basic drugs, anti biotics, biological preparations, compounds, herbs etc.

Interest of Promoters:

None of our promoter holds any share in this company.

Audited Financial Information:

Amt. (Rs. In lakhs) except NAV data

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Paid-up Equity Capital.	2.00	2.00	2.00
Reserves & Surplus.	39.19	33.97	28.92
Net Asset Value per equity share (Rs)	205.96	179.85	154.64

*The Company is yet to prepare and file audited financials for the year ended March 31, 2018

6. I M Healthcare Private Limited

Corporate Information:

I M Healthcare Private Limited was incorporated on September 10, 2010 under the provision of Companies Act, 1956. Its registered office is situated at Plot No 52, Industrial Area Phase - 1 Chandigarh Ch. 160002 -India. The Corporate Identification Number is U24232CH2010PTC032454.

In terms of its Memorandum of Association, it is, inter-alia, carrying on the business as manufacturers, exporters, distributors/ agents/marketing, wholesale dealers, traders, suppliers of all kinds of drugs and pharmaceutical, Ayurvedic, Allopathic, Homeopathic, Unani and bio- chemicals medicines, formulations, basic drugs, anti biotics, biological preparations, compounds, herbs etc.

Interest of Promoters:

One of our promoters viz Sham Lal Singla and Gurmeet Singh Narula holds 150000 and 180000 equity shares in the company aggregating to 10% and 12% of total paid up capital.

Interest of our issuer company:

As on date of this DRHP our company holds 3,00,000 equity shares of face value of Rs. 10 each fully paid up at a price of Rs.255.95 pursuant to resolution approved by Board of directors on April 12, 2018.

Audited Financial Information:

Amt. (Rs. In lakhs) except NAV data

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Paid-up Equity Capital.	100.00	100.00	100.00
Reserves & Surplus.	(56.27)	(42.08)	(18.55)
Net Asset Value per equity share (Rs.)	43.73	57.91	81.45

*The Company is yet to prepare and file audited financials for the year ended March 31, 2018

Related Party Transactions

For details on related party transactions please refer to “Financial Statements, as restated – Annexure Y-Restated Statement of Related Parties Transaction” on page 234 of this Draft Red Herring Prospectus

Other disclosures:

Except as disclosed in this chapter, none of our Group Companies have remained defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing the Draft Red Herring Prospectus. None of our Group Companies are under any winding up proceedings.

None of our Group Companies are listed on any of the Stock Exchanges and they have not made any public/rights issue in last five years. Further, no action has been taken against these companies by any Stock Exchange or SEBI.

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.

Companies with negative net worth

None of our Group Companies have negative Net Worth as per the last audited financial statements mentioned herein.

Loss making Group Companies

Except, Hi-tech Formulations Private Limited, Supreme Bio Tech Private Limited, and I M healthcare Private Limited none of our Group Companies have incurred losses during the last 3 years as per the last audited financial statements mentioned herein.

Nature and Extent of Interest of Group Companies

(a) In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus.

(c) Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company

For details, please see “*Financial Statements, as restated – Annexure Y – Restated Statement of Related Parties Transactions*” on page 234 of this Draft Red Herring Prospectus.

Common Pursuits amongst the Group Companies with our Company

Except MDC estates Private Limited all the Group Companies have interest in venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when it arises. Further, we have not entered into any non compete or similar arrangement with these Group Companies or otherwise with our Promoters. Accordingly, there can be no assurance that these Group Companies will not in future engage in any competing business activity or acquire interests in competing ventures.

Litigation involving our Group Companies

For details related to litigations and regulatory proceedings involving our group companies, please refer to the chapter titled ‘*Outstanding Litigation and Material Developments*’ beginning on page 258 of this Draft Red Herring Prospectus.

Sale/Purchase between Group Companies and Subsidiaries/Associate exceeding in value in aggregate of 10% of total sales or purchases of our Company

For details please refer to “*Financial Statements, as restated – Annexure Y – Restated Statement of Related Parties Transactions*” on page 234 of this Draft Red Herring Prospectus.

Payment of Amount or Benefits to our Group Companies during the Last Two Years

Except as stated in “*Financial Statements, as restated – Annexure Y – Restated Statement of Related Parties Transactions*” on page 234 of this Draft Red Herring Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies during the last two years from the date of filing of this Draft Red Herring Prospectus.

Business Interest of Group Entities

Other than as stated above and as mentioned in “*Financial Statements, as restated – Annexure Y – Restated Statement of Related Parties Transactions*” on page 234 of this Draft Red Herring Prospectus, none of our Group Entities have any business interest in our Company.

Defunct Group Companies

None of our Group Companies are defunct and/or for which any application has been made to the Registrar of Companies for striking off during the five years preceding the date of filing of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to the section titled, “*Financial Statements as Restated*” beginning on page 234 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Our Company does not have any formal dividend policy. The declaration and payment of dividend are governed by the applicable provisions of the Companies Act and the Articles of Association of our Company and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, contractual restrictions and other factors considered relevant by our Board.

The declaration of dividend will however always be at the sole discretion of the Board (subject to approval by the shareholders of the Company) and who will review this policy periodically keeping in mind the business environment and requirements of the Company.

Dividends/ interim dividend declared in the last five fiscal years and for the period ended December 31, 2017

Except as stated below, our Company has not declared any dividends in any of the five fiscal years preceding the filing of the Draft Red Herring Prospectus and for the period ended December 31 2017,:

Description	December 2017	March 2017	March 2016	March 2015	March 2014	March 2013
Face value of Equity Shares (Rs.)	10	10	10	10	10	10
Amount of Dividend declared and paid (Amt. in Lakhs)	58.92	-	-	-	-	-
Dividend per Equity Share (Amt. in Rs)	2.94	-	-	-	-	-
Dividend rate (%)	29.4%	-	-	-	-	-

The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts which may be paid in the future, if any. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. Future dividends, if any, shall depend on various factors such our revenues, profits, cash flow, financial condition and capital requirements of our Company.

SECTION V-FINANCIAL STATEMENTS
FINANCIAL STATEMENTS AS RE-STATED

Particulars	Page No
Restated Financial Statements	F 1 to F 54

PSD & ASSOCIATES
Chartered Accountants

Branch Office:- 808, Tower A, Omkar Alto Monte, Pathanwadi, Malad (E), Mumbai - 400071

INDEPENDENT AUDITOR'S REPORT

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,

The Board of Directors,
MDC PHARMACEUTICALS LIMITED
213, First Floor Industrial Area,
Phase - I, Chandigarh - 160001
India

Dear Sir,

1. Report on Restated Standalone Financial Statements

We have examined the Restated Standalone Financial Statements of M/s MDC PHARMACEUTICALS LIMITED (hereinafter referred as "the Company"), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- i) Section 26 read with the applicable provisions within Rule-4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the "Act") and
- ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the Regulation") ("SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto;
- iii) The terms of reference to our engagements with the Company requesting us to examine Standalone financial statements referred to above and proposed to be included in the DRHP/RHP/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares at EMERGE platform of National Stock Exchange of India Limited ("IPO" or "SME IPO");
- iv) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ("ICAI") ;and
- v) In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, We, M/s P S D & Associates, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the "Peer Review Board" of the ICAI.

- 2. The Restated Standalone Summary Statements and Financial information of the Company** have been extracted and prepared by the management from the Audited Financial Statements of the Company for the financial year ended March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and for the period ended December 31, 2017 and which have been approved by the Board of Directors.

- 3. Financial Statements for the financial year ended on March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and for the period ended on December 31, 2017** has been audited by M/s G. S. Gambhir & Associates, Chartered Accountants,

and 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.

4. We have also carried out re-audit of the financial statements for the year ended on March 31, 2017 and for the period ended on December 31, 2017, as required by SEBI regulations.

5. Financial Information as per Audited Financial Statements:

1. We have examined:

- a) The attached Restated Standalone Statement of Assets and Liabilities of the company, as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 (Annexure I);
- b) The attached Restated Standalone Statement of Profits and Losses of the Company period ended December 31, 2017, and for the financial Years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013. (Annexure II);
- c) The attached Restated Standalone Statement of Cash Flows of the Company for the period ended December 31, 2017 and for the financial Years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 (Annexure III);
- d) The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure IV);

(Collectively hereinafter referred as "**Restated Standalone Financial Statements**" or "**Restated Standalone Summary Statements**")

2. In accordance with the requirements of Act, ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:

(i) The "**Restated Standalone Statement of Assets and Liabilities**" as set out in **Annexure I** to this report, of the Company as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 are prepared by the Company and approved by the Board of Directors. This 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 the Restated Summary Statements as set out in **Annexure IV** to this Report.

(ii) The "**Restated Standalone Statement of Profit and Loss**" as set out in **Annexure II** to this report, of the Company for the Period ended December 31, 2017 and for the financial Years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 are prepared by the Company and approved by the Board of Directors. This 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 the Restated Summary Statements as set out in **Annexure IV** to this Report.



(iii) The "Restated Standalone Statement of Cash Flow" as set out in Annexure III to this report, of the Company for the Period ended December 31, 2017 and for the financial Years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 are prepared by the Company and approved by the Board of Directors. This 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 Restated Summary Statements as set out in Annexure IV to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by Statutory Auditor of the Company for the years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and for the period ended on December 31, 2017 we are of the opinion that "Restated Standalone Financial Statements" or "Restated Standalone Summary Statements" have been made after incorporating:

- a) Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- b) There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements.
- c) Adjustments on account of the statutory audit qualifications, if any, have been given effect and regrouped 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 the Restated Summary Statements as set out in Annexure IV to this Report.
- d) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Financial statements.
- e) There was no change in accounting policies, which needs to be adjusted in the "Restated Financial Statements" except mentioned in clause d) above.
- f) There are no revaluation reserves, which need to be disclosed separately in the "Restated Standalone Financial Statements."
- g) During the period of restatement, Company has paid dividend on its equity shares as under.

Financial Year	Amount of Dividend (Excluding of Dividend Distribution Tax)	Date of Payment
FY 2012-13	NIL	NA
FY 2013-14	NIL	NA
FY 2014-15	NIL	NA
FY 2015-16	NIL	NA
FY 2016-17	NIL	NA
Period ended December 31, 2017	58.93 Lakhs	08-06-2017



6. Other Financial Information:

1. We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the Years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and for the period ended December 31, 2017.

Restated Statement of Share Capital, Reserves And Surplus	Annexure-A
Restated Statement of Long Term And Short Term Borrowings/ Statement of principle Term of Secured loan and Assets charges as security and Statement of term & Condition of unsecured Loans.	Annexure-B, B(A) and B(E)
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Statement of Long Term Provisions	Annexure-D
Restated Statement of Trade Payables	Annexure-E
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure-F
Restated Statement of Fixed Assets	Annexure-G
Restated Statement of Non-Current Investments	Annexure-H
Restated Statement of Long-Term Loans And Advances	Annexure-I
Restated Statement of Non-Current Assets	Annexure-J
Restated Statement of Inventory	Annexure-K
Restated Statement of Trade Receivables	Annexure-L
Restated Statement of Cash & Cash Equivalents	Annexure-M
Restated Statement of Short-Term Loans And Advances	Annexure-N
Restated Statement of Other Current Assets	Annexure-O
Restated Statement of Turnover	Annexure-P
Restated Statement of Non- Operating Income	Annexure-Q
Restated Statement of Cost Of Material Consumed And Purchases Of Stock In Trade	Annexure-R
Restated Statement of Change in Inventories	Annexure-S
Restated Statement of Employee Benefits Expenses	Annexure-T
Restated Statement of Finance Cost	Annexure-U
Restated Statement of Depreciation & Amortization	Annexure-V
Restated Statement of Other Expenses	Annexure-W
Restated Statement of Mandatory Accounting Ratios	Annexure-X
Restated Statement of Related Party Transaction	Annexure-Y
Restated Statement of Capitalization	Annexure-Z
Restated Statement of Tax Shelter	Annexure-AA
Restated Statement of Related Summary of Contingent Liabilities	Annexure-AB

2. The Restated Financial Information contain all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under section 133 of Companies Act, 2013.
3. We have carried out Re-audit of the Standalone financial statements for the Year ended on March 31, 2017 and for the period ended December 31, 2017 as required by SEBI regulations. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2017. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to December 31, 2017.



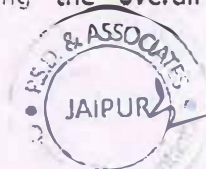
4. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.
5. In our opinion, the above financial information contained in Annexure I to III and Annexure A to AB of this report read along with the Restated statement of Significant Accounting Policies and Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with the Company. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
6. Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
7. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

7. Auditor's Responsibility

Our responsibility is to express an opinion on these restated Standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

8. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

- a) In the case of Restated Standalone Statement of Assets and Liabilities of the Company as at March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and for the period ended December 31, 2017;
- b) In the case of the Restated Standalone Statement of Profit and Loss, of the profit/ (Loss) of the Company for the Years/period ended on that date; and
- c) In the case of the Restated Standalone Cash Flow Statement, of the cash flows of the Company for the Years/period ended on that date.

For P S D & Associates

Chartered Accountants
FRN 004501C

(Girish Vyas)

Partner

Membership No. 427738

Date: 14th May, 2018

Place: Mumbai



MDC PHARMACEUTICALS LIMITED
RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in Lakhs Rs.)

PARTICULARS	As at the Year end/Period ended					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
A) EQUITY AND LIABILITIES						
1. Shareholders' Funds						
(a) Share Capital	199.98	199.98	199.98	199.98	199.98	199.98
(b) Reserves & Surplus	2,091.05	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70
	2,291.03	1,876.25	1,583.68	1,455.50	1,400.85	1,230.68
2. Non Current Liabilities						
(a) Long Term Borrowings	129.00	209.70	314.61	390.90	349.49	394.90
(b) Other Long Term Liabilities	-	-	-	-	-	-
(c) Deferred Tax Liabilities (Net)	-	-	-	-	10.67	11.38
(d) Long Term Provisions	34.01	32.21	22.17	21.23	11.43	17.60
	163.01	241.91	336.78	412.21	371.59	423.88
3. Current Liabilities						
(a) Short Term Borrowings	253.32	-	397.35	233.35	612.24	684.03
(b) Trade Payables	1,031.93	599.57	501.52	508.15	87.10	76.98
(c) Other Current Liabilities	422.94	440.84	330.81	382.17	211.52	168.90
(d) Short Term Provisions	169.84	168.62	47.17	16.54	39.96	26.99
	1,878.03	1,209.03	1,276.86	1,140.20	950.82	956.90
Total	4,332.07	3,327.19	3,197.31	3,007.91	2,723.26	2,611.45
B) ASSETS						
1. Non Current Assets						
(a) Fixed Assets						
i) Tangible Assets						
(i) Gross Block	1,842.94	1,807.38	1,631.65	1,412.79	1,390.22	1,251.86
(ii) Depreciation	1,156.54	1,080.85	968.15	907.89	766.23	671.24
(iii) Net Block	686.40	726.53	663.49	504.90	623.99	580.62
ii) Capital Work in Progress	146.59	93.31	-	-	-	-
	832.99	819.84	663.49	504.90	623.99	580.62
(b) Non-Current Investment	227.38	227.68	263.41	534.64	137.32	288.45
(c) Deferred Tax Assets (Net)	9.95	10.21	5.60	12.26	-	-
(d) Long Term Loans and Advances	262.14	22.64	17.26	13.16	8.50	8.50
(e) Other Non Current Assets	-	-	-	-	-	-
	499.47	260.54	286.27	560.06	145.82	296.95
2. Current Assets						
(a) inventories	1,427.27	1,306.58	956.99	842.14	658.94	664.59
(b) Trade Receivables	1,014.18	673.54	658.25	784.17	727.49	693.49
(c) Cash and Cash equivalents	234.05	27.29	414.23	16.87	29.30	16.22
(d) Short-Term Loans and Advances	314.22	226.76	210.96	295.60	531.64	359.57
(e) Other Current Assets	9.89	12.62	7.12	4.16	6.08	-
	2,999.62	2,246.82	2,247.54	1,942.96	1,953.45	1,733.88
Total	4,332.07	3,327.19	3,197.31	3,007.91	2,723.26	2,611.45

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated standalone summary financial information (Annexure IV) are an integral part of this statement.

As per our report of even date

For P S D & Associates
Chartered Accountants
FRN 004501C

(Girish Vyas)
M. No. 427738
Partner
Date: 14th May 2018
Place: Mumbai



For and on Behalf of Directors

Parvinder Singh Gulati
(Director)
01565151

Sham Lal Singh
(Director)
00496397

MDC PHARMACEUTICALS LIMITED
RESTATED STATEMENT OF PROFIT AND LOSS

(Amount in Lakhs Rs.)

PARTICULARS	For the Year/Period ended					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
1 Revenue From Operation (Gross)	3,802.88	4,982.64	4,757.40	4,098.50	3,594.05	3,448.32
Less: Excise Duty	44.58	222.58	-	-	-	-
Revenue From Operation (Net)	3,758.30	4,760.06	4,757.40	4,098.50	3,594.05	3,448.32
2 Other Income	8.72	5.11	28.52	29.13	1.98	17.08
Total Revenue (1+2)	3,767.02	4,765.17	4,785.92	4,127.64	3,596.03	3,465.40
3 Expenditure						
(a) Cost of Material Consumed	1,819.26	2,542.64	2,742.06	2,562.61	2,275.46	2,292.73
(b) Purchase of Stock in Trade	326.47	544.00	464.28	416.31	239.96	149.14
(c) Changes in Inventory of WIP, Finished Goods and Stock in Trade	22.43	(228.80)	(89.29)	(105.50)	(21.96)	86.81
(d) Employee Benefit Expenses	594.27	972.27	907.00	660.19	406.64	354.67
(e) Finance Cost	42.97	98.70	115.81	127.98	163.00	180.56
(f) Depreciation and Amortisation Expenses	75.69	113.67	102.07	141.66	94.99	85.77
(g) Other Expenses	207.23	273.91	333.67	266.21	226.11	203.27
4 Total Expenditure 3(a) to 3(g)	3,088.32	4,316.39	4,575.61	4,069.45	3,384.19	3,352.93
5 Profit/(Loss) Before Exceptional & extraordinary items & Tax (2-4)	678.70	448.78	210.31	58.19	211.84	112.47
6 Exceptional item	-	-	-	-	-	-
7 Profit/(Loss) Before Tax (5-6)	678.70	448.78	210.31	58.19	211.84	112.47
8 Tax Expense:						
(a) Tax Expense for Current Year	182.39	160.82	75.47	28.47	42.38	22.50
(b) Short/(Excess) Provision of Earlier Year	-	-	-	-	-	-
(c) Deferred Tax	0.26	(4.61)	6.86	(22.93)	(0.71)	(2.72)
Net Current Tax Expenses	182.65	156.21	82.13	3.54	41.67	19.78
9 Profit/(Loss) for the Year (7-8)	486.04	292.57	128.18	54.65	170.17	92.69

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated standalone summary financial information (Annexure IV) are an integral part of this statement.

As per our report of even date

For P S D & Associates
Chartered Accountants
FRN 004501C

(Girish Vyas)
M. No. 427738
Date: 14th May 2018
Place: Mumbai



For and on Behalf of Directors

Parvinder Singh Gulati (Director)
01565151
Sham Lal Singla
Director,
00496397

MDC PHARMACEUTICALS LIMITED

RESTATED CASH FLOW STATEMENT

(Amount in Lakhs Rs.)

PARTICULARS	FOR THE YEAR/PERIOD ENDED					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
A) Cash Flow From Operating Activities :						
Net Profit before tax	678.70	448.78	210.31	58.19	211.84	112.47
Adjustment for :						
Depreciation	75.69	113.67	102.07	141.66	94.99	85.77
Interest Paid	24.45	69.90	98.33	119.35	154.20	172.60
Provision of Gratuity	2.13	10.22	7.86	13.23	(1.80)	12.03
Interest Income	(0.66)	(0.64)	(0.42)	(0.41)	(0.37)	(0.36)
Loss/(Profit) on Sale of Fixed Assets	-	(1.92)	(14.33)	-	-	0.08
Operating profit before working capital changes	780.31	640.01	403.83	332.01	458.86	382.58
Changes in Working Capital						
(Increase)/Decrease in Inventories	(120.69)	(349.59)	(114.85)	(183.20)	5.65	161.95
(Increase)/Decrease in Trade Receivables	(340.63)	(15.30)	125.92	(56.68)	(34.00)	(183.80)
(Increase)/Decrease in Short Term Loans & Advances and Provisions	(87.46)	(15.81)	84.64	236.04	(172.07)	(95.88)
(Increase)/Decrease in Other Current Assets	2.73	(5.51)	(2.96)	1.92	(6.08)	42.36
Increase/(Decrease) in Trade Payables	432.36	98.05	(6.63)	421.05	10.12	(18.02)
Increase/(Decrease) in Other Current Liabilities	(63.30)	132.60	(78.02)	186.97	43.25	51.26
Increase/(Decrease) in Long Term Provisions and liabilities	-	-	-	-	-	-
Cash generated from operations	603.32	484.46	411.95	938.11	305.72	340.47
Less:- Income Taxes paid	(217.35)	(62.13)	(25.08)	(69.66)	(34.40)	(16.01)
Net cash flow from operating activities	385.97	422.33	386.87	868.45	271.33	324.45
B) Cash Flow From Investing Activities :						
Purchase of Fixed Assets including of CWIP	(88.84)	(268.10)	(246.34)	(22.56)	(138.36)	(54.97)
Investment made/Sold during the year	0.30	35.73	271.22	(397.31)	151.13	(17.79)
Increase/(Decrease) in Long Term Loans and Advances	(239.50)	(5.38)	(4.10)	(4.66)	-	(8.50)
Interest Income	0.66	0.64	0.42	0.41	0.37	0.36
Net cash flow from investing activities	B (327.37)	(237.10)	21.20	(424.13)	13.14	(80.90)
C) Cash Flow From Financing Activities :						
Increase/(Decrease) in Short Term Borrowings	253.32	(397.35)	164.00	(378.09)	(71.79)	102.30
Increase/(Decrease) in Long Term Borrowings	(80.70)	(104.91)	(76.37)	41.48	(45.41)	(166.88)
Interest Paid	(24.45)	(69.90)	(98.33)	(119.35)	(154.20)	(172.60)
Net cash flow from financing activities	C 148.16	(572.16)	(10.70)	(456.75)	(271.40)	(237.18)
Net Increase/(Decrease) in Cash & Cash Equivalents	(A+B+C) 206.76	(386.93)	397.37	(12.43)	13.07	6.37
Cash equivalents at the beginning of the year	27.29	414.23	16.87	29.30	16.22	9.86
Cash equivalents at the end of the year	234.05	27.29	414.23	16.87	29.30	16.22

Notes :-

	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
1. Component of Cash and Cash equivalents						
Cash on hand	20.16	5.34	13.46	11.44	24.41	11.46
Balance With banks	205.75	17.12	395.64	0.69	0.45	0.53
Other Bank Balance	8.14	4.83	5.13	4.75	4.43	4.22
	234.05	27.29	414.23	16.87	29.30	16.22

- 2 Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated standalone summary financial information (Annexure IV) are an integral part of this statement.

As per our report of even date

For PSD & Associates

Chartered Accountants

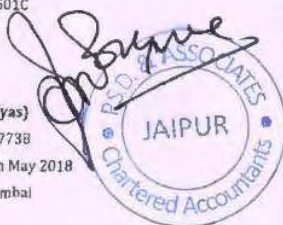
FRN 004501C

(Girish Vyas)

M. No. 427738

Date: 14th May 2018

Place: Mumbai



For and on Behalf of Directors

Parvinder Singh Gulati
(Director)
01565151

Sham Lal Singla
(Director)
00496397

ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS

A. BACKGROUND

The Company was originally incorporated as MDC Pharmaceuticals Private Limited at Jalandhar as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 14, 1994 bearing Registration Number 53-14820 issued by the Registrar of Companies, Punjab, HP & Chandigarh.

Subsequently, the Company was converted into a public limited company pursuant to special resolution passed by the members in Extraordinary General Meeting held on February 26, 2018 and the name of our Company was changed to MDC Pharmaceuticals Limited vide a Fresh Certificate of Incorporation dated March 13, 2018 issued by the Registrar of Companies, Chandigarh, Punjab. The Corporate Identification number of our Company is U24231CH1994PLC014820

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Standalone Summary Statement of Assets and Liabilities of the Company as on December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, and the Restated Standalone Summary Statement of Profit and Loss and Restated Summary Standalone Statements of Cash Flows for the period ended on December 31, 2017 and for the year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the annexure thereto (collectively, the "Restated Standalone Financial Statements" or "Restated Standalone Summary Statements") have been extracted by the management from the Audited Financial Statements of the Company for the period ended December 31, 2017 and for the year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and 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, 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).

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include value of WIP stock etc. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.



3. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

4. DEPRECIATION

Depreciation on Fixed Assets has been provided on 'Written Down Value Method' based on the useful life of the assets and in the manner prescribed in the Schedule II of the Companies Act, 2013. The Company has calculated depreciation through WDV method upto 31.03.2014 as per Schedule XIV of Companies Act 1956.

5. BORROWING COSTS

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.

6. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of amount.

7. 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 purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

8. INVENTORIES

- i) Raw Material are valued at lower of Cost or net realizable value.
- ii) Work in Progress and Finished Goods are valued at lower of cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and



other costs including manufacturing overheads incurred in bringing them to their respective present location and condition

9. REVENUE RECOGNITION

- i) Revenue from sale of products net of returns is recognized on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty as and when applicable, Price escalation claims are recognized to the extent there is reasonable certainty of its realization.
- ii) Other Operating Revenue
Other Operating revenue comprise of income from ancillary activities incidental to the operation of the Company and is recognized when the right to receive the income is established as per the terms of the contract.
- iii) Interest income is recognized on time proportion basis.
- iv) Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition".

10. FOREIGN CURRENCY TRANSACTIONS

- i) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Statement of Profit and Loss.
- iii) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Statement of Profit and Loss.

11. EMPLOYEE BENEFITS

Defined-contribution plans:

- i) The company has no policy of encashment and accumulation of balanced leave. Therefore, no provision of leave Encashment is required.
- ii) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.
- iii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation as at the date of the Balance Sheet.

12. SEGMENT ACCOUNTING

(i) Business Segment

(a) The business segment has been considered as the primary segment.

(b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

(c) The Company's primary business includes manufacturing of Pharma Products, and accordingly this is the only segment as envisaged in Accounting Standard 17 'Segment Reporting' therefore disclosure for Segment reporting is not applicable.

(ii) Geographical Segment

The Company supplies its product in domestic as well as export market, however export segment contributes less than 10% of the total revenue/Profit/Asset. As the Aggregate revenue/Profit/Asset, therefore no segment other than domestic is identified by the management as reportable segment.



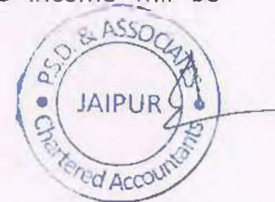
13. ACCOUNTING FOR TAXES ON INCOME

Tax expense 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 in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.



14. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

15. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Bonus Share allotment has been considered as if it took place at the beginning of Restatement period.

16. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

C. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARSS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies except accounting of Gratuity which was previously done on cash basis upto March 2014, has now been accounted based on mercantile system as certified by Independent Actuary.

D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

1. The Standalone financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.



2. The amounts due to Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" have been identified on the basis of information available with the Company.

3. Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:-

Gratuity

(Amount in Rs. Lakhs)

Particulars	31-12-17	2016-17	2015-16	2014-15	2013-14	2012-13
1.The amounts recognized in the Balance Sheet are as follows:						
Present value of unfunded obligations Recognized	36.82	34.68	24.47	23.23	12.99	19.17
Net Liability	36.82	34.68	24.47	23.23	12.99	19.17
2.The amounts recognized in the Profit & Loss A/c are as follows:						
Current Service Cost	6.45	8.66	7.65	7.39	6.28	7.35
Interest on Defined Benefit Obligation	4.82	5.62	5.09	4.14	4.78	3.54
Expected Return on Plan Assets	-3.52	-4.48	-4.07	-3.51	-3.13	-2.55
Net actuarial losses (gains) recognised in the year	-5.62	0.42	-0.81	5.21	-9.73	3.69
Total, Included in "Salaries, Allowances & Welfare"	2.13	10.22	7.86	13.23	-1.80	12.03
3.Changes in the present value of defined benefit obligation:						
Defined benefit obligation as at the beginning of the year/period Net of Fair Value of Opening Plan Assets	34.68	24.47	23.23	12.99	19.17	17.28
Service cost	6.45	8.66	7.65	7.39	6.28	7.35
Interest cost	4.82	5.62	5.09	4.14	4.78	3.54
Expected Return on Plan Assets	-3.52	-4.48	-4.07	-3.51	-3.13	-2.55



Net actuarial losses (gains) recognised in the year	-5.62	0.42	-0.81	5.21	-9.73	3.69
Contribution made by the Company	-	-	-6.62	-3.00	-4.38	-10.14
Defined benefit obligation as at the end of the year/period	36.82	34.68	24.47	23.23	12.99	19.17
Benefit Description						
Benefit type:		Gratuity Valuation as per Act				
Retirement Age:	65 years	65 years	65 years	65 years	65 years	65 years
Vesting Period:	5 years	5 years	5 years	5 years	5 years	5 years
The principal actuarial assumptions for the above are:						
Future Salary Rise:	7.00%P.A	7.00%P.A	7.00%P.A	7.00%P.A	7.00%P.A	7.00%P.A
Discount rate per annum:	7.40%P.A	7.40%P.A	7.70%P.A	8.00%P.A	9.00%P.A	8.30%P.A
Attrition Rate:	5% at younger ages and reducing to 1% at older ages according to graduated scale					
Mortality Rate:	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on the end of respective period except as mentioned in Annexure -AB, for any of the years covered by the statements.

5. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure - Y of the enclosed financial statements.

6. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard - 22: "Accounting for Taxes on Income" as at the end of the year/period is reported as under:

Particulars	(Amt. in Lakh Rs.)					
	As at					
	31-12-17	31-03-17	31-03-16	31-03-15	31-03-14	31-03-13
Major Components of deferred tax arising on account of timing differences are:						
Timing Difference Due to Depreciation	0.71	3.79	7.52	(14.57)	45.87	54.24
Deferred Tax Liability(A)	0.20	1.25	2.49	(4.73)	14.88	17.60

Timing Difference due to Gratuity Provision Disallowed	36.82	34.68	24.47	23.23	12.99	19.17
Deferred Tax Assets (B)	10.14	11.47	8.09	7.54	4.22	6.22
Cumulative Balance of Deferred Tax Liability/(Assets) (Net) (A-B)	(9.95)	(10.21)	(5.60)	(12.26)	10.67	11.38

7. Earnings Per Share (AS 20):

Earnings per Share have been calculated is already reported in the Annexure -X of the enclosed financial statements.

8. MATERIAL ADJUSTMENTS[AS PER SEBI (ICDR) REGULATIONS, 2009]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 1956, and as replaced by Company Act 2013 after 01st April 2014 and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (losses) of the Company is as under.

Statement of adjustments in the Financial Statements

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & losses of the company.

1. Standalone Statement of Profit and Loss after Tax

Table -1

(Amount in Rs.)

Particulars	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Net Profit After Tax as per audited accounts but before adjustments for restated accounts:	500.62	317.91	133.10	56.58	171.87	85.14
(Short)/Excess Provision of Gratuity Expense	(2.13)	(10.22)	(7.86)	(13.23)	1.80	(12.03)
(Short)/Excess Provision of Income Tax including of Interest on shortfall of advance tax	(22.63)	4.12	4.08	(13.47)	2.12	19.15
Short/(Excess) Provision for Deferred Tax Assets	7.54	(9.89)	(14.20)	4.04	1.76	5.38
Excess/(Short) Provision For Depreciation and Amortization	2.33	1.32	6.65	0.69	(11.77)	(15.02)
Short/(Excess) Booking of Insurance Claim Received	-	-	-	17.04	-	-
Short/(Excess) booking of Profit and Loss on sale of Assets	-	(6.62)	0.16	-	-	(0.08)
Prior period Adjustment on		(4.05)				



account of Profit on sale of assets						
Interest on Fixed Deposit Short Accounted on mercantile basis	0.31					
Gratuity Accounted on Cash basis transferred to Net Liability ledger			6.62	3.00	4.38	10.14
Interest on TDS Paid adjusted through Reserves, now transferred to P & L	-	-	(0.32)	-	-	-
Excess TDS Paid adjusted through Reserves, now transferred to P & L	-	-	(0.05)	-	-	-
Net Adjustment in Profit and Loss Account	(14.58)	(25.34)	(4.92)	(1.93)	(1.70)	7.55
Net Profit After Tax as per Restated Accounts:	486.04	292.57	128.18	54.65	170.17	92.69

a) Adjustment on account of provision for Gratuity

The Company did not provide gratuity based on the requirement of AS -15 (Revised) up to December 31, 2017. Therefore during the restatement, provision for gratuity have been done as per the actuarial valuation. Till December 31, 2017 Company has accounted premium payment to LIC as expenses as well as classifying as current assets without charging to Statement of Profit and Loss, therefore during the restatement, based on actuarial valuation and LIC Fund Balance certificate, the Net Liability has been accounted. Based on actuarial valuation, gratuity provision Short/(excess) recognized in Statement of profit and loss and Net liability bifurcated into current and non-current in Statement of Assets and liabilities. For more details Refer Table 1 above.

b) Accounting of Depreciation (AS -6)

During the process of restatement of Accounts, Company has rectified the Depreciation provision which has been changed due to arithmetical errors, as well as due to wrong calculation of Depreciation due to wrong application of put to use concept of fixed assets (Expansion of Existing Factory Building). Because of the above depreciation was recalculated since from the beginning to arrive at Gross block of Assets/Accumulated Depreciation as on 31st March 2012. It has resulted in short Depreciation (net of Profit/(Loss) on sale of assets) of Rs. 83.98 Lakhs upto 31st March 2012 and the same has been adjusted with the Opening balance of Retained earnings for the FY 2012-13. Due to change in opening WDV for the FY 2012-13, the subsequent year's depreciation also changed. The same has been rectified and accordingly effect thereof has been stated in Table 1 (Statement of Profit and Loss after Tax).

c) Adjustment on account of Provision of Deferred Tax Assets:

Due to Provision for Gratuity (Employee benefits), Change in WDV of Fixed Assets as per Books during the period of restatement, The Company has recalculated the deferred tax liability and deferred tax assets at the end of respective year/period ended at the rate of normal Tax rate applicable at the end of relevant year/period. Due to same deferred tax assets has been recognized in the financial statement of the respective year.



d) Accounting of Prior period Income:

The Company has recognized a Prior period Income (Profit on sale of Assets Plant Machinery) Rs. 4.05 Lakhs in FY 2016-17, however has now been rectified during the restatement in the respective year only, there is no such sale of asset, and therefore such prior period profit has been eliminated during the restatement of financial statements.

e) Provision of Income Tax (Current/Prior Period):

During the period of Restatement, Income tax liability was recalculated as per the prevailing tax rates, accordingly the revised income tax provision has been charged to the Statement of Profit and Loss account along with interest on delay payment of direct tax. Short/(Excess) provision has adjusted in respective year/period. For More Details refer Annexure AA enclosed with the Financial Statement.

f) Insurance claim Received:

During the Financial year 2014-15, a receipt of Rs. 17.04 lakhs on account of Insurance claim was credit to Reserves and surplus. During the restatement, it has been credit to Statement of Profit and Loss.

g) Gratuity Paid under Gratuity plan Maintained with LIC:

During the Restatement company has adjusted the payments made to LIC in respective year with the net liability as shown in Actuarial Valuation report. Net Opening Liability as on 01.04.2012 of Rs. 17.28 Lakhs has been adjusted with the opening balance of retained earnings. For more detail refer table 1 given above.

h) Short booking of Interest on Fixed Deposit on Accrual Basis:

During the period ended December 31, 2017, Company has considered short provision of interest on fixed deposit and accordingly during restatement, the shortfall is credited in Statement of Profit and Loss.

i) Short/(Excess) booking of Profit/(loss) on sale of Fixed Assets:

During the restatement, Company identified wrong accounting of depreciation and WDV of assets sold as on the date of sale. Therefore during restatement, the same has been correctly accounted and impact of the same has been disclosed in Table 1 above.

j) Excess TDS paid and Interest thereon:

During the Financial year 2015-16, Rs. 0.32 lakhs and 0.05 Lakhs on account of excess TDS paid and interest on such payment was debited to Reserves and surplus. During the restatement, it has been debited to Statement of Profit and Loss.

9. Realizations:

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

10. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

11. Amounts in the financial statements



Amounts in the financial statements are reported in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.

12. Auditors Qualifications -

Details of Auditors qualifications and their impact on restated financial statement is given below.

a) Qualification which required adjustment in restated financial statements

None

b) Qualification which does not require adjustment in restated financial statements - Details given below

Financial Year	Audit Qualifications												
2012-13	None												
2013-14	None												
2014-15	In respect of Loans, secured and unsecured, granted by the Company to Companies, Firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013, Company is found irregular in recovery of principal and interest on amount outstanding for the concerned financial year. Upto Management discretion Loans and advances are stated to be good, in respect of which Company does not hold any security. Further Interest provision not made by the Company where loan is overdue by more than a year.												
2015-16	In respect of Loans, secured and unsecured, granted by the Company to Companies, Firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013, Company is found irregular in recovery of principal and interest on amount outstanding for the concerned financial year. Upto Management discretion Loans and advances are stated to be good, in respect of which Company does not hold any security. Further Interest provision not made by the Company where loan is overdue by more than a year.												
2016-17	In respect of Loans, secured and unsecured, granted by the Company to Companies, Firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013, Company is found irregular in recovery of principal and interest on amount outstanding for the concerned financial year. Upto Management discretion Loans and advances are stated to be good, in respect of which Company does not hold any security. Further Interest provision not made by the Company where loan is overdue by more than a year.												
31 st December 2017	1) On the basis of the written representations received from the directors taken on record by the Board of Directors, following directors are *disqualified as on 31st December, 2017 from being appointed as a director in terms of Section 164(2) of the Act. <table><tr><th>S.No.</th><th>Name of Director's</th><th>DIN</th><th>Date of Disqualification</th></tr><tr><td>1.</td><td>Parvinder Gulati</td><td>1565151</td><td>01/11/2016</td></tr><tr><td>2.</td><td>Gurmeet Narula</td><td>2398004</td><td>01/11/2016</td></tr></table> (*Note:- Disqualification of director's mentioned above under section 164(2) of the act is on account of non-filing of annual returns of M/s Supreme Biotech Private Limited, Sister	S.No.	Name of Director's	DIN	Date of Disqualification	1.	Parvinder Gulati	1565151	01/11/2016	2.	Gurmeet Narula	2398004	01/11/2016
S.No.	Name of Director's	DIN	Date of Disqualification										
1.	Parvinder Gulati	1565151	01/11/2016										
2.	Gurmeet Narula	2398004	01/11/2016										



Concern of reporting company) for last three financial years. However, as per information's available with us and reported by the management the defaulting company has filed all overdue financial statements/annual returns/documents (as applicable) by availing the benefit of condonation of delay Scheme 2018 (CODS-2018). Hence, upto the date of certification the disqualification of above mentioned director's has been successfully removed from the records of ROC)

2) In respect of Loans, secured and unsecured, granted by the Company to Companies, Firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013, Company is found irregular in recovery of principal and interest on amount outstanding for the concerned financial year. Further Interest provision not made by the Company where loan is overdue by more than a year.

3. Undisputed Statutory liabilities on account of income tax outstanding since more than 6 months is given below- :

Name of Statute	Nature of Dues	Amount (Lakhs)	Period to which the amount relates
Income Tax Act, 1961	Income Tax and interest	15.34	AY 2010-11
		1.31	AY 2011-12
		1.41	AY 2013-14
		15.83	AY 2015-16
	TDS and interest	9.70	AY 2009-10
		0.14	AY 2010-11
		0.43	AY 2010-11

For P S D & Associates

Chartered Accountants

FRN 004501C

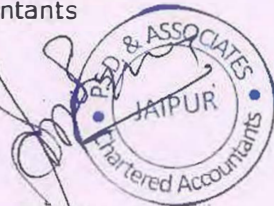
(Girish Vyas)

Partner

Membership No. 427738

Date: 14th May, 2018

Place: Mumbai



RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS

ANNEXURE - A

(Amt. in Rs. Lakhs, Except Share Data)

Particulars	31-12-2016	31-03-2017	31-03-2018	31-03-2019	31-03-2020	31-03-2021
Share Capital						
Authorised Share Capital						
Equity Shares of Rs.10 each	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Equity Share Capital	200	200	200	200	200	200
Issued, Subscribed and Paid up Share Capital						
Equity Shares of Rs. 10 each fully paid up	1,999,800	1,999,800	1,999,800	1,999,800	1,999,800	1,999,800
Share Capital (In Rs.)	199.98	199.98	199.98	199.98	199.98	199.98
Total	199.98	199.98	199.98	199.98	199.98	199.98
Reserves and Surplus						
Surplus in Profit and Loss account						
Opening Balance	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70	938.01
Profit for the Year	486.04	292.57	128.18	54.65	170.17	92.69
Dividend and Dividend Distribution tax	71.26	-	-	-	-	-
Closing Balance	2,091.05	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70
Total	2,091.05	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70

1. Terms/rights attached to equity shares:

- The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.
- In the event of 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.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Company does not have any Revaluation Reserve.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- The reconciliation of the number of Equity shares outstanding as at -

Particulars	31-12-2016	31-03-2017	31-03-2018	31-03-2019	31-03-2020	31-03-2021
Number of shares at the beginning	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00
Add: Bonus Share Issued	-	-	-	-	-	-
Number of shares at the end	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00

6. The detail of shareholders holding more than 5% of Shares:-

Name of Shareholders	31-12-2016	31-03-2017	31-03-2018	31-03-2019	31-03-2020	31-03-2021
Mr. Gurmeet Singh Narula	666,600	666,600	666,600	666,600	666,600	666,600
Mr. Parvinder Singh Gulati	666,600	666,600	666,600	666,600	666,600	666,600
Mr. Sham Lal Singh	666,600	666,600	666,600	666,600	666,600	666,600

[Signature]


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ANNEXURE - A

RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS

(Amt. in Rs. Lakhs, Except Share Data)

Particulars	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Share Capital						
Authorised Share Capital						
Equity shares of Rs.10 each	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Equity Share Capital	200	200	200	200	200	200
Issued, Subscribed and Paid up Share Capital						
Equity Shares of Rs. 10 each fully paid up	1,999,800	1,999,800	1,999,800	1,999,800	1,999,800	1,999,800
Share Capital (in Rs.)	199.98	199.98	199.98	199.98	199.98	199.98
Total	199.98	199.98	199.98	199.98	199.98	199.98
Reserves and Surplus						
Surplus in Profit and Loss account						
Opening Balance	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70	938.01
Profit for the Year	486.04	292.57	128.18	54.65	170.17	92.69
Dividend and Dividend Distribution tax	71.26	-	-	-	-	-
Closing Balance	2,091.05	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70
Total	2,091.05	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70

1. Terms/rights attached to equity shares:

- i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.
- ii. In the event of 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. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. Company does not have any Revaluation Reserve.
4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

5. The reconciliation of the number of Equity shares outstanding as at:-

Particulars	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Number of shares at the beginning	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00
Add: Bonus Share issued	-	-	-	-	-	-
Number of shares at the end	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00

6. The detail of shareholders holding more than 5% of Shares:-

Name of Shareholders	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Mr. Gurmeet Singh Narula	666,600	666,600	666,600	666,600	666,600	666,600
Mr. Parvinder Singh Gulati	666,600	666,600	666,600	666,600	666,600	666,600
Mr. Sham Lal Singh	666,600	666,600	666,600	666,600	666,600	666,600



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RESTATED STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS

ANNEXURE - B

(Amount in Lakhs Rs.)

Particulars	31-12-2017	31-03-2017	31-03-2018	31-03-2015	31-03-2014	31-03-2013
(Secured)						
(a) Term loans						
From Bank & Financial Institutions	211.96	209.70	314.61	390.98	177.80	125.16
Less: Current Maturities of Long Term Debt	82.96	-	-	-	79.42	63.26
Sub-total (a)	129.00	209.70	314.61	390.98	98.38	61.90
(Unsecured)						
(b) Term loans						
From Bank & Financial Institutions	-	-	-	-	-	-
From Others	-	-	-	-	235.95	317.85
Less: Current Maturities of Long Term Debt	-	-	-	-	-	-
Sub-total (b)	-	-	-	-	235.95	317.85
(c) Loans and advances from related parties & shareholders						
(Unsecured)						
From Directors	-	-	-	-	-	-
From Relatives	-	-	-	-	1.66	1.66
From Body Corporate	-	-	-	-	-	-
Sub-total (c)	-	-	-	-	1.66	1.66
(d) Loans and advances from others (Unsecured)						
From Others	-	-	-	-	13.50	13.50
Sub-total (d)	-	-	-	-	13.50	13.50
Total (a+b+c+d)	129.00	209.70	314.61	390.98	349.49	394.90

Short Term Borrowings

Secured

Loan Repayable on Demand

From Banks	253.32	-	397.35	233.35	612.24	684.03
From Other Parties	-	-	-	-	-	-
Sub total (a)	253.32	-	397.35	233.35	612.24	684.03

UnSecured

Loan from Others

Sub Total (b)	-	-	-	-	-	-
Total (a+b)	253.32	-	397.35	233.35	612.24	684.03

Note :

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- The terms and conditions and other information in respect of Secured Loans as on 31.03.2017 and 31.12.2017 are given in Annexure -B (A)
- The terms and conditions and other information in respect of Unsecured Loans as on 31.03.2017 and 31.12.2017 are given in Annexure - B (B)



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RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS

(Amt. in Rs. Lakhs, Except Share Data)

Particulars	31-12-2017	31-03-2017	As on 31-03-2016	31-03-2015	31-03-2014	31-03-2013
Share Capital						
Authorised Share Capital						
Equity shares of Rs.10 each	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Equity Share Capital	200	200	200	200	200	200
Issued, Subscribed and Paid up Share Capital						
Equity Shares of Rs. 10 each fully paid up	1,999,800	1,999,800	1,999,800	1,999,800	1,999,800	1,999,800
Share Capital (in Rs.)	199.98	199.98	199.98	199.98	199.98	199.98
Total	199.98	199.98	199.98	199.98	199.98	199.98
Reserves and Surplus						
Surplus in Profit and Loss account						
Opening Balance	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70	938.01
Profit for the Year	486.04	292.57	128.18	54.65	170.17	92.69
Dividend and Dividend Distribution tax	71.26	-	-	-	-	-
Closing Balance	2,091.05	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70
Total	2,091.05	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70

1. Terms/rights attached to equity shares:

- The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share
- In the event of 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.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Company does not have any Revaluation Reserve.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- The reconciliation of the number of Equity shares outstanding as at:-

Particulars	31-12-2017	31-03-2017	As at 31-03-2016	31-03-2015	31-03-2014	31-03-2013
Number of shares at the beginning	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00
Add: Bonus Share Issued						
Number of shares at the end	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00

6. The detail of shareholders holding more than 5% of Shares:-

Name of Shareholders	31-12-2017	31-03-2017	As at (No. of Shares) 31-03-2016	31-03-2015	31-03-2014	31-03-2013
Mr. Gurmeet Singh Narula	666,600	666,600	666,600	666,600	666,600	666,600
Mr. Parvinder Singh Gulati	666,600	666,600	666,600	666,600	666,600	666,600
Mr. Sham Lal Singh	666,600	666,600	666,600	666,600	666,600	666,600



RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS

ANNEXURE - A

(Amt. in Rs. Lakhs, Except Share Data)

Particulars	31-12-2017	31-03-2017	As on 31-03-2016	31-03-2015	31-03-2014	31-03-2013
Share Capital						
Authorised Share Capital						
Equity shares of Rs.10 each	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Equity Share Capital	200	200	200	200	200	200
Issued, Subscribed and Paid up Share Capital						
Equity Shares of Rs. 10 each fully paid up	1,999,800	1,999,800	1,999,800	1,999,800	1,999,800	1,999,800
Share Capital (in Rs.)	199.98	199.98	199.98	199.98	199.98	199.98
Total	199.98	199.98	199.98	199.98	199.98	199.98
Reserves and Surplus						
Surplus in Profit and Loss account						
Opening Balance	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70	938.01
Profit for the Year	486.04	292.57	128.18	54.65	170.17	92.69
Dividend and Dividend Distribution tax	71.26	-	-	-	-	-
Closing Balance	2,091.05	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70
Total	2,091.05	1,676.27	1,383.70	1,255.52	1,200.87	1,030.70

1. Terms/rights attached to equity shares:

- The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share
- In the event of 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.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Company does not have any Revaluation Reserve.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

5. The reconciliation of the number of Equity shares outstanding as at:-

Particulars	31-12-2017	31-03-2017	As at 31-03-2016	31-03-2015	31-03-2014	31-03-2013
Number of shares at the beginning	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00
Add: Bonus Share Issued	-	-	-	-	-	-
Number of shares at the end	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00	1,999,800.00

6. The detail of shareholders holding more than 5% of Shares:-

Name of Shareholders	31-12-2017	31-03-2017	As at (No. of Shares) 31-03-2016	31-03-2015	31-03-2014	31-03-2013
Mr. Gurmeet Singh Narula	666,600	666,600	666,600	666,600	666,600	666,600
Mr. Parvinder Singh Gulati	666,600	666,600	666,600	666,600	666,600	666,600
Mr. Sham Lal Singh	666,600	666,600	666,600	666,600	666,600	666,600



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RESTATED STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS

(Amount in Lakhs Rs.)

Particulars	As on					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
(Secured)						
(a) Term loans						
From Bank & Financial Institutions	211.96	209.70	314.61	390.98	177.80	125.16
Less: Current Maturities of Long Term Debt	82.96	-	-	-	79.42	63.26
Sub-total (a)	129.00	209.70	314.61	390.90	98.38	61.90
(Unsecured)						
(b) Term loans						
From Bank & Financial Institutions	-	-	-	-	-	-
From Others	-	-	-	-	235.95	317.85
Less: Current Maturities of Long Term Debt	-	-	-	-	-	-
Sub-total (b)	-	-	-	-	235.95	317.85
(c) Loans and advances from related parties & shareholders						
(Unsecured)						
From Directors	-	-	-	-	-	-
From Relatives	-	-	-	-	1.66	1.66
From Body Corporate	-	-	-	-	-	-
Sub-total (c)	-	-	-	-	1.66	1.66
(d) Loans and advances from others (Unsecured)						
From Others	-	-	-	-	13.50	13.50
Sub-total (d)	-	-	-	-	13.50	13.50
Total (a+b+c+d)	129.00	209.70	314.61	390.98	349.49	394.90

Short Term Borrowings

Secured

Loan Repayable on Demand

From Banks	253.32	-	397.35	233.35	612.24	684.03
From Other Parties	-	-	-	-	-	-
Sub total (a)	253.32	-	397.35	233.35	612.24	684.03

UnSecured

Loan from Others

Sub Total (b)	-	-	-	-	-	-
Total (a+b)	253.32	-	397.35	233.35	612.24	684.03

Note:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
- List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.
- The terms and conditions and other information in respect of Secured Loans as on 31.03.2017 and 31.12.2017 are given in Annexure - B (A)
- The terms and conditions and other information in respect of Unsecured Loans as on 31.03.2017 and 31.12.2017 are given in Annexure - B (B)



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ANNEXURE - B(A)

RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

Name of Lender	Purpose of Credit Facility	Sanctioned Amount (Lakhs Rs.)	Rate of Interest	Securities offered	Re-Payment Schedule No of EMI	EMI Amount	EMI Start	EMI End	Moratorium	Outstanding amount as on (as per Books)	
										31-12-	31-03-2017
Punjab National Bank (A/c No. 8539)	Purchase of Plant & Machinery	200.00	10.20%	EM of Factory purchased out of Borrowed fund Hypothecation of Vehicle Purchased out of borrowed fund	72.00	Rs. 2.77 Lacs Plus interest due on monthly basis	01-Apr-15	31-Mar-21	NIL	102.44	94.57
Rajaj Loan A/C (424Csl00127290)	Vehicle Loan	92.2	11.00%	Purchased out of borrowed fund Hypothecation of Vehicle	100.00	1.49	05/08/2013	05/11/2021	NIL	40.15	51.86
Daimler Financial Services Pvt Ltd	Vehicle Loan	40.00	10.79%	Purchased out of borrowed fund Hypothecation of Vehicle	84.00	0.67	29/11/2013	29/10/2020	NIL	19.67	18.17
HDFC (Aguar GSN)- Agre No 844	Vehicle Loan	34.75	9.30%	Purchased out of borrowed fund Hypothecation of Vehicle	60.00	0.73	07/03/2016	07/02/2021	NIL	23.83	22.20
Volkswagen Finance- 30131032408	Vehicle Loan	42.50	10.68%	Purchased out of borrowed fund Hypothecation of Vehicle	84.00	0.72	20/09/2013	20/08/2020	NIL	19.01	10.16
Toyota Nchd1031279	Vehicle Loan	9.50	9.24%	Purchased out of borrowed fund Hypothecation of Vehicle	60.00	0.20	20/12/2014	20/11/2019	NIL	4.19	3.69
PNB(TOYOTA FORTUNER)	Vehicle Loan	17.00	15.25%	Purchased out of borrowed fund as primary security and EM of Factory as collateral Security	84.00	0.33	01-Aug-12	01-Jul-19	NIL	1.87	1.05
Punjab National Bank -CC	Working Capital	800.00	9.90%	Primary - Hypothecation of		Repayable on Demand			NIL	253.32	-
Total										465.28	209.70

Note:

Collateral Securities for Working Capital Facility from Punjab National Bank is given below :-

1. Equitable Mortgage of factory land & Building measuring 7 Bigha 7 Biswa at Village Karhwana (baddi) Pargana Dhampur, Nalagarh District, Solan, Himachal Pradesh.
2. Personal guarantee of Mr. Parvinder Singh, Mr. Gurmeet Singh, Mr. S L Singla.



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B(B)

ANNEXURE - B(B)

RESTATED STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities
Unsecured Loans from Promoters/Directors are interest free and all are taken without any preconditions attached towards repayments.

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per	
					Books) Rs. In Lakhs	
		NONE			31-12-2017	31-03-2017

Total



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RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

ANNEXURE - C

(Amount in Lakhs Rs.)

Particulars	31-12-2017	31-03-2017	31-03-2016	As at 31-03-2015	31-03-2014	31-03-2013
Major Components of deferred tax arising on account of timing differences are:						
Timing Difference Due to Depreciation	0.71	3.79	7.52	(14.57)	45.87	54.24
Deferred Tax Liability (A)	0.20	1.25	2.49	(4.73)	14.88	17.60
Provision of Gratuity outstanding as on the end of Period	36.82	34.68	24.47	23.23	12.99	19.17
Timing Difference Due to Gratuity Expenses	36.82	34.68	24.47	23.23	12.99	19.17
Deferred Tax Assets (B)	10.14	11.47	8.09	7.54	4.22	6.22
Cumulative Balance of Deferred Tax liability/(Assets) (Net) (A-B)	(9.95)	(10.21)	(5.60)	(12.26)	10.67	11.38

Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures IV, I, J and III.

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ANNEXURE - D

RESTATED STATEMENT OF LONG TERM PROVISIONS

(Amount in Lakhs Rs.)

Particulars	As on					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Provision for Employee Benefits						
Gratuity Payable	34.01	32.21	22.17	21.23	11.43	17.60
Others	-	-	-	-	-	-
Total	34.01	32.21	22.17	21.23	11.43	17.60



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E

RESTATED STATEMENT OF TRADE PAYABLES

ANNEXURE - E

Particulars	As on					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
(Amount in Lakhs Rs.)						
Trade Payables						
For Goods & Services						
Micro, Small and Medium Enterprises						
Others	1,031.93	599.57	501.52	508.15	87.10	76.98
Total	1,031.93	599.57	501.52	508.15	87.10	76.98
Trade Payable Includes Dues to Related Party	135.38	52.62	117.26	102.66	54.49	52.24

- Notes:
1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
 2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
 3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

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RESTATED STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS

ANNEXURE - F

(Amount in Lakhs Rs.)

Particulars	31-12-2017	31-03-2017	As on 31-03-2016	31-03-2015	31-03-2014	31-03-2013
Other Current Liabilities						
Current Maturities of Long Term Debt	82.96	84.31	83.08	121.96	79.42	63.26
Statutory Payables	0.93	61.76	40.42	61.87	2.60	1.59
*Advances Received from Customers	337.87	269.92	196.75	182.14	98.30	79.68
Provision for expenses	1.18	24.86	10.56	16.19	31.20	24.37
Total	422.94	440.84	330.81	392.17	211.52	168.90
Short Term Provisions						
Provision for Employee Benefits						
Provision for Gratuity	2.81	2.48	2.30	1.99	1.56	1.57
	2.81	2.48	2.30	1.99	1.56	1.57
Other Provisions						
Income tax Provisions net of Advance tax and TDS	167.04	166.14	44.88	14.55	38.40	25.42
Total	169.04	168.62	47.17	16.54	39.96	26.99
*Advance received from Customer includes amount received from Related party						

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



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RESTATEMENT OF FIXED ASSETS

ANNEXURE - G

FY 2012-13

Particulars	Gross Block				Accumulated Depreciation				WDV	
	Opening	Additions	Deletion	Closing	Opening	Additions	Deletion	Closing	Current	Previous Year
FURNITURE & FIXTURE	13.37	0.27	-	13.63	8.06	1.00	-	9.05	4.58	5.31
LAND	18.21	-	-	18.21	-	-	-	-	18.21	18.21
VEHICLES	109.64	28.99	0.43	138.20	44.12	14.60	0.23	58.47	51.17	30.96
Plant & Machinery	556.08	19.40	-	575.48	293.56	37.14	-	330.70	246.78	264.52
WEIGHING MACHINE A/C	0.01	-	-	0.01	0.01	0.00	-	0.01	0.00	0.00
Laboratory Equipments	31.45	-	-	31.45	17.86	20.17	-	38.03	11.70	13.59
Computer System	27.00	2.67	-	29.67	1.89	-	-	1.89	6.11	6.82
Office Equipment/Electrical Installation	26.80	3.75	-	30.55	6.74	3.16	-	9.90	20.65	20.65
Cycle	0.01	-	-	0.01	0.01	0.00	-	0.01	0.00	0.00
Factory Building	441.20	-	-	441.20	195.19	24.60	-	219.79	221.41	246.01
Total	1,197.22	55.07	0.43	1,251.86	585.72	85.77	0.25	671.24	580.62	611.49

Capital Work In Progress

Total	1,197.22	55.07	0.43	1,251.86	585.72	85.77	0.25	671.24	580.62	611.49
(Previous Year)	1,199.96	26.14	28.09	1,197.22	492.95	92.77	-	585.72	611.49	707.81

FY 2013-14

Particulars	Gross Block				Accumulated Depreciation				WDV	
	Opening	Additions	Deletion	Closing	Opening	Additions	Deletion	Closing	Current	Previous Year
FURNITURE & FIXTURE	13.63	0.17	-	13.80	9.05	0.84	-	9.89	3.91	4.58
LAND	18.21	-	-	18.21	-	-	-	-	18.21	18.21
VEHICLES	138.20	132.25	-	270.45	58.47	30.08	-	88.55	153.34	51.17
Plant & Machinery	575.48	0.23	-	575.71	330.70	34.33	-	365.03	212.69	246.78
WEIGHING MACHINE A/C	0.01	-	-	0.01	0.01	0.00	-	0.01	0.00	0.00
Laboratory Equipments	31.45	-	-	31.45	19.75	1.63	-	21.38	11.70	13.59
Computer System	29.67	1.80	-	31.47	23.55	2.85	-	26.40	5.05	6.11
Office Equipment/Electrical Installation	30.55	3.90	-	34.45	9.90	3.13	-	13.03	21.40	20.65
Cycle	0.01	-	-	0.01	0.01	0.00	-	0.01	0.00	0.00
Factory Building	441.20	0.02	-	441.22	219.79	22.14	-	241.94	199.28	221.41
Total	1,251.86	138.36	-	1,390.22	671.24	94.99	-	766.23	623.99	580.62

Capital Work In Progress

Total	1,251.86	138.36	-	1,390.22	671.24	94.99	-	766.23	623.99	580.62
(Previous Year)	1,197.22	55.07	0.43	1,251.86	585.72	85.77	0.25	671.24	580.62	611.49

FY 2014-15

Particulars	Gross Block				Accumulated Depreciation				WDV	
	Opening	Additions	Deletion	Closing	Opening	Additions	Deletion	Closing	Current	Previous Year
FURNITURE & FIXTURE	13.80	-	-	13.80	9.89	1.49	-	11.38	2.42	3.91
LAND	18.21	-	-	18.21	-	-	-	-	18.21	18.21
VEHICLES	270.45	13.83	-	284.28	88.55	51.40	-	139.94	115.78	153.34
Plant & Machinery	575.71	1.23	0.23	576.71	365.03	44.68	-	409.71	169.00	212.69
WEIGHING MACHINE A/C	0.01	0.03	-	0.04	0.01	0.00	0.00	0.01	0.00	0.00
Laboratory Equipments	31.45	-	-	31.45	21.38	5.58	-	26.96	4.55	10.07
Computer System	31.47	5.71	-	37.17	26.41	5.44	-	31.85	5.32	6.11
Office Equipment/Electrical Installation	34.45	2.00	-	36.45	13.03	14.46	-	27.49	8.97	21.40
Cycle	0.01	-	-	0.01	0.01	0.00	-	0.01	0.00	0.00
Factory Building	441.22	-	-	441.22	241.94	18.61	-	260.55	180.67	199.28
Total	1,390.22	22.80	0.23	1,412.79	766.23	141.66	0.00	907.89	504.90	623.99

Capital Work In Progress

Total	1,390.22	22.80	0.23	1,412.79	766.23	141.66	0.00	907.89	504.90	623.99
(Previous Year)	1,251.86	138.36	-	1,390.22	671.24	94.99	-	766.23	623.99	580.62

FY 2015-16

Particulars	Gross Block				Accumulated Depreciation				WDV	
	Opening	Additions	Deletion	Closing	Opening	Additions	Deletion	Closing	Current	Previous Year
FURNITURE & FIXTURE	13.80	0.09	-	13.89	11.38	0.91	-	12.28	1.60	2.42
LAND	18.21	32.98	-	51.19	-	-	-	-	51.19	18.21
VEHICLES	284.28	40.30	63.41	261.17	139.94	36.87	41.81	135.00	87.31	115.78
Plant & Machinery	576.71	67.91	-	644.62	409.71	34.35	-	444.06	202.55	169.00
WEIGHING MACHINE A/C	0.04	-	-	0.04	0.01	0.00	-	0.01	0.00	0.00
Laboratory Equipments	31.45	-	-	31.45	26.96	2.42	-	29.38	2.07	4.55
Computer System	37.17	6.80	-	43.97	31.85	4.88	-	36.73	7.24	5.32
Office Equipment/Electrical Installation	36.45	1.54	-	37.99	27.49	5.13	-	32.62	5.37	8.97
Cycle	0.01	-	-	0.01	0.01	0.00	-	0.01	0.00	0.00
Factory Building	441.22	132.97	-	574.19	260.55	17.50	-	278.05	236.14	180.67
Total	1,412.79	282.27	63.41	1,631.65	907.89	102.07	41.81	1,049.93	663.49	504.90

Capital Work In Progress

Total	1,412.79	282.27	63.41	1,631.65	907.89	102.07	41.81	1,049.93	663.49	504.90
(Previous Year)	1,390.22	22.80	0.23	1,412.79	766.23	141.66	0.00	907.89	504.90	623.99

FY 2016-17

Particulars	Gross Block				Accumulated Depreciation				WDV	
	Opening	Additions	Deletion	Closing	Opening	Additions	Deletion	Closing	Current	Previous Year
FURNITURE & FIXTURE	13.89	-	-	13.89	12.28	0.57	-	12.85	1.02	1.60
LAND	51.19	106.31	-	157.50	-	-	-	-	157.50	51.19
VEHICLES	261.17	2.83	-	264.00	139.94	31.78	-	171.72	88.25	97.31
Plant & Machinery	644.62	69.90	-	714.52	444.06	45.58	-	489.64	226.88	202.55
WEIGHING MACHINE A/C	0.04	-	-	0.04	0.02	0.00	-	0.02	0.00	0.00
Laboratory Equipments	31.45	-	-	31.45	29.38	0.37	-	29.75	1.71	2.07
Computer System	43.97	5.40	-	49.37	36.73	3.45	-	40.18	7.18	7.24
Office Equipment/Electrical Installation	37.99	4.35	-	42.34	32.62	2.87	-	35.49	6.85	5.37
Cycle	0.01	-	-	0.01	0.01	0.00	-	0.01	0.00	0.00
Factory Building	574.19	-	13.05	561.14	278.05	27.04	0.97	304.11	267.02	236.14
Total	1,631.65	188.79	13.05	1,807.38	968.15	113.67	0.97	1,080.85	726.53	663.49

Capital Work In Progress

Total	1,631.65	188.79	13.05	1,807.38	968.15	113.67	0.97	1,080.85	726.53	663.49
(Previous Year)	1,412.79	282.27	63.41	1,631.65	907.89	102.07	41.81	1,049.93	663.49	504.90

FY 2017-18 (31st December 2017)

Particulars	Gross Block				Accumulated Depreciation				WDV	
	Opening	Additions	Deletion	Closing	Opening	Additions	Deletion	Closing	Current	Previous Year
FURNITURE & FIXTURE	13.89	-	-	13.89	12.85	0.23	-	13.08	0.79	1.02
LAND	157.50	-	-	157.50	-	-	-	-	157.50	157.50
VEHICLES	264.00	-	-	264.00	171.72	16.19	-	187.91	82.36	88.25
Plant & Machinery	714.52	21.56	-	736.08	489.64	34.83	-	524.47	213.50	226.88
WEIGHING MACHINE A/C	0.04	-	-	0.04	0.02	0.00	-	0.02	0.01	0.00
Laboratory Equipments	31.45	-	-	31.45	29.75	0.11	-	29.86	1.59	1.71
Computer System	49.37	-	-	49.37	42.18	3.34	-	45.52	6.85	7.18
Office Equipment/Electrical Installation	42.34	10.98	-	53.32	35.49	2.73	-	38.22	15.10	6.85
Cycle	0.01	-	-	0.01	0.01	0.00	-	0.01	0.00	0.00
Factory Building	561.14	-	-	561.14	304.11	18.22	-	322.34	238.80	267.02
Total	1,807.38	35.55	-	1,842.94	1,080.85	75.69	-	1,156.54	619.84	726.53

Capital Work In Progress

Total	1,807.38	35.55	-	1,842.94	1,080.85	75.69	-	1,156.54	619.84	726.53
(Previous Year)	1,631.65	188.79	13.05	1,807.38	968.15	113.67	0.97	1,080.85	619.84	663.49

Note 1. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

ANNEXURE - K

RESTATED STATEMENT OF INVENTORIES

(Amount in Lakhs Rs.)

Particulars	31-12-2017	31-03-2017	As at 31-03-2016	31-03-2015	31-03-2014	31-03-2013
Raw Materials	324.43	227.16	233.39	179.10	151.09	179.16
Work In Progress	273.87	205.70	89.22	88.68	83.21	43.60
Packing Material	444.69	398.84	271.82	300.55	250.86	250.39
Finished Goods	168.55	258.36	147.44	116.48	104.94	129.86
Stock in Trade	215.74	216.52	215.13	157.34	68.84	61.58
Total	1,427.27	1,306.58	956.99	842.14	658.94	664.59

Note:- Inventry has been physically verified by the management of the Company at the end of respective year/period



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RESTATED STATEMENT OF TRADE RECEIVABLES

ANNEXURE - I

(Amount in Lakhs Rs.)

Particulars	31-12-2017	31-03-2018	31-03-2018	31-03-2015	31-03-2016	31-03-2013
Outstanding for a period exceeding six months (Unsecured and considered Good)						
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.						
Others	193.32	164.56	79.68	160.42	121.45	174.64
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)						
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	52.43	65.95	59.50	127.67	149.59	115.30
Others	768.43	443.03	519.06	496.08	456.45	403.47
Total	1,014.18	673.54	658.25	784.17	727.49	693.49

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



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ANNEXURE - M

RESTATED STATEMENT OF CASH & CASH EQUIVALENTS

(Amount in Lakhs Rs.)

Particulars	As at					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Cash and Cash Equivalents: (as per Accounting Standard 3: Cash flow Statements)						
Balances with Banks in Current Accounts	205.75	17.12	395.64	0.69	0.45	0.53
Cash on Hand	20.16	5.34	13.46	11.44	24.41	11.46
<u>Other Bank Balances</u>						
Fixed Deposits (original maturity of more than 3 months)	8.14	4.83	5.13	4.75	4.43	4.22
Total	234.05	27.29	414.23	16.87	29.30	16.22
Fixed deposits under lien with Banks	3.60	0.60	0.60	0.60	0.60	0.60

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



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RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(Amount in Lakhs Rs.)

Particulars	As at					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Unsecured, Considered Good unless otherwise stated						
Security Deposit	-	-	-	-	4.66	4.66
Advances to Vendors	225.57	162.00	153.54	240.36	480.42	312.09
Balance With Revenue Authorities	15.46	5.14	13.04	-	-	-
Loans and advances to related parties	44.99	48.56	38.70	48.60	44.13	40.23
Loans and Advances to Employees	28.19	11.07	5.67	6.64	2.43	2.59
Total	314.22	226.76	210.96	295.60	531.64	359.57

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.



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RESTATED STATEMENT OF OTHER CURRENT ASSETS

(Amount in Lakhs Rs.)

Particulars	As at					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Interest accrued on Fixed Deposit	0.31	-	-	-	-	-
Other Current Assets	9.58	12.62	7.12	4.16	6.08	-
Total	9.89	12.62	7.12	4.16	6.08	-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



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RESTATED STATEMENT OF TURNOVER

ANNEXURE - P

(Amount in Lakhs Rs.)

Particulars	As on					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
(i) turnover of products manufactured by the issuer (net of excise Duty)	3,561.88	4,091.23	4,298.65	3,821.59	3,339.06	3,234.14
(ii) turnover of products traded in by the issuer; and	196.42	668.82	458.75	276.91	254.99	214.18
*(iii) turnover in respect of products not normally dealt in by the issuer but included in (b) above	-	-	-	-	-	-
Total	3,758.30	4,760.06	4,757.40	4,098.50	3,594.05	3,448.32

*As per information provided to us by the Issuer, there is no such item.

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



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ANNEXURE - Q

RESTATED STATEMENT OF OTHER NON OPERATING INCOME

(Amount in Lakhs Rs.)

Particulars	31-12-2017	31-03-2017	As on 31-03-2016	31.03.2015	31.03.2014	31.03.2013
Related and Recurring Income:						
Profit on sale of scrap-	1.69	0.11	0.19	0.11	0.22	1.01
Excise Duty Refund	3.44	2.00	13.58	11.58	1.39	15.71
Interest Income	0.66	0.64	0.42	0.41	0.37	0.36
Sub Total (a)	5.79	2.76	14.19	12.10	1.98	17.08
Non related and Non Recurring Income:						
<u>Other Non Operating Income</u>						
Foreign Exchange Gain/Loss	2.80	-	-	-	-	-
Profit on Sale of Property	-	1.92	-	-	-	-
Profit on Sale of CAR	-	-	14.33	-	-	-
Sub Total (b)	2.80	1.92	14.33	-	-	-
Related and Non Recurring Income:						
Misc Income	0.13	0.39	-	-	-	-
Insurance Claim Received	-	-	-	17.04	-	-
Interest on Income Tax Refund	-	0.05	-	-	-	-
Sub Total (c)	0.13	0.44	-	17.04	-	-
Total (A+b+C)	8.72	5.11	28.52	29.13	1.98	17.08
% of Other Income with Profit Before Tax	1.28%	1.14%	13.56%	50.07%	0.94%	15.19%

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



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ANNEXURE - R

RESTATED STANDALONE STATEMENT OF COST OF MATERIAL CONSUMED AND PURCHASE OF STOCK IN TRADE

(Amount in Lakhs Rs.)

Particulars	As on					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Cost of Material Consumed						
Opening Stock of Raw Material and Packing Material	626.00	505.21	479.65	401.95	429.56	504.70
Add: Purchases of Raw Material and Packing Material	1,962.38	2,663.43	2,767.62	2,640.31	2,247.85	2,217.58
Less: Closing Stock of Raw Material and Packing Material	769.12	626.00	505.21	479.65	401.95	429.56
Total	1,819.26	2,542.64	2,742.06	2,562.61	2,275.46	2,292.73
Purchase of Stock in Trade						
Purchase of Stock in Trade	326.47	544.00	464.28	416.31	239.96	149.14
Total	326.47	544.00	464.28	416.31	239.96	149.14

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



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RESTATED STANDALONE STATEMENT OF CHANGES IN INVENTORIES

(Amt. in Lakh Rs.)

Particulars	As on					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Closing Inventories						
Work in Progress	273.87	205.70	89.22	88.68	83.21	43.60
Finished goods	168.55	258.36	147.44	116.48	104.94	129.86
Stock in Trade	215.74	216.52	215.13	157.34	68.84	61.58
Sub Total (A)	658.15	680.58	451.78	362.49	257.00	235.03
Opening Inventories						
Work in Progress	205.70	89.22	88.68	83.21	43.60	57.28
Finished goods	258.36	147.44	116.48	104.94	129.86	166.23
Stock in Trade	216.52	215.13	157.34	68.84	61.58	98.33
Sub Total (B)	680.58	451.78	362.49	257.00	235.03	321.84
Changes in Inventories	22.43	(228.80)	(89.29)	(105.50)	(21.96)	86.81

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



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ANNEXURE - T

RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSE

(Amount in Lakhs Rs.)

Particulars	As on					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Salary and Wages	534.44	883.08	821.79	578.91	333.81	273.45
Contribution to Provident Fund and Other Fund	52.17	80.77	74.58	73.11	49.76	57.90
Staff Welfare Expenses	7.66	8.42	10.64	8.17	23.07	23.32
Total	594.27	972.27	907.00	660.19	406.64	354.67



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ANNEXURE - U

RESTATED STATEMENT OF FINANCE COST

(Amount in Lakhs Rs.)

Particulars	As on					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Interest expense	24.45	69.90	98.33	119.35	154.20	172.60
Other Borrowing cost	5.00	8.94	9.90	8.11	3.82	5.05
Interest on Shortfall of Advance Tax payment	13.51	19.87	7.58	0.52	4.98	2.91
Total	42.97	98.70	115.81	127.98	163.00	180.56



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RESTATED STATEMENT OF DEPRECIATION & AMORTISATION

(Amount in Lakhs Rs.)

Particulars	As on					
	31-12-2017	31-03-2017	31-03-2016	31.03.2015	31.03.2014	31.03.2013
Depreciation and Amortization	75.69	113.67	102.07	141.66	94.99	85.77
Total	75.69	113.67	102.07	141.66	94.99	85.77

Adm - L. Gupta



RESTATEMENT OF OTHER EXPENSES

(Amount in Lakhs Rs.)

Particulars	As on					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Rent & Maintenance Expenses	16.21	26.65	18.99	21.15	15.44	16.44
Electricity Charges	48.13	59.87	58.93	55.49	52.14	41.89
Insurance Charges	8.26	9.13	7.98	8.52	2.04	3.20
Repair & Maintenance - Machinery	5.84	3.04	6.91	7.29	5.43	9.46
Repair & maintenance - Factory	6.22	20.36	5.95	15.18	4.79	19.77
Vehicle Running And Maintenance	8.26	12.42	12.87	13.17	16.32	12.51
Payment to Auditors	1.18	1.18	1.15	0.57	0.56	0.34
Freight And Cartage Outward	35.55	10.90	6.43	3.18	5.75	5.00
Bad Debts	-	-	74.90	16.53	28.18	0.57
<u>Miscellaneous Expenses</u>						
<u>Manufacturing Expenses</u>						
Product Approval	3.60	2.50	3.73	2.24	2.25	2.16
Repair & Maintenance - Others	1.49	3.21	4.96	2.23	3.64	5.78
Security	3.16	9.33	7.23	4.75	4.56	3.86
Testing charges (soil)	2.29	3.30	1.64	0.88	8.79	8.44
Freight And Cartage	2.69	7.96	10.81	9.29	4.96	7.53
Fuel And Gases	10.61	13.37	17.26	16.98	16.61	16.14
Other Manufacturing Expenses	3.86	5.70	12.16	9.62	5.80	7.25
Sub Total (A)	27.71	45.37	57.78	45.89	46.60	51.16
<u>Selling and Administrative Expenses</u>						
Advertisement	3.42	7.24	4.23	2.78	3.85	4.99
Business Development Expenses	8.05	7.54	7.18	6.14	12.99	4.10
Commission	0.04	0.03	-	-	0.71	0.07
Donation	0.82	0.34	0.92	0.34	-	-
Global Welfare Trust (Donation)	-	3.80	2.85	1.95	1.10	0.35
Interest on delay payment of TDS	0.02	0.16	0.05	-	-	-
Legal charges/CHD	2.44	4.64	0.82	4.31	1.63	0.84
Newspaper & Periodicals	-	0.01	0.02	0.01	0.10	0.03
Office Exp.	0.36	0.45	3.54	0.86	0.22	0.61
Postage & Telephone	4.60	9.69	13.77	13.03	5.37	6.90
Printing & Stationery	5.17	7.00	5.72	5.74	6.39	4.53
Professional Fees and Consultancy Charges	2.25	1.73	6.87	2.35	2.37	1.96
General Expenses	0.05	-	-	(0.00)	-	0.00
Telephone And Trunc Call	9.24	15.85	12.36	11.77	9.40	9.23
Travelling & Conveyance	13.41	26.51	23.12	29.96	4.73	9.24
Short Booking of Loss on Disposal of Fixed Assets	-	-	-	-	-	0.08
Excess Payment of TDS	-	-	0.32	-	-	-
Sub Total (B)	49.87	84.99	81.78	79.25	48.86	42.93
Total	207.23	273.91	333.67	266.21	226.11	203.27

RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS

(Amount in Lakhs Rs. Except Per Share Data)

Particulars	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
Net Worth (A)	2,291.03	1,876.25	1,583.68	1,455.50	1,400.85	1,230.68
Restated Profit after tax	486.04	292.57	128.18	54.65	170.17	92.69
Less: Prior Period Item	-	-	-	-	-	-
Adjusted Profit after Tax (B)	486.04	292.57	128.18	54.65	170.17	92.69
Number of Equity Share outstanding as on the End of Year/Period (c)	1,999,800	1,999,800	1,999,800	1,999,800	1,999,800	1,999,800
Number of Equity shares after considering allotment of Bonus Shares (D)	11,998,800	11,998,800	11,998,800	11,998,800	11,998,800	11,998,800
Current Assets (E)	2,999.62	2,246.82	2,247.54	1,942.96	1,953.45	1,733.88
Current Liabilities (F)	1,878.03	1,209.03	1,276.86	1,140.20	950.82	956.90
Face Value per Share	10.00	10.00	10.00	10.00	10.00	10.00
Restated Basic and Diluted Earning Per Share (Rs.) (B/C) (Before Issue of Bonus Share)	24.30	14.63	6.41	2.73	8.51	4.64
Restated Basic and Diluted Earning Per Share (Rs.) (B/D) (After Bonus Share)	4.05	2.44	1.07	0.46	1.42	0.77
Return on Net worth (%) (B/A)	21.22%	15.59%	8.09%	3.75%	12.15%	7.53%
Net asset value per share (A/C) (Face Value of Rs. 10 Each) (Before Issue of Bonus Shares)	114.56	93.82	79.19	72.78	70.05	61.54
Net asset value per share (A/C) (Face Value of Rs. 10 Each) (After Issue of Bonus Share)	19.09	15.64	13.20	12.13	11.67	10.26
Current Ratio (E/F)	1.60	1.86	1.76	1.70	2.05	1.81

Note:

1) The ratios have been computed as below:

(a) Basic earnings per share (Rs.) :- Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (Rs.) :- Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS

(c) Return on net worth (%) :- Net profit after tax (as restated) / Net worth at the end of the period or year

(d) Net assets value per share :- Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year

(e) Net assets value per share (effect of bonus issue of equity shares) :- Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year (after split and bonus issue)

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The Company has Allotted Bonus Shares 99,99,000 equity share of Rs. 10 each on 15th Feb 2018 in ratio of 5:1.

5) The figures disclosed above are based on the standalone restated summary statements.



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RESTATED STATEMENT OF RELATED PARTY TRANSACTION

(Amount in Lakhs Rs. Except Per Share Data)

Particulars	Names of related parties	Nature of Relationship
Key Management Personnel (KMP)	GURMEET SINGH NARULA	(DIRECTOR & SHAREHOLDER)
	PARVINDER SINGH GULATI (DIRECTOR & SHAREHOLDER)	(DIRECTOR & SHAREHOLDER)
	SHAM LAL SINGLA (DIRECTOR & SHAREHOLDER)	(DIRECTOR & SHAREHOLDER)
Relatives of KMP	DHARMINDER SINGH	(Brother of Parvinder Singh Gulati)
	Navneet Kaur	(Wife of Parvinder Singh Gulati)
	Inderjeet Singh	(Father of Parvinder Singh Gulati)
	MANMEET SINGH NARULA	(Brother of GURMEET SINGH NARULA)
Company/Firm in which KMP/Relatives of KMP can exercise significant influence	HITECH- FORMULATIONS (P) LTD	Directorship by DHARMINDER SINGH (Brother of Parvinder Singh Gulati) also holding equity shareholding of the Company.
	HITECH-PHARMA	Partnership firm where Mr. DHARMINDER SINGH (Brother of Parvinder Singh Gulati) is partner.
	JASCO LABS	Partnership firm where Mr. Parvinder Singh Gulati is partner.
	JASCO PAPER PRODUCTS	Partnership firm where Mr. Parvinder Singh Gulati is partner.
	LYRA LABORATORIES (P) LTD.	Directorship by DHARMINDER SINGH (Brother of Parvinder Singh Gulati) also holding equity shareholding of the Company.
	MDC ESTATE (P) LTD	Composition of Board of Director is Controlled by Promoter Group of the MDC Pharma
	MDC EXPORTS PVT LTD	Shareholding Approx 30% By Parvinder Singh Gulati
	SUPREME ENTERPRISES	Partnership Firm in which Brother and Mother of Director Mr. Narula was partner
	Maya Biotech Pvt. Ltd	Director of Company Mr. PARVINDER SINGH GULATI is also Director in M/s Maya Biotech Pvt Ltd, further it is Controlled by Mediaid Labs Pvt Ltd
	MEDIAID LABS PRIVATE LIMITED	50% share Capital held by the Company, Further Director of Company Mr. PARVINDER SINGH GULATI is also Director in the Company
	SUPREME BIOTECH PRIVATE LIMITED	Composition of Board of Director is Controlled by Promoter Group of the MDC Pharma plus shareholding also above 50%

(i) Transactions with KMP

31-12-2017 31-03-2017 31-03-2016 31-03-2015 31-03-2014 31-03-2013

A PARVINDER SINGH GULATI (DIRECTOR & SHAREHOLDER)						
Director Remuneration	65.20	139.75	127.60	67.30	10.20	9.60
Interest Rate	NIL	NIL	NIL	NIL	NIL	NIL
Loan Taken/Given						
Opening Balance (dr/(cr))	-	-	-	-	-	10.00
Loan Taken by the Company	2.87	16.58	13.79	52.04	44.80	34.26
Loan Advanced by the Company	11.20	16.58	13.79	52.04	44.80	24.26
Interest on Loan taken/Given						
Closing Balance (dr/(cr))	8.33	-	-	-	-	-
B GURMEET SINGH NARULA (DIRECTOR & SHAREHOLDER)						
Director Remuneration	50.50	118.00	112.00	63.80	9.60	9.60
Interest Rate	NIL	NIL	NIL	NIL	NIL	NIL
Loan Taken/Given						
Opening Balance (dr/(cr))	-	-	-	-	-	10.00
Loan Taken by the Company	9.62	15.01	29.77	50.21	39.07	21.04
Loan Advanced by the Company	17.20	15.01	29.77	50.21	39.07	11.04
Interest on Loan taken/Given	-	-	-	-	-	-
Closing Balance (dr/(cr))	7.58	-	-	-	-	-
C SHAM LAL SINGLA (DIRECTOR & SHAREHOLDER)						
Director Remuneration	57.65	121.60	115.60	64.60	9.60	9.60
Interest Rate	NIL	NIL	NIL	NIL	NIL	NIL
Loan Taken/Given						
Opening Balance (dr/(cr))	-	-	-	-	-	10.00
Loan Taken by the Company		-	2.58	27.20	10.11	10.02
Loan Advanced by the Company	14.69		2.58	27.20	10.11	0.02
Interest on Loan taken/Given	-	-	-	-	-	-
Closing Balance (dr/(cr))	14.69	-	-	-	-	-

(ii) Transactions with Relatives of KMP

A DHARMINDER SINGH						
Interest Rate	NIL	NIL	NIL	NIL	NIL	NIL
Loan Taken/Given						
Opening Balance (dr/(cr))	-	3.89	3.89	3.89	3.89	3.89
Loan Taken by the Company		3.99				
Loan Repaid by the Company	-	0.10				
Interest on Loan taken/Given						
Closing Balance (dr/(cr))	-	-	3.89	3.89	3.89	3.89
B MANMEET SINGH NARULA						
Interest Rate	NIL	NIL	NIL	NIL	NIL	NIL
Loan Taken/Given						
Opening Balance (dr/(cr))	8.00	8.00	8.00	8.00	8.00	8.00
Loan Taken by the Company						
Loan Repaid by the Company						
Interest on Loan taken/Given						
Closing Balance (dr/(cr))	8.00	8.00	8.00	8.00	8.00	8.00

C	NAVNEET KAUR						
	Interest Rate	NIL	NIL	NIL	NIL	NIL	NIL
	Loan Taken/Given						
	Opening Balance (dr/(cr))				(0.13)	(0.13)	(0.13)
	Loan Taken by the Company						
	Loan Repaid by the Company				(0.13)		
	Interest on Loan taken/Given						
	Closing Balance (dr/(cr))				-	(0.13)	(0.13)
B	INDERJEET SINGH						
	Interest Rate	NIL	NIL	NIL	NIL	NIL	NIL
	Loan Taken/Given						
	Opening Balance (dr/(cr))	-	-	-	(1.53)	(1.53)	(1.53)
	Loan Taken by the Company						
	Loan Repaid by the Company				1.53		
	Interest on Loan taken/Given						
	Closing Balance (dr/(cr))	-	-	-	-	(1.53)	(1.53)

(III) Transaction with Company/Firm in which KMP/Relatives of KMP can exercise significant influence

A	HITECH FORMULATIONS PVT.LTD.	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	Purchase made by the Company	16.80	3.75	3.61	5.63	6.12	9.30
	Closing Balance (Cr/(Dr)	7.60	2.26	-1.49	-1.49	-0.70	0.00
B	HITECH FORMULATIONS PVT.LTD. (INVT)	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	Sale of Investment	0.00	0.00	0.00	24.74	0.00	0.00
	Closing Balance of Investment Dr/(Cr)	0.00	0.00	0.00	0.00	24.74	24.74
C	HITECH PHARMA	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	Sale of Goods/Debit For Expenses incurred on Party behalf	25.15	62.65	8.80	90.79	75.89	95.70
	Closing Balance (Dr/(Cr)	30.25	33.13	29.69	22.75	28.10	33.66
D	HITECH PHARMA						
	Loan Taken/Given						
	Opening Balance (dr/(cr))	0.00	12.17	4.46	0.00	0.00	0.00
	Loan Given by the Company	0.87	2.90	8.00	4.46	0.00	0.00
	Loan Advanced by the Company	0.87	15.07	0.29	0.00	0.00	0.00
	Closing Balance (dr/(cr))	0.00	0.00	12.17	4.46	0.00	0.00
E	HITECH PHARMA						
	Investments made by the Company						
	Opening Balance (Dr/(Cr)	0.00	0.00	4.46	4.94	8.00	13.00
	Increase in Investment	0.00	0.00	0.00	0.00	0.00	0.00
	Decrease in investment	0.00	0.00	4.46	0.48	3.06	5.00
	Closing Balance (Dr/(Cr)	0.00	0.00	0.00	4.46	4.94	8.00
F	LYRA LABORATORIES PVT.LTD.	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	Purchase made by the Company	1.46	29.94	98.43	48.38	20.72	21.96
	Closing Balance (Cr/(Dr)	-0.14	-1.60	19.24	7.46	3.77	3.79
G	MDC EXPORTS	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	Sale of Goods/Debit For Expenses incurred on Party behalf	28.47	180.02	176.40	477.20	319.21	320.95
	Closing Balance (Dr/(Cr)	22.60	18.91	21.08	97.07	114.35	76.58
H	MDC EXPORTS						
	Loan Taken/Given						
	Opening Balance (dr/(cr))	48.56	5.00	5.00	5.00	5.00	5.00
	Loan Given by the Company		43.56				
	Loan Advanced by the Company	43.55					
	Closing Balance (dr/(cr))	5.01	48.56	5.00	5.00	5.00	5.00
I	SUPREME ENTERPRISES	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	Loan Taken/Given						
	Opening Balance (dr/(cr))	0.50	0.50	0.50	0.50	0.50	0.50
	Loan taken by the Company	0.00	0.00	0.00	0.00	0.00	0.00
	Loan Repaid by the Company	0.00	0.00	0.00	0.00	0.00	0.00
	Closing Balance (dr/(cr))	0.50	0.50	0.50	0.50	0.50	0.50
J	SUPREME BIOTECH PVT.LTD.	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	Purchase made by the Company	7.10	0.00	0.00	0.00	0.00	0.00
	Closing Balance (Cr/(Dr)	1.57	0.00	33.04	39.73	42.15	42.15
	Loan Taken/Given						
	Opening Balance (dr/(cr))	1.00	0.00	0.00	0.00	0.00	0.00
	Loan taken by the Company	0.00	4.00	6.69	0.00	0.00	0.00
	Loan Advanced by the Company	13.38	5.00	6.69	0.00	0.00	0.00
	Closing Balance (dr/(cr))	14.38	1.00	0.00	0.00	0.00	0.00
K	JASCO PAPER PRODUCTS	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	Purchase made by the Company	188.06	137.80	266.45	65.00	0.00	4.80
	Closing Balance (Cr/(Dr)	110.42	30.54	43.42	40.71	3.76	0.84

L	MDC ESTATES PVT.LTD.	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	Investment in Property						
	Opening Balance Dr/(Cr)	220.23	207.47	207.47	203.97	185.57	188.62
	Expenditure Done on behalf of the Company	3.42	3.03	3.59	0.08	1.00	5.20
	Repayment of Expenditure done on behalf of the Company	3.12	15.79	3.59	4.18	19.40	2.16
	Closing Balance Dr/(Cr)	219.93	220.23	207.47	207.47	203.97	185.57
M	Lyra labs	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	Sale of Goods	1.85	21.25	20.82	26.10	20.67	12.38
	Closing Balance (Dr/(Cr))	-0.42	13.91	8.73	7.85	7.14	1.70
N	MEDIAID LABS PRIVATE LIMITED	220.23	207.47	207.47	203.97	185.57	188.62
	Purchase of Goods	0.00	0.00	0.00	0.00	0.92	6.73
	Closing Balance (Cr/(Dr))	4.30	4.30	4.30	4.30	4.33	3.00
Q	MEDIAID LABS PRIVATE LIMITED	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
	Sale of Goods/Debit For Expenses incurred on Party behalf	0.00	0.00	0.00	0.02	0.26	5.71
	Closing Balance (Dr/(Cr))	0.00	0.00	0.00	0.00	0.00	3.44
P	MEDIAID LABS PRIVATE LIMITED						
	Loan Taken/Given						
	Opening Balance (dr/(cr))	0.00	17.63	35.25	35.24	31.34	26.41
	Loan taken by the Company	0.00	17.63	17.62	0.03	0.44	0.64
	Loan Advanced by the Company	0.00	0.00	0.00	0.04	4.34	5.57
	Closing Balance (dr/(cr))	0.00	0.00	17.63	35.25	35.24	31.34
Q	Maya Biotech Pvt. Ltd						
	Investments made by the Company						
	Opening Balance (Dr/(Cr)	0.00	40.50	81.00	66.00	23.50	0.00
	Increase in Investment	0.00	30.50	0.00	15.00	42.50	23.50
	Decrease in Investment	0.00	71.00	40.50		0.00	0.00
	Closing Balance (Dr/(Cr)	0.00	0.00	40.50	81.00	66.00	23.50
R	Maya Biotech Pvt. Ltd						
	Purchase of Goods	33.71	53.04	54.87	67.34	53.77	32.15
	Closing Balance (Cr/(Dr))	11.63	17.12	16.75	11.95	1.19	2.46
S	MDC ESTATES PVT.LTD.						
	Investments made by the Company						
	Opening Balance (Dr/(Cr)	6.00	6.00	6.00	6.00	6.00	6.00
	Increase in Investment	0.00	0.00	0.00	0.00	0.00	0.00
	Decrease in Investment	0.00	0.00	0.00	0.00	0.00	0.00
	Closing Balance (Dr/(Cr)	6.00	6.00	6.00	6.00	6.00	6.00
T	MEDIAID LABS PRIVATE LIMITED						
	Investments made by the Company						
	Investments made by the Company						
	Opening Balance (Dr/(Cr)	0.00	0.75	0.75	0.75	0.75	0.75
	Increase in Investment	0.00	0.00	0.00	0.00	0.00	0.00
	Decrease in Investment	0.00	0.75	0.00	0.00	0.00	0.00
	Closing Balance (Dr/(Cr)	0.00	0.00	0.75	0.75	0.75	0.75



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RESTATED STATEMENT OF CAPITALISATION

ANNEXURE - Z

(Amount in Lakhs Rs.)

Particulars	Pre Issue 31-12-2017	Post Issue
Debt		
Short Term Debt		253.32
Long Term Debt		211.96
Total Debt		465.28
Shareholders' Fund (Equity)		
Share Capital		1,276.88
Reserves & Surplus		1,514.65
Less: Miscellaneous Expenses not w/off		-
Total Shareholders' Fund (Equity)		2,791.53
Long Term Debt/Equity		0.08
Total Debt/Equity		0.17

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/12/2017.
4. The Company has Alloted Bonus Shares 99,99,000 equity share of Rs. 10 each on 15th Feb 2018 in ratio of 5:1. Further the Company has made preferential allotment of 7.70 lakhs Equity share at Rs. 65 each on 12th April 2018 which includes share premium of Rs. 65 each.
5. The Post issue debt equity ratio will be computed on the conclusion of book building process.



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RESTATED STATEMENT OF TAX SHELTER

ANNEXURE - AA

(Amount in Lakhs (Rs.))

Particulars	As at					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
A Profit before taxes as restated	678.70	448.78	210.31	58.19	211.84	112.47
B Tax Rate Applicable %	27.55	33.06	33.06	32.45	32.45	32.45
C Tax Impact (A*B)	187.00	148.38	69.54	18.88	68.73	36.49
D Adjustments						
Permanent Differences						
Donation	0.02	4.14	3.77	2.29	1.10	0.35
Interest on delay payment of TDS	0.02	0.16	0.05	-	-	-
Amounts disallowable under Section 40 a(1a) due to non deduction of TDS	-	-	-	-	5.28	-
Profit and Loss on Sale of Fixed Assets	-	(1.92)	(14.33)	-	-	(0.08)
Amounts disallowable under Section 37	-	0.51	2.31	-	-	-
Interest on short Payment of Advance tax	13.51	19.87	7.58	0.52	4.98	2.91
Total Permanent Differences	14.36	22.76	(0.61)	2.81	11.37	3.18
Timing Difference						
Difference between tax depreciation and book depreciation	3.08	4.65	17.31	60.45	8.37	6.41
Expenses Disallowed Under Section 43 B	-	-	-	-	-	-
Gratuity Expenses Disallowed under Section 40A(7)	2.13	10.22	1.24	10.23	(6.18)	1.89
Amount Disallowed u/s 43 B in preceding Previous Year, Now Allowed as per Section 43B	-	-	-	-	-	-
Total Timing Differences	5.22	14.97	18.56	70.68	2.19	8.31
E Brought Forward Losses	-	-	-	-	-	-
F Net Adjustment (F) = (D+E)	19.57	37.63	17.94	73.49	13.56	11.49
G Tax Expenses/ (Saving) thereon (F*B)	5.39	12.44	5.93	23.85	4.40	3.73
H Tax Liability, After Considering the effect of Adjustment (C +G)	192.39	160.82	75.47	42.72	73.13	40.22
MAT Credit Utilized	-	-	-	16.26	30.75	17.72
H Tax Liability, After Considering the effect of MAT Credit	192.39	160.82	75.47	26.47	42.38	22.50
I Book Profit as per MAT *	678.70	448.78	210.31	58.19	211.84	112.47
J MAT Rate	20.39	20.39	20.39	19.06	20.01	20.01
K Tax liability as per MAT (I*J)	138.38	91.50	42.88	11.09	42.38	22.50
L Current Tax being Higher of H or K	192.39	160.82	75.47	26.47	42.38	22.50
M Interest U/s 234A, B and C of Income Tax Act	13.51	19.87	7.58	0.52	4.98	2.91
N Total Tax expenses (L+M+N)	205.90	180.69	83.05	26.99	47.37	25.42
O Tax Paid Under (Normal/MAT) in Income Tax Return Filed by Company	Normal	Normal	Normal	Normal	Normal	Normal

* MAT refers to Minimum Alternative Tax as referred to in section 115 JB of the Income Tax Act, 1961

Not

1. The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax returns/Provisional computation of total income of respective years as stated above.

Annexures IV, I, II and III.



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RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES

ANNEXURE - AB

Particulars	As at					
	31-12-2017	31-03-2017	31-03-2016	31-03-2015	31-03-2014	31-03-2013
(Amount in Lakhs Rs.)						
Contingent liabilities in respect of:						
Claims against the company not acknowledged as debts	-	-	-	-	-	-
Guarantees given on Behalf of the Company	-	-	-	-	-	-
Guarantees given on Behalf of the Subsidiary Company	-	-	-	-	-	-
Other moneys for which the company is contingently liable	-	-	-	-	-	-
Outstanding Tax Demand with Respect to Income Tax Assessment year - 2010-11	15.34	15.34	15.34	15.34	15.34	15.34
Outstanding Tax Demand with Respect to Income Tax Assessment year - 2011-12	1.31	1.31	1.31	1.31	1.31	1.31
Outstanding Tax Demand with Respect to Income Tax Assessment year - 2013-14	1.41	1.41	1.41	1.41	-	-
Outstanding Tax Demand with Respect to Income Tax Assessment year - 2015-16	15.83	15.83	-	-	-	-
TDS Defaults Earlier years	18.15	18.15	18.15	18.15	18.15	18.15
Bills Discounted under Inland Letter of Credit	12.24	29.42	30.69	29.15	-	11.36
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-	-	-
Uncalled liability on shares and other investments partly paid	-	-	-	-	-	-
Bond Issued in Favour of GST Department for Export	20.00	-	-	-	-	-
Total	84.27	81.45	66.90	65.36	34.80	46.16

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements which is included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Restated Financial Statements, as restated for the period ended December 31, 2017 and for the years ended March 31, 2017, March 31, 2016 and March 31, 2015, including the related notes and reports, included in this Draft Red Herring Prospectus is prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited statutory financial statements. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.

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 described under "Risk Factors" and "Forward Looking Statements" beginning on pages 25 and 24 respectively, and elsewhere in this Draft Red Herring Prospectus.

Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 months ended March 31 of that year.

OVERVIEW

Incorporated in 1994, we are an ISO 9001:2015 certified Company engaged in the development and manufacturing of pharmaceutical formulations, nutraceutical formulations and marketing of cosmetic and skin care products. Our core strength lies in developing and manufacturing a variety of pharmaceutical and nutraceutical products at our own manufacturing facilities situated in Himachal Pradesh, which we commercialize through our wide franchisee network across various states of the country. We are present in various areas such as Anti-Hypertensive formulations, Cardio-Vascular pharmaceutical formulations, Antibiotics, Anti-Malarials, Anti-Histamine drugs, etc. We deal in cosmetics range and skin care products through our brand Mutrela. Further with the growing demand for nutraceutical products, we offer a range of such products which deals in haircare supplements, joint pains & rheumatics and arthritis supplements, eye care supplements, etc.

We operate both in domestic and international markets. In domestic markets, we have ensured to have our presence spread throughout the country and have achieved the same by supplying in 28 states and 4 union territories through our franchisee network of more than 450 franchisees with a product range of more than 475 products comprising of pharmaceutical products, cosmetics and nutraceutical products. To develop our export operations, we have made 28 applications for registration of our pharmaceutical products/medicines out of which 25 applications are registered in Myanmar and 3 are registered in Guatemala and Jordan. Currently out of 25 applications registered in Myanmar, 6 applications have expired, for which we have applied for renewal and are currently pending. At present, for our export operations we get the products manufactured from third parties approved by the importing country. We have been mainly engaged in deemed export until recently wherein we have started direct exports in three countries viz. Sri Lanka, Nepal and Afghanistan. For the year period ended December 31, 2017, our domestic and export operations (both direct and deemed) contributed 94.01% and 5.99% respectively of our total revenue from operations and for the year ended March 31, 2017, our domestic and export operations (both direct and deemed) contributed 97.62% and 2.38% respectively of our total revenue from operations.

Our business operations are supported by two manufacturing facilities located in Baddi, Himachal Pradesh engaged in manufacturing of formulations. Unit I is situated at Dharampur, Baddi, Himachal Pradesh, spread over an area of 5,512 sq. mtr. whereas Unit II is situated at Plot no. 2, Exl HPSIDC, Baddi, Himachal Pradesh spread over an area of 572 sq. mtr . Currently, we manufacture tablets, capsules, oral syrups, dry syrups at Unit I and tablets and capsules at Unit II. We believe that each of our facilities is designed, equipped and operated to deliver quality products within defined cost and delivery schedules. Our both units are GMP certified (currently under renewal process) and our products conform to FSSAI standards.

The backbone of our revenue from operations is our distribution network and our marketing team. At present, we operate through franchisee network marketing strategy wherein we have entered into more than 450 franchise agreements. Such franchisee markets products under our brand of Company, thereby leveraging our brand value. This marketing strategy also helps us to increase our reach in many cities of India. After taking franchise of products, our distributor takes care of marketing, distribution and selling of those products in that area. We have also set up our own portal for commercialisation of our cosmeceutical products and their distribution through e-commerce. The online portal for e-commerce is <https://www.murtelacosmetics.com/> Further we have also tie-up with the leading e-commerce company for marketing of few range of our products. In addition to manufacturing and supplying for our own products, we also manufacture for certain third parties in domestic markets.

Our journey began with our promoters viz. Parvinder Singh Gulati, Gurmeet Singh Narula and Sham Lal Singla who have been the pillars of our growth since inception. Driven by passion for building an integrated pharmaceutical company, backed by their more than two decades of individual experience, our Promoters have built the values system of our Company. With their enriching experience and progressive thinking, we aim to continue grow in the pharmaceutical industry in India and abroad.

We have been bestowed upon with few accolades as mentioned below:

- In 2012, Pharma excellency Award by Government of Himachal Pradesh
- In 2016, Award for outstanding contribution by Pharma cum food technical institute.

From FY 2012-13 to FY 2016-17, as per our Restated Financial Statements, i) our total revenue has shown growth from Rs. 3,465.40 lakhs to Rs. 4,765.17 lakhs, representing a CAGR of 6.57% ii) our EBITDA has shown growth from Rs. 378.80 lakhs to Rs. 661.15 lakhs, representing a CAGR of 11.78% iii) our profit after tax has shown growth from Rs. 92.69 lakhs to a profit of Rs. 292.57 lakhs representing a CAGR of 25.83% and iv) our Return on networth has shown a growth from 7.53% to 15.59%. Our restated total revenue, EBITDA and profit after tax for the nine months ended December 31, 2017 was Rs. 3,767.02 lakhs, Rs. 797.35 lakhs and Rs. 486.04 lakhs respectively, with an EBITDA margin of 21.17% and PAT margin of 12.90%. Our RONW for the period ended December 31, 2017 was 21.22%.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft 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 members of our company approved proposal of board of directors to convert company from Private Limited to Public Limited in the meeting held on February 26, 2018.
2. The Board of our Company has approved to raise funds through initial public offering in the meeting held on March 14, 2018. The members of our company approved proposal of Board of Directors to raise funds through initial public offering in the extra ordinary general meeting held on March 15, 2018.
3. The members of our Company approved in their meeting held on March 15, 2018 to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the

Company (apart from 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 free reserve, that is to say, reserves not set apart for any specific purposes, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of Rs. 25.00 crores.

4. The members of our company approved proposal of Board of Directors to increase authorized capital of company from Rs. 200.00 lakhs to Rs. 2000.00 Lakhs in the meeting held on January 20, 2018.
5. Further issue of 99,99,000 Equity Shares by way of Bonus allotment of face value of Rs. 10 each fully paid up on February 15, 2018 in the ratio of 5:1.
6. Further issue of 7,70,000 Equity Shares of face value of Rs. 10 each fully paid up at a price of Rs.65 on April 12, 2018 by way of preferential allotment.
7. I M Heallthcare pvt. Ltd becomes our Associate company by virtue of Investment of 3,00,000 equity shares of face value of Rs. 10 each fully paid up at a price of Rs.255.95 on May 14, 2018 pursuant to resolution approved by Board of directors on April 12, 2018.

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 25 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Our costs and availability of raw material;
- Performance of our franchise network;
- Brand image;
- Competition from existing and new entrants;
- General economic and business conditions;
- Changes in laws and regulations that apply to pharmaceutical industry in domestic and overseas market;

SIGNIFICANT ACCOUNTING POLICIES

A. BACKGROUND

The Company was originally incorporated as MDC Pharmaceuticals Private Limited at Jalandhar as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 14, 1994 bearing Registration Number 53-14820 issued by the Registrar of Companies, Punjab, HP & Chandigarh.

Subsequently, the Company was converted into a public limited company pursuant to special resolution passed by the members in Extraordinary General Meeting held on February 26, 2018 and the name of our Company was changed to MDC Pharmaceuticals Limited vide a Fresh Certificate of Incorporation dated March 13, 2018 issued by the Registrar of Companies, Chandigarh, Punjab. The Corporate Identification number of our Company is U24231CH1994PLC014820

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Standalone Summary Statement of Assets and Liabilities of the Company as on December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, and the Restated Standalone Summary Statement of Profit and Loss and Restated Summary Standalone Statements of Cash Flows for the period ended on December 31, 2017 and for the year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the annexure thereto (collectively, the "Restated Standalone Financial Statements" or "Restated Standalone Summary Statements") have been extracted by the management from the Audited Financial

Statements of the Company for the period ended December 31, 2017 and for the year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and 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, 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).

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include value of value of WIP stock etc. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

3. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

4. DEPRECIATION

Depreciation on Fixed Assets has been provided on 'Written Down Value Method' based on the useful life of the assets and in the manner prescribed in the Schedule II of the Companies Act, 2013. The Company has calculated depreciation through WDV method upto 31.03.2014 as per Schedule XIV of Companies Act 1956.

5. BORROWING COSTS

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.

6. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of amount.

7. 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 purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

8. INVENTORIES

- i) Raw Material are valued at lower of Cost or net realizable value.
- ii) Work in Progress and Finished Goods are valued at lower of cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition

9. REVENUE RECOGNITION

- i) Revenue from sale of products net of returns is recognized on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of excise duty as and when applicable, Price escalation claims are recognized to the extent there is reasonable certainty of its realization.
- ii) Other Operating Revenue
Other Operating revenue comprise of income from ancillary activities incidental to the operation of the Company and is recognized when the right to receive the income is established as per the terms of the contract.
- iii) Interest income is recognized on time proportion basis.
- iv) Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition".

10. FOREIGN CURRENCY TRANSACTIONS

- i) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Statement of Profit and Loss.
- iii) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Statement of Profit and Loss.

11. EMPLOYEE BENEFITS

Defined-contribution plans:

- i) The company has no policy of encashment and accumulation of balanced leave. Therefore, no provision of leave Encashment is required.
- ii) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.
- iii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation as at the date of the Balance Sheet.

12. SEGMENT ACCOUNTING

(i) Business Segment

(a) The business segment has been considered as the primary segment.

(b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

(c) The Company's primary business includes manufacturing of Pharma Products, and accordingly this is the only segment as envisaged in Accounting Standard 17 'Segment Reporting' therefore disclosure for Segment reporting is not applicable.

(ii) Geographical Segment

The Company supplies its product in domestic as well as export market, however export segment contributes less than 10% of the total revenue/Profit/Asset of the Aggregate revenue/Profit/Asset, therefore no segment other than domestic is identified by the management as reportable segment.

13. ACCOUNTING FOR TAXES ON INCOME

Tax expense 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 in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

14. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

15. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Bonus Share allotment has been considered as if it took place at the beginning of Restatement period.

16. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the restated financial results of our Company for the period ended December 31, 2017 and financial years ended March 2017, 2016 and 2015.

OVERVIEW OF REVENUE & EXPENDITURE

Revenue: Our revenue comprises of revenue from operations and other income

Revenue from operations:

Our revenue from operations comprises of revenue from our manufacturing and trading operations. We manufacture and supply pharmaceutical and nutraceutical products. We market such products under our own brand as well as manufacture on behalf of third parties. Further we market cosmetic and skincare products under our brand Murtela.

Other Income:

Our other income generally comprises of profit on sale of scrap, excise duty refund, interest income, foreign exchange gain, profit on sale of property, profit on sale of car, miscellaneous income, insurance claim and interest on income tax refund.

Expenditure

Our total expenditure primarily consists of comprise of direct expenditure, employee benefit expenses, finance cost, depreciation and amortization expenses and other expenses.

Direct Expenditure

Our direct expenditure consists of costs of materials consumed, purchase of stock in trade and changes in inventories of wip, finished goods and stock in trade.

Employee benefits expense

Our employee benefit expense mainly consists of salary and wages, bonus, director's remuneration, contribution to PF and other funds, staff welfare expense and provision for gratuity.

Finance Costs

Our finance costs comprises of interest on short term and long term loan from banks and financial institutions, other borrowing costs such as bank charges and interest on delayed payment of taxes.

Depreciation

Tangible are depreciated over periods corresponding to their estimated useful lives. See "Significant Accounting Policies –Depreciation" above on page 234 of this Draft Red Herring Prospectus.

Other Expenses

Our other expenses primarily consists of manufacturing expenses such as fuel & gases, security charges, testing charges, freight & cartage, product approval charges, repairs & maintenance charges, electricity

charges, selling and administrative charges such as vehicle running and maintenance expenses, freight & cartage outward charges, advertisement expenses, business development expenses, legal charges/chd, postage & telephone expenses, printing & stationery expenses, professional fees & consultancy charges, telephone charges, travelling and conveyance among others.

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 revenue:

Particulars`	For the period ended December 31, 2017	Amount (Rs. In Lakhs)		
		For the Year ended March 31,		
		2017	2016	2015
Total Revenue:				
Revenue from operations (net)	3,758.30	4,760.06	4,757.40	4,098.50
As a % of Total Revenue	99.77%	99.89%	99.40%	99.29%
Other income	8.72	5.11	28.52	29.13
As a % of Total Revenue	0.23%	0.11%	0.60%	0.71%
Total Revenue	3,767.02	4,765.17	4,785.92	4,127.64
Expenses:				
Cost of Material Consumed	1,819.26	2,542.64	2,742.06	2,562.61
As a % of Total Revenue	48.29%	53.36%	57.29%	62.08%
Purchase of Stock in Trade	326.47	544.00	464.28	416.31
As a % of Total Revenue	8.67%	11.42%	9.70%	10.09%
Changes in Inventory of WIP, Finished Goods and Stock in Trade	22.43	(228.80)	(89.29)	(105.50)
As a % of Total Revenue	0.60%	(4.80%)	(1.87%)	(2.56%)
Employee benefit expenses	594.27	972.27	907.00	660.19
As a % of Total Revenue	15.78%	20.40%	18.95%	15.99%
Finance costs	42.97	98.70	115.81	127.98
As a % of Total Revenue	1.14%	2.07%	2.42%	3.10%
Depreciation and amortization expense	75.69	113.67	102.07	141.66
As a % of Total Revenue	2.01%	2.39%	2.13%	3.43%
Other expenses	207.23	273.91	333.67	266.21
As a % of Total Revenue	5.50%	5.75%	6.97%	6.45%
Total Expenses	3,088.32	4,316.39	4,575.61	4,069.45
As a % of Total Revenue	81.98%	90.58%	95.61%	98.59%
Profit before exceptional, extraordinary items and tax	678.70	448.78	210.31	58.19
As a % of Total Revenue	18.02%	9.42%	4.39%	1.41%
Exceptional items	-	-	-	-
Profit before extraordinary items and tax	678.70	448.78	210.31	58.19
As a % of Total Revenue	18.02%	9.42%	4.39%	1.41%
Extraordinary items	-	-	-	-
Profit before tax	678.70	448.78	210.31	58.19
PBT Margin	18.02%	9.42%	4.39%	1.41%
Tax expense :				
(i) Current tax	192.39	160.82	75.47	26.47

Particulars`	For the period ended December 31, 2017	For the Year ended March 31,		
		2017	2016	2015
(ii) Deferred tax	0.26	(4.61)	6.66	(22.93)
Total Tax Expense	192.66	156.21	82.13	3.54
% of total income	5.11%	3.28%	1.72%	0.09%
Profit for the year/ period	486.04	292.57	128.18	54.65
PAT Margin	12.90%	6.14%	2.68%	1.32%

REVIEW OF NINE MONTH ENDED DECEMBER 31, 2017

Revenue from operations

Our revenue from operations was Rs. 3,758.30 lakhs which was about 99.77% of the total revenue for the period of nine months ended December 31, 2017. Our revenue from manufacturing operations was Rs. 3,561.88 lakhs and from trading/marketing operations was Rs. 196.42 lakhs for the nine months ended December 31, 2017.

Other Income

Our other income was Rs 8.72 lakhs which is 0.23% of the total revenue and mainly includes profit arising out of selling scrap of Rs. 1.69 lakhs, excise duty refund of Rs. 3.44 lakhs, other interest income of Rs. 0.66 lakhs, foreign exchange gain of Rs. 2.80 lakhs and other miscellaneous income of Rs. 0.13 lakhs.

Expenditure

Our total expenditure primarily consists of Cost of materials consumed, purchase of Stock in trade, and changes in inventory of WIP, Finished goods and Stock in trade, employee benefit expenses, depreciation expenses, finance cost and other expenses

Direct Expenditure

Our direct expenditure was Rs. 2,168.16 lakhs for the nine months ended December 31, 2017. The direct expenditure can be divided into:

Cost of materials consumed: Our cost of materials consumed was Rs. 1,819.26 lakhs which was 48.29% of our total revenue for the nine months ended December 31, 2017. It included expenditure on raw material such as excipients, APIs, etc. and packing material consumption.

Purchase of Stock in Trade: Our purchase of stock in trade was Rs. 326.47 lakhs which was 8.67% of our total revenue for the nine months ended December 31, 2017. It mainly included purchase of goods which are marketed by us and not manufactured such as cosmetic and skincare products.

Changes in Inventory of WIP, Finished Goods and Stock in Trade: Our changes in inventory of wip, finished goods and stock in trade was Rs. 22.43 lakhs which was 0.60% of our total revenue for the nine months ended December 31, 2017. This was primarily due to slightly lower level of inventories maintained at our end.

Employee benefits expense

Our employee benefits expense was Rs 594.27 lakhs which is 15.78% of the total revenue for the nine months period ended December 31, 2017 and comprised of salary and wages expense of Rs. 534.44 lakhs, contribution to provident fund and other funds of Rs. 52.17 lakhs and staff welfare expenses of Rs. 7.66 lakhs.

Finance Costs

Our finance costs was Rs 42.97 lakhs which is 1.14% of our total revenue for the nine months period ended December 31, 2017 and mainly includes interest on borrowings of Rs. 24.45 lakhs, interest on delayed payment of taxes of Rs. 13.51 lakhs and other borrowing costs of Rs. 5.00 lakhs.

Depreciation

Our depreciation expenses was Rs. 75.69 lakhs which is 2.01% of our total revenue for the nine months period ended December 31, 2017 and mainly includes depreciation on tangible assets like building, plant and machinery, vehicles, etc.

Other Expenses

Our other expenses was Rs 207.23 lakhs which is 5.50% of our total revenue for the nine months period ended December 31, 2017 which mainly included rent and maintenance expenses of Rs. 16.21 lakhs, electricity charges of Rs. 48.13 lakhs, freight and cartage outward expenses of Rs. 35.55 lakhs, fuel and gases expenses of Rs. 10.61 lakhs, travelling and conveyance expenses of Rs. 13.41 lakhs among others.

Profit before tax

Our Profit before tax was Rs. 678.70 lakhs which is 18.02% of our total revenue for the period of nine months ended December 31, 2017.

Taxation expenses

Our taxation expenses was Rs. 192.66 lakhs which is 5.11% of our total revenue for the period of nine months ended December 31, 2017. It consisted of current tax expenses of Rs. 192.39 lakhs and deferred tax charges of Rs. 0.26 lakhs.

Profit after tax

Due to the factors mentioned above, our Net profit after tax was Rs. 486.04 lakhs which is 12.90% of our total revenue for the period of nine months ended December 31, 2017.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016

Total Revenue

Our total revenue slightly decreased by 0.43% to Rs. 4765.17 lakhs for the financial year 2016-17 from Rs. 4,785.92 lakhs for the financial year 2015-16 due to the factors described below:

Revenue from operations: Our revenue from operations increased by 0.06% to Rs. 4,760.06 lakhs for the financial year 2016-17 from Rs. 4,757.40 lakhs for the financial year 2015-16. The decrease was mainly due to decrease in our revenue from manufacturing operations by Rs. 207.42 lakhs netted off by an increase in revenue from marketing operations by Rs. 210.08 lakhs.

Other income: Our other income decreased by 82.07% to Rs. 5.11 lakhs for the financial year 2016-17 from Rs. 28.52 lakhs for the financial year 2015-16. During FY 2015-16, our other income constituted an additional amount of Rs. 14.33 lakhs due to profit on sale of car which resulted into a considerable decrease for FY 2016-17. Also our excise duty refund decreased by Rs. 11.58 lakhs and profit on sale of scrap decreased by Rs. 0.08 lakhs in FY 2016-17. The decrease was slightly offset by receipt of profit on sale of property by Rs. 1.92 lakhs, increase in miscellaneous income by Rs. 0.39 lakhs, increase in interest income by Rs. 0.22 lakhs and receipt of interest on income tax refund of Rs. 0.05 lakhs in FY 2016-17.

Total Expenses

Our total expenses decreased by 5.67% to Rs. 4,316.39 lakhs for the financial year 2016-17 from Rs. 4,575.61 lakhs for the financial year 2015-16, due to the factors described below:

Direct Expenditure

Our direct expenditure decreased by 8.32% to Rs. 2,857.84 lakhs in FY 2016-17 from Rs. 3,117.05 lakhs in FY 2015-16. The direct expenditure can be divided into:

Cost of materials consumed: Our cost of materials consumed decreased by 7.27% to Rs. 2,542.64 lakhs in financial year 2016-17 from Rs. 2,742.06 lakhs in financial year 2015-16. This was mainly due to decrease in our manufacturing operations in FY 2016-17.

Purchase of Stock in Trade: Our purchase of stock in trade increased by 17.17% to Rs. 544.00 lakhs in financial year 2016-17 from Rs. 464.28 lakhs in financial year 2015-16 due to increase in our marketing operations.

Changes in Inventory of WIP, Finished Goods and Stock in Trade: Our changes in inventory of wip, finished goods and stock in trade changed by 156.24% to Rs. (228.80) lakhs for the financial year 2016-17 from Rs. (89.29) lakhs for the financial year 2015-16. This was primarily due to higher level of inventories maintained at our end.

Employee benefits expenses: Our employee benefit expenses increased by 7.20% to Rs. 972.27 lakhs for the financial year 2016-17 from Rs. 907.00 lakhs for the financial year 2015-16. The increase was mainly due to increase in salary & wages by Rs. 61.29 lakhs, contribution to provident and other fund by Rs. 6.20 lakhs. This was offset by slight decrease in staff welfare expenses by Rs. 2.22 lakhs. Increase in our salary & wages was mainly due to increase in number of employees and increase in director's remuneration.

Finance costs: Our finance costs decreased by 14.77% to Rs. 98.70 lakhs for the financial year 2016-17 from Rs. 115.81 lakhs for the financial year 2015-16. The decrease was mainly on account of decrease in interest expense on borrowings by Rs 28.43 lakhs and decrease in other borrowing costs by Rs. 0.96 lakhs which was partially offset by an increase in interest on delayed payment of taxes by Rs. 12.29 lakhs. Decrease in interest expense was primarily due to repayment of our short term borrowings.

Depreciation and amortisation expense: Our depreciation and amortization expense increased by 11.36 % to Rs. 113.67 lakhs for the financial year 2016-17 from Rs. 102.07 lakhs for the financial year 2015-16. Our gross block increased to Rs 1,807.38 lakhs in the financial year 2016-17 from Rs. 1,631.65 lakhs in the financial year 2015-16.

Other expenses: Our other expenses decreased by 17.91% to Rs. 273.91 lakhs for the financial year 2016-17 from Rs. 333.67 lakhs for the financial year 2015-16. The decrease was mainly due to nil bad debts in FY 2016-17 as against bad debts of Rs. 74.90 lakhs in FY 2015-16, decrease in repair & maintenance of machinery by Rs. 3.88 lakhs, fuel and gases expenses by Rs 3.89 lakhs, postage & telephone expenses by Rs 4.07 lakhs, professional fees and consultancy charges by Rs. 5.14 lakhs and other manufacturing expenses by Rs. 6.46 lakhs among others in the financial year 2016-17. However, the decrease was offset by increase in repair & maintenance of factory by Rs. 14.41 lakhs, rent & maintenance expense by Rs 7.66 lakhs, freight & cartage outward by Rs. 4.47 lakhs and legal charges/CHD by Rs. 3.82 lakhs among others in the financial year 2016-17.

Profit before tax: Our profit before tax increased by 113.39% to Rs. 448.78 lakhs for the financial year 2016-17 from Rs. 210.31 lakhs for the financial year 2015-16. The increase was mainly due to decrease in our expenditure on material consumption and absence of bad debts in FY 2016-17.

Tax expenses: Our tax expenses decreased by 90.20% to Rs. 156.21 lakhs for the financial year 2016-17 from Rs. 82.13 lakhs for the financial year 2015-16 which was due to increase in current tax expense by Rs 85.35 lakhs. Further our Company booked deferred tax benefit of Rs. 4.61 lakhs in FY 2016-17 as against deferred tax charge of Rs. 6.66 lakhs in FY 2015-16.

Profit after tax: Our profit after tax increased by 128.24% to Rs. 292.57 lakhs for the financial year 2016-17 from Rs. 128.18 lakhs for the financial year 2015-16 due to reasons mentioned above.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015

Total Revenue

Our total revenue increased by 15.95% to Rs. 4785.92 lakhs for the financial year 2015-16 from Rs. 4127.64 lakhs for the financial year 2014-15 due to the factors described below:

Revenue from operations: Our revenue from operations increased by 16.08% to Rs. 4,757.40 lakhs for the financial year 2015-16 from Rs. 4,098.50 lakhs for the financial year 2014-15. The increase was mainly due to increase in our revenue from manufacturing operations by Rs. 477.06 lakhs and revenue from trading operations by Rs. 181.83 lakhs. The increase was mainly due to increase in our business operations.

Other income: Our other income decreased by 2.12% to Rs. 28.52 lakhs for the financial year 2015-16 from Rs.29.13 lakhs for the financial year 2014-15. This was mainly due to by nil receipt of insurance claim in FY 2015-16 as against receipt of insurance claim of Rs. 17.04 lakhs in FY 2014-15. The decrease was however offset by profit on sale of car of Rs. 14.33 lakhs, increase in Excise duty refund by Rs. 2.00 lakhs, profit on sale of scrap by Rs. 0.08 lakhs and increase in interest income by Rs. 0.01 lakhs for the financial year 2015-16.

Total Expenses

Our total expenses increased by 12.44% to Rs. 4,575.61 lakhs for the financial year 2015-16 from Rs.4,069.45 lakhs for the financial year 2014-15, due to the factors described below:

Direct Expenditure

Our direct expenditure increased by 8.48% from Rs. 2,873.42 lakhs in FY 2014-15 to Rs. 3,117.05 lakhs in FY 2015-16. The direct expenditure can be divided into:

Costs of materials consumed: Our costs of materials consumed increased by 7.00% from Rs. 2,562.61 lakhs in FY 2014-15 to Rs. 2,742.06 lakhs in FY 2015-16. The increase in raw material and packing material consumption was due to increase in our business operations.

Purchase of stock in trade: Our purchase of stock in trade increased by 11.52% from Rs. 416.31 lakhs in FY 2014-15 to Rs. 464.28 lakhs in FY 2015-16.

Changes in inventories of work in progress, finished goods and stock in trade: Our changes in inventories of work in progress, finished goods and stock in trade was (15.36)% to Rs. (89.29) lakhs for the financial year 2015-16 from Rs. (105.50) lakhs for the financial year 2014-15. This was due to higher level of inventories maintained at our end.

Employee benefits expenses: Our employee benefit expenses increased by 37.38% to Rs. 907.00 lakhs for the financial year 2015-16 from Rs. 660.19 lakhs for the financial year 2014-15. The increase was mainly due to increase in salary & wages by Rs. 242.88 lakhs, contribution to provident and other fund by Rs. 1.46 lakhs and staff welfare expenses by Rs. 2.47 lakhs. Increase in our salary & wages was mainly due to increase in directors remuneration, increase in number of employees as well as increase in salaries and wages of employees which was driven by increase in operation of the Company.

Finance costs: Our finance costs decreased by 9.51% to Rs. 115.81 lakhs for the financial year 2015-16 from Rs. 127.98 lakhs for the financial year 2014-15. The decrease was mainly on account of decrease in interest expense on borrowings by Rs 21.01 lakhs and which is offset by increase in other borrowing costs by Rs. 1.78 lakhs and increase in interest on delayed payment of taxes by Rs. 7.06 lakhs. Decrease in interest expense was primarily due to decrease in our long term borrowings.

Depreciation and amortisation expense: Our depreciation and amortization expense decreased by 27.94% to Rs. 102.07 lakhs for the financial year 2015-16 from Rs. 141.66 lakhs for the financial year 2014-15.

Other expenses: Our other expenses increased by 25.34% to Rs. 333.67 lakhs for the financial year 2015-16 from Rs. 266.21 lakhs for the financial year 2014-15. The increase was mainly due to increase in bad debts by Rs. 58.37 lakhs, professional and consultancy charges by Rs. 4.52 lakhs, electricity charges by Rs. 3.44 lakhs, freight and cartage charges by Rs. 3.25 lakhs, repairs & maintenance by Rs. 2.73 lakhs and office expenses by Rs. 2.68 lakhs among others in the financial year 2015-16. However, the increase was offset by decrease in rent & maintenance expenses by Rs. 2.16 lakhs, repair & maintenance of factory by Rs. 9.23 lakhs, legal charges/CHD by Rs. 3.49 lakhs and travelling & conveyance expenses by Rs. 6.84 lakhs among others in the financial year 2015-16.

Profit before tax: Our profit before tax increased by 261.44% to Rs. 210.31 lakhs for the financial year 2015-16 from Rs. 58.19 lakhs for the financial year 2014-15 due to increase in our business operations and reduction in some expenses.

Tax expenses: Our tax expenses increased by 2,221.76% to Rs. 82.13 lakhs for the financial year 2015-16 from Rs. 3.54 lakhs for the financial year 2014-15 which was due to increase in current tax expense by Rs 49.00 lakhs and reversal of deferred tax benefit by Rs. 29.59 lakhs.

Profit after tax: Our profit after tax increased by 134.55% to Rs. 128.18 lakhs for the financial year 2015-16 from Rs. 54.65 lakhs for the financial year 2014-15 due to reasons mentioned above.

OTHER KEY RATIOS

The table below summaries key ratios in our Restated Financial Statements for the financial years ended March 31, 2017, 2016, 2015 and for the period ended December 31, 2017:

Particulars	For the period ended December 31, 2017	For the year ended March 31,		
		2017	2016	2015
Fixed Asset Turnover Ratio	5.48*	6.55	7.17	8.12
Inventories Turnover Ratio	2.75*	4.21	5.29	5.46
Debt Equity Ratio	0.20	0.16	0.50	0.51
Current Ratio	1.60	1.86	1.76	1.70

* Not annualised

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total net fixed assets (excluding work in progress), based on Restated Financial Statements.

Inventories Turnover Ratio: This is defined as revenue from operations divided by average inventory. Average inventory is computed by dividing the sum of opening inventory and closing inventory by two, based on Restated Financial Statements.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturity of long term debt, based on Restated Financial Statements. Shareholders funds is the aggregate of Equity Share Capital and Reserves and Surplus.

Current Ratio: This is defined as current assets divided by current liabilities, based on Restated Financial Statements.

Cash Flow

The table below summarizes our cash flows from our Restated Financial Statements for the financial years 2017, 2016, 2015 and for the period ended December 31, 2017:

(Rs. in lakhs)

Particulars	For the period ended December 31, 2017	For the year ended March 31,		
		2017	2016	2015
Net cash (used in)/ generated from operating activities	385.97	422.33	386.87	868.45
Net cash (used in)/ generated from investing activities	(327.37)	(237.10)	21.20	(424.13)

Particulars	For the period ended December 31, 2017	For the year ended March 31,		
		2017	2016	2015
Net cash (used in)/ generated from financing activities	148.16	(572.16)	(10.70)	(456.75)
Net increase/ (decrease) in cash and cash equivalents	206.76	(386.93)	397.37	(12.43)
Cash and Cash Equivalents at the beginning of the period	27.29	414.23	16.87	29.30
Cash and Cash Equivalents at the end of the period	234.05	27.29	414.23	16.87

Operating Activities

Period Ended December 31, 2017

Our net cash flow generated from operating activities was Rs. 385.97 lakhs for the period ended December 31, 2017. Our operating profit before working capital changes was Rs. 780.31 lakhs for the period ended December 31, 2017 which was primarily adjusted by payment of income tax of Rs. 217.35 lakhs, and increase in trade receivables by Rs. 340.63 lakhs, increase in short-term loans and advances by Rs. 87.46 lakhs, increase in inventories by Rs. 120.69 lakhs, decrease in other current assets by Rs. 2.73 lakhs, decrease in other current liabilities by Rs. 63.30 lakhs and increase in trade payables by Rs. 432.36 lakhs.

Financial year 2016-17

Our net cash flow generated from operating activities was Rs. 422.33 lakhs for the financial year 2016-17. Our operating profit before working capital changes was Rs. 640.01 lakhs for the financial year 2016-17 which was primarily adjusted by payment of income tax of Rs. 62.13 lakhs, increase in trade receivables by Rs. 15.30 lakhs, increase in short term loans and advances by Rs. 15.81 lakhs, increase in Inventories by Rs. 349.59 lakhs, increase in other current assets by Rs. 5.51 lakhs, increase in trade payables by Rs. 98.05 lakhs and increase in other current liabilities by Rs. 132.60 lakhs.

Financial year 2015-16

Our net cash flow generated from operating activities was Rs. 386.87 lakhs for the financial year 2015-16. Our operating profit before working capital changes was Rs. 403.83 lakhs for the financial year 2015-16, which was primarily adjusted by payment of income tax of Rs. 25.08 lakhs, decrease in trade receivables by Rs. 125.92 lakhs, decrease in short term loans & advance by Rs. 84.64 lakhs, increase in inventories by Rs. 114.85, increase in other current assets by Rs. 2.96 lakhs, decrease in trade payables by Rs. 6.63 lakhs and decrease in other current liabilities by Rs. 78.02 lakhs.

Financial year 2014-15

Our net cash flow generated from operating activities was Rs. 868.45 lakhs for the financial year 2014-15. Our operating profit before working capital changes was Rs. 332.01 lakhs for the financial year 2014-15, which was primarily adjusted by payment of income tax of Rs 69.66 lakhs, increase in inventories by Rs. 183.20 lakhs, increase in trade receivables by Rs. 56.68 lakhs, decrease in short term loans & advances by Rs. 236.04 lakhs, decrease in other current assets by Rs. 1.92 lakhs, increase in trade payables by Rs. 421.05 lakhs and increase in other current liabilities by Rs. 186.97 lakhs.

Investing Activities

Period Ended December 31, 2017

Net cash used in investing activities was Rs. 327.37 lakhs for the period ended December 31, 2017. This was primarily on account of purchase of fixed assets of Rs. 88.84 lakhs, increase in long term loans

and advances by Rs. 239.50 lakhs which was slightly offset by receipt of interest income of Rs.0.66 lakhs and sale of investment of Rs. 0.30 lakhs.

Financial year 2016-17

Net cash used in investing activities was Rs. 237.10 lakhs for the financial year 2016-17. This was primarily on account of purchase of fixed assets of Rs. 268.10 lakhs and increase in long term loans and advances of Rs. 5.38 lakhs. This was offset by sale of investment of Rs. 35.73 lakhs and interest income of Rs. 0.64 lakhs.

Financial year 2015-16

Net cash generated from investing activities was Rs. 21.20 lakhs for the financial year 2015-16. This was primarily on account of sale of investments of Rs. 271.22 lakhs and receipt of interest income of Rs. 0.42 lakhs and was partially offset by purchase of fixed assets of Rs. 246.34 lakhs and increase in long term loans and advances of Rs. 4.10 lakhs.

Financial year 2014-15

Net cash used in investing activities was Rs. 424.13 lakhs for the financial year 2014-15. This was primarily on account of purchase of fixed assets of Rs. 22.56 lakhs, increase in investment of Rs. 397.31 lakhs, increase in long term loans and advances of Rs. 4.66 lakhs and was slightly offset by receipt of interest income of Rs. 0.41 lakhs.

Financing Activities

Period Ended December 31, 2017

Net cash generated from financing activities for period ended December 31, 2017 was Rs. 148.16 lakhs primarily consisting of payment of interest and finance charges of Rs. 24.45 lakhs, increase in short term borrowings of Rs. 253.32 lakhs and repayment of long term borrowings of Rs. 80.70 lakhs.

Financial year 2016-17

Net cash used in financing activities for the financial year 2016-17 was Rs. 572.16 lakhs primarily consisting of payment of interest and finance charges of Rs. 69.90 lakhs, repayment of short term borrowings of Rs. 397.35 lakhs and repayment of long term borrowings of Rs. 104.91 lakhs.

Financial year 2015-16

Net cash flow used in financing activities for the financial year 2015-16 was Rs. 10.70 lakhs primarily consisting of payment of interest and finance charges of Rs. 98.33 lakhs, increase in short term borrowings of Rs. 164.00 lakhs and repayment of Long term borrowings of Rs. 76.37 lakhs.

Financial year 2014-15

Net cash flow used in financing activities for the financial year 2014-15 was Rs. 456.75 lakhs primarily consisting of payment of interest and finance charges of Rs. 119.35 lakhs, repayment of short term borrowings of Rs. 378.89 lakhs and increase in long term borrowings of Rs. 41.48 lakhs.

Financial Indebtedness

As on December 31, 2017, the total outstanding borrowings of our Company aggregated to Rs. 465.28 lakhs which includes long-term borrowings of Rs. 129.00 lakhs, short-term borrowings of Rs. 253.32 lakhs and current maturities of long term debt of Rs. 82.96 lakhs. For further details, refer chapter titled “Financial Indebtedness” beginning on page 254 of this Draft Red Herring Prospectus.

(Rs. in lakhs)

Particulars	As at December 31, 2017
Long Term Borrowings	
Secured	

Particulars	As at December 31, 2017
- Banks and Financial Institutions	129.00
Sub Total (A)	129.00
Short Term Borrowings	
<i>Secured</i>	
- Banks and Financial Institutions	253.32
Sub Total (B)	253.32
Current Maturities of Long Term Borrowings (C)	82.96
Total (A)+(B)+(C)	465.28

In the event, any of our lenders declare an event of default, this could lead to acceleration of our repayment obligations, termination of one or more of our financing agreements or force us to sell our assets, any of which could adversely affect our business, results of operations and financial condition

Related Party Transactions

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration payable, loans & advances given and taken and Issue of Equity Shares. For further details of such related parties under AS18, refer chapter titled “*Restated Financial Statements*” beginning on page 234 of this Draft Red Herring Prospectus.

Contingent Liabilities

We have the following contingent liabilities as of December 31, 2017, as per our Restated Financial Statements:

Sr.	Particulars	As at December 31, 2017 (Rs. in lakhs)
1.	Outstanding Tax Demand with Respect to Income Tax Assessment year - 2010-11	15.34
2.	Outstanding Tax Demand with Respect to Income Tax Assessment year - 2011-12	1.31
3.	Outstanding Tax Demand with Respect to Income Tax Assessment year - 2013-14	1.41
4.	Outstanding Tax Demand with Respect to Income Tax Assessment year - 2015-16	15.83
5.	TDS Defaults Earlier years	18.15
6.	Bills Discounted under Inland Letter of Credit	12.24
7.	Bond Issued in Favour of GST Department for Export	20.00
	Total	84.27

Management Perception:

- v. In case of outstanding tax demand with respect to income tax assessment year 2010-11, at the time of processing of return of income under the provisions of section 143(1) of The Income Tax Act, 1961 the CPC Bengaluru did not give the credit of the self -assessment tax and the advance tax paid by us , which is also reflecting in the Form 26AS of the said year, resulting in the demand raised against us. We have already grievance for the inadvertent demand to income tax department
- vi. The CPC, while processing the return of income tax assessment year 2011-12 and 2013-14, gave less credit of MAT under Section 115JAA as compared to the credit claimed by us while filing the return of income of the said years respectively. Further we have also not been credit of self assessment tax for AY 2011-12. We have already grievance for the inadvertent demand to income tax department.

- vii. In reference to outstanding tax demand of assessment year 2015-16 please note the assessment proceeding for the captioned year has been concluded vide assessment order dated 10 November 2017, wherein a demand of Rs. Nil has been determined.
- viii. In reference to outstanding TDS default of Rs. 18.15 lakhs there is a clerical mistake in challan as we have deposited the said amount in PAN and claimed in tan and we have already requested to department for rectification.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Financial Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

Effect of Inflation

We are affected by inflation as it has an impact on the services used for our operations, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Reservations, Qualifications and Adverse Remarks

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 234 of this Draft Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks.

Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

Except as disclosed in chapter titled “*Financial Statements*” beginning on page 234 of this Draft Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company during the period April 1, 2015 up to December 31, 2017.

Material Frauds

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last five Fiscals or during the period ended December 31, 2017.

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in chapter titled "*Risk Factors*" beginning on page 25 of this Draft Red Herring Prospectus.

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 described in the section titled "*Risk Factors*" beginning on page 25 of this Draft Red Herring Prospectus and in this chapter, to our knowledge there are no known trends or uncertainties that are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are known

Other than as described in chapter titled "*Risk Factors*" beginning on page 25 of this Draft Red Herring Prospectus and in this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

Extent to which Material Increases in Net Sales or Revenue are due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three financial year's are as explained in the part "*Financial Year 2016-17 compared with financial year 2015-16 and Financial Year 2015-16 Compared With Financial Year 2014-15*" above.

Total Turnover of Each Major Industry Segment in Which the Issuer Operates

Our business is limited to a single reportable segment.

Competitive Conditions

We have competition with Indian and international pharmaceutical companies and our results of operations could be affected by competition in the pharmaceutical industry in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established organized companies / entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled "*Risk Factors*" beginning on page 25 of this Draft Red Herring Prospectus.

Increase in income

Increases in our income are due to the factors described above in in this chapter under "*Significant Factors Affecting Our Results of Operations*" beginning on page 234 of this Draft Red Herring Prospectus.

Status of any Publicly Announced New Products or Business Segments

Except as disclosed elsewhere in the Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

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 raw material, packing material and stock in trade purchase respectively as March 31, 2017 is as follows:

	Customers	Suppliers
Top 5 (%)	15.92%	19.44%
Top 10 (%)	24.22%	26.73%

Seasonality of Business

The nature of business is not seasonal.

FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and others for conducting its business. Set forth is a brief summary of our Company's secured and unsecured borrowings as on December 31, 2017 together with a brief description of certain significant terms of such financing arrangements.

SECURED BORROWINGS

1. Facility-I {Loan of Rs. 1234 lakhs from Punjab National Bank as per Sanction letter dated December 24, 2014}

(Rs. in Lakhs)

Particulars					
Nature of facility	Sanctioned Amount	Rate Of Interest	Repayment	Primary Security	Outstanding as on December 31, 2017
A) Fund based limits :					
Renewal in FBWC (Cash credit limit)	800.00	Present effective rate is 12.00% p.a., and is subject to time to time, to be charged on monthly basis.	Repayable on demand	Hypothecation of entire stocks of raw materials, stock in process, finished goods, consumables stores and spares. The stocks to be stored by the borrower in their own or rented premises as specifically permitted by the sanctioning authority. Sundry debtors arising out of genuine trade transaction with debtors not older than 90 days.	253.32
Sub Total	800.00				

ii) Facility-II {Non Fund based: OBD / Discounting of Bills under ILC}

Amount	Interest	Security	Overdue Interest	Usance Period
Rs. 200.00 Lakhs	As per schedule of the bank	Usance bills accompanied by RRs or approved GRs covering consignment of self-manufactured goods or Usance bills accompanied by receipted challan for consignment of self-manufactured goods.	2% over normal interest	90 days for normal bills

iii) Facility-III- {Term Loan}

Amount	Interest	Security	Overdue Interest	Repayment	Outstanding as on December 31, 2017
Rs. 200.00 Lakhs	Present effective rate is 12.75% p.a. and is subiect time to time. to be charoed on monthlv rests.	Hypothecation of Plant & Machinery to be acquired from proposed term plan.	2% over normal interest	In 72 monthly installments starting from start April 2015. Interest will be recovered as and when due on monthly basis.	102.44
Rs. 0.34 lakhs*	Present effective rate is 12.75% p.a. and is subiect time to time. to be charoed on monthlv rests.	Hypothecation of Plant & Machinery to be acquired from proposed term plan.	2% over normal interest	-	Nil

*As on date of this DRHP the said term loan has been repaid.

iv) Facility- IV {Letter of Credit}

Amount	Usance	Security	PBF ceiling: DA LCs
Rs. 200.00 Lakhs	90 days in ILC and 120 days in FLC	FLC- Shipping documents (DA/DP) including bills of lading/ covering imported raw material along with insurance and other usual documents. ILC- DP/DA bills accompanied by RRs/ MTRs of approved transport companies covering purchase of raw material.	The PBF for fund based limits to be reduced to the extent of the amount of documents received under the credit opened by the branch, till these documents are retired (in case the amount of LC creditors has not been included in sundry creditors to that extent)

COLLATERAL SECURITY

Immovable Property	Personal Guarantee
- Hypothecation of existing Plant and Machinery valued Rs. 2 89 crores - Hypo of Prcposed Land & building	1. Parvinder Singh Gulati 2. Sham Lal Singla 3. Gurmeet Singh Narula

situated at Plot no. 2 Phase III' Ind. Area, Baddi and Plant & machinery purchased or to be purchased	

Other conditions:

- The stocks received under the facility will be shown separately in charged to the Bank but no DP will be allowed against such stocks, the monthly stock statement and remain till the bills are paid.
- The borrower to deal with our bank exclusively shall not open current accounts with any other bank without our prior permission and shall route all sale transaction through accounts.
- The borrower's entire business relating to their activity including deposit bills foreign exchange. Merchant banking etc. should be restricted only to our Bank.

Key Restrictive Covenants:

1. The borrower shall not undertake expansion/ diversification/ modernization without obtaining prior permission of the bank and without proper tie up of funds. No investment shall be made in associate/ allied/ group concerns without prior bank permission.
 2. Unsecured loans raised from Friends/ relatives (existing and proposed) shall not be allowed to be withdrawn during the currency of bank loan without the prior permission of bank.
 3. Effect any change in their capital structure.
 4. Formulate any scheme of amalgamation of reconstruction.
 5. Undertake any new project or expansion or modernization schemes or make any capital expenditure other than those eliminated / projected in the CMA data, without obtaining the Bank's prior consent.
- 2. Loan of Rs. 92.20 Lakhs from Bajaj as per Sanction letter dated July 12, 2013.**

Nature of Facility	Auto Premium Loan
Loan Amount	Rs.92.20 Lakhs
Rate of Interest	11.00%
EMI Amount	Rs 1.49 Lakhs
Security	Hypothication of Vehicle Purchased out of borrowed fund
Tenor	100 months from August 5 , 2013 to November 5, 2021
Amount Outstanding as on December 31, 2017	Rs. 40.15 lakhs

- 3. Loan of Rs. 40.00 Lakhs from Daimler Financial Services India Private Limited as per sanction letter dated November 29, 2013**

Nature of Facility	Auto Premium Loan
Loan Amount	Rs. 40 Lakhs
Rate of Interest	10.79%
EMI Amount	Rs. 0.67 Lakhs
Security	Hypothication of Vehicle Purchased out of borrowed fund
Tenor	84 months from 29 November 2013 to October 29, 2020
Amount Outstanding as on December 31, 2017	Rs. 19.67 lakhs

- 4. Loan of Rs. 34.75 Lakhs from HDFC Bank Limited**

Nature of Facility	Auto Premium Loan
Loan Amount	Rs. 34.75 Lakhs
Rate of Interest	9.30%
EMI Amount	Rs 0.73 Lakhs
Security	Hypothication of Vehicle Purchased out of borrowed fund
Tenor	60 Months from March 7, 2016 to February 7, 2021
Amount Outstanding as on December 31, 2017	Rs. 23.83 lakhs

5. Loan of Rs. 42.50 Lakhs from Volkswagen finance

Nature of Facility	Auto Premium Loan
Loan Amount	Rs. 42.50 Lakhs
Rate of Interest	10.68%
EMI Amount	Rs.0.72 Lakhs
Security	Secured by hypothecation of Vehicle under Hire Purchase
Tenor	84 Months from 20 September, 2013 to August 20, 2020
Amount Outstanding as on December 31, 2017	Rs. 19.18 lakhs

6. Loan of Rs. 9.50 Lakhs from Toyota fortuner loan finance from Toyota financial services India Ltd.

Nature of Facility	Auto Premium Loan
Loan Amount	Rs. 9.50 Lakhs
Rate of Interest	9.24%
EMI Amount	Rs.0.20 Lakhs
Security	Secured by hypothecation of Vehicle under Hire Purchase
Tenor	60 Months from 20 December, 2014 to November 20, 2019
Amount Outstanding as on December 31, 2017	Rs. 4.19 lakhs

7. Loan of Rs.17.00 Lakhs from Toyota Fortuner loan finance from PNB.

Nature of Facility	Auto Premium Loan
Loan Amount	Rs. 17.00 Lakhs
Rate of Interest	15.25%
Security	Hypothication of Vehicle Purchased out of borrowed fund as primary security and EM of Factory as collateral Security
Tenor	84 Months from August 1,2012 July 1 2019
Amount Outstanding as on December 31, 2017	Rs. 1.87 lakhs

SECTION VI- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except, as stated in this section and mentioned elsewhere in this Draft 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, Subsidiaries, 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 March 16, 2018 determined that outstanding dues to creditors in excess of 1% of total revenue as per our Company's restated financials for the 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 as determined by our Board, in its meeting held on March 16, 2018 if:

- i) the aggregate amount involved in such individual litigation exceeds 1% of the profit after tax of the Company, as per the last audited financial statements; or
- ii) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 1% of the profit after tax- of the Company as per the last audited financial statements, if similar litigations put together collectively exceed 1% of the profit after tax of the Company; or
- iii) litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality threshold for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.

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 Draft 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- TILL DATE

Our Company had received demand notice from Income Tax Department on December 23, 2014 with reference no. ITO (TDS-I)/Chd/5Lakh-Demand/2014-15/4847 seeking total demand for FY2008- till date of Rs. 19,83,456/-. The resolvable demand for FY 2008- till date including short payment plus late payment Interest plus late deduction interest more than or equal to Rs. 5,00,000/- is amounting to Rs.11,68,883/-. Our Company has paid a sum of Rs. 5,00,000/- to the Income Tax Department (Tax Deduction at Source Department), the balance amount of **Rs. 6,68,883/-** is yet outstanding.

2. FOR AY 2010-11

Income Tax Department's website under the head 'Response to Outstanding Tax Demand' for our Company displays outstanding demand of **Rs. 15,33,540 /-** under Section 245 of the Income Tax Act, 1961 raised on February 24, 2011. The matter is currently pending.

3. FOR AY 2011-12

Income Tax Department's website under the head 'Response to Outstanding Tax Demand' for our Company displays outstanding demand of **Rs.1,30,880 /-** under Section 245 of the Income Tax Act, 1961 raised on March 15,2012. The matter is currently pending.

4. FOR AY 2013-14

Income Tax Department's website under the head- 'Response to Outstanding Tax Demand' for our Company displays outstanding demand of **Rs.1,41,060 /-** under Section 245 of the Income Tax Act, 1961 raised on November 12, 2014. The matter is currently pending.

5. FOR AY 2015-16

Income Tax Department's website under the head- 'Response to Outstanding Tax Demand' for our Company displays outstanding demand of **Rs.15,82,510 /-** under Section 245 of the Income Tax Act, 1961 raised on March 30,2017. The matter is currently pending.

TAX DEDUCTED AT SOURCE FOR AY 2011-12

1. FOR AY 2012-13

Our Company has filed Annual Tax Statement under Section 206 C (5) of the Income Tax Act, 1961 and Rule 31AB Income Tax Rules,1962. However, the statement shows outstanding default of **Rs. 1,071/-**. 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

Proceedings against Our Company for economic offences/securities laws/ or any other law

1. The Drugs Control Administration (**DCA**) issued a letter to our Company on February 06, 2010 for lifting of drug Zoveran, Diclofenac Potassium & Serratiopetidase Tablet, (B. No. 1458 manufactured 08/2008 and having expiry date in 07/2010) from the stores of M/s Venkatraman Enterprises, D.No. 7A-8-39/A, Kotha Road, Eluru on February 24, 2009. The government analyst declared the drug as “not of standard quality” vide report no. 39/DCL/2010 dated January 18, 2010. DCA requested our Company to confirm the sale of the aforesaid drug to M/s Venkataraman Enterprises, Eluru and to disclose the source of supply under Section 18A of the Drugs and Cosmetics Act, 1940 (“**DC Act**”) and to call back the complete stock from the market. DCA issued another letter under Section 22(1) (cca) and Section 18B of the Act dated August 29, 2010 to our Company and requested our Company to submit a list of certain documents on top priority. Our Company submitted its reply to the aforesaid letter on September 06, 2012 requesting to get an opportunity for getting the sample tested from CDI. Subsequently, an office order dated April 30, 2011 was issued by the Health and Family Welfare Department, Himachal Pradesh ordering to suspend our Company’s license to manufacture for sale and for distribution of “Zoveran Tablets” for the period from May 10, 2011 to June 09, 2011. Our Company adhered to the suspension. There is no further communication received in this matter.
2. Drugs Inspector, Nagpur (“**DI**”) issued a letter dated February 22, 2010 to our Company under the Drugs and Cosmetics Act, 1940 (“**DC Act**”) stating that a sample of the “Feject – OD Tablets” was drawn by it for test and analysis from the premises of M/s Adarsh Agencies. It was stated that the aforesaid tablet was found to be “not of standard quality” and our Company was requested to furnish certain copies of documents. Our Company replied to DI on April 02, 2010 referencing the analyst report no. M/2970/2009 of the “Fejet-OD Tablets” and requesting reconsideration of initiation of any action on the said report. Our Company replied to DI letter dated June 21, 2010 expressing its non-acceptance of test report i.e. reports with reference no. M/2970/2009 dated January 18, 2010. Subsequently, an office order dated July 29, 2010 was issued by the Health and Family Welfare Department, Himachal Pradesh suspending our Company’s license to manufacture for sale and for distribution of “Fejet-OZ Tablets” for the period from August 05, 2010 to December 04, 2010. A revision appeal has been filed by our Company and the Application has been partly allowed by the District Court Judge-3 and additional Sessions Judge (Nagpur). Since the matter has been partly allowed the matter is currently pending.

3. Penalties in Last Five Years

Nil

Pending Notices against our Company

1. LEBEN LABORATORIES PVT. LTD. VS MDC PHARMACEUTICALS (P) LTD AND ORS.

Leben Laboratories Pvt. Ltd. (“**LLPL**”), manufacturer and distributor of medicinal and pharmaceutical preparations and has a Registered Trademark for the name and logo “**LEBEN**” has issued notice to our Company on May 02, 2018, for infringing their Trademark “**LEBEN**” and wrongly appropriated the goodwill associated with their Trademark to sell similar product in the market with same Word Mark. LLPL has further alleged that our company is deceiving and confusing the buyers by using a similar name for the product and demands our Company to cease and desist from using same or similar trademark for selling, distributing, packaging etc. shall be withdraw from the market. Our company is required to surrender the said trademark to LLPL and to render accounts of profits and sales made by our Company with usage of similar trademark. LLPL has demanded **Rs. 5,00,000/-** as damages to our Company for infringing the abovementioned trademark. Our company hasn’t replied to the notice and the matter is currently pending.

2. CIPLA LIMITED VS MDC PHARMACEUTICALS (P) LTD

Cipla Limited (“**Cipla**”) had issued notice to our Company on April 06, 2018, for infringing the trademark of Cipla and contested that our Company’s trademark “**OMAC-20**” is deceptively similar and confusing to their already existing trademark “**LOMAC**”. In the notice Cipla also stated that our Company had not only infringed their trademark but also had infringed its artwork, layout, logo and packaging of the product. The above-mentioned notice alleges that our Company had wilfully misrepresented the adoption of a similar trademark in to order pass off the product of Cipla in front of consumers. Cipla demands our Company to cease and desist from using OMAC-20 or any other similar mark for import, export, sale or manufacture of their products, packaging etc. and withdraw from the market all goods, packaging, advertising materials being traded under the said Trademark and destroy them. Further, Our Company is asked to apply to the concerned Authority to change the trade name, logo, packaging and to withdraw the trademark applications for OMAC-20 or OMAC or any other similar trademarks. Our company hasn’t replied to the notice and the matter is currently pending.

3. GLAXOSMITHKLINE PHARMACEUTICALS LIMITED VS MDC PHARMACEUTICALS (P) LTD

Burroughs Wellcome (India) Limited (“**BWIL**”) predecessor to GlaxoSmithKline filed an opposition against our Company’s trademark application ZOVERAN. GlaxoSmithKline sent a notice dated May 22, 2017 to our Company stating that GlaxoSmithKline owned the Trademark ZOVIRAX which is concerned with acyclovir-based preparations. GlaxoSmithKline contested that our Company had similar Trademark “**ZOVERAN**” which deals with manufacture of tablets containing Diclofenac Potassium and Serratiopeptidase. The notice demands our company to restrict the use of trademark ZOVERAN or restrict its current use and restrict the use of the trademark ZOVERAN to any other products in the future. Our company hasn’t replied to the notice and the matter is currently pending.

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

1. FOR AY 2009-10

Income Tax Department's website under the head 'Response to Outstanding Tax Demand' for Vir Pal Singh the director of our Company displays outstanding demand of **Rs. 5,515/-** under Section 245 of the Income Tax Act, 1961 raised on November 18, 2017. The matter is currently pending.

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

1. SHAM LAL SINGLA, PARVINDER SINGH, GURMEET SINGH & ANR. V. UNION OF INDIA & ANR.

The Directors of our Company had filed a writ petition under Article 226 of the Constitution of India seeking the High Court of Punjab and Haryana to issue of a Writ of Certiorari for quashing notice released by Registrar of Companies press releases dated September 06, 2017 and September 12, 2017(**"Impugned Notice"**). On September 13, 2017, Registrar of the Companies posted a list of 1,06,578 persons all over the country with a separate list which was known as the list of

disqualified directors under Section 164(2)(a) of the Companies Act, 2013 (“Act”) with a notice/ direction stating the disqualifications of directors which had been displayed on Ministry of Corporate Affairs website. It was submitted before the High Court of Punjab and Haryana that Section 164 of the Act had come into effect from April 01, 2014 for private companies, whereas our Company’s financial year would be 2016-17 and the last date of conducting Annual General Meeting for our Company was September 30, 2017 and last date of filing the annual return was November 29, 2017 and balance sheet was October 30, 2017, which was extended vide circular no. 14 of 2017 dated November 28, 2017. It was relevant to note that the action of the Registrar of the Company was against the intentions of the circular no. 8 of 2018 dated April 04, 2018 and circular no. 22 of 2018 dated June 25, 2014. In these circulars the Ministry of Corporate Affairs had classified that the financial statements, auditors report and board’s report in respect to financial years which commenced earlier to April 01, 2014 was governed by the relevant provisions/ schedules/rules of the Companies Act, 1956 and that in respect of financial years commencing on or after April 01, 2014, thereafter the provisions of the Act are applicable. The High Court of Punjab and Haryana passed an interim order directing the Registrar of Companies to reactivate the DIN of the Directors of our Company which had been de – activated and the disqualification of the directors of our company shall remain stayed. The matter is currently pending.

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

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 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

1. DRUGS INSPECTOR, DRUG CONTROL ADMINISTRATION VS LYRA LABORATORIES PVT LTD (GROUP COMPANY – I).

Drugs Control Administration (DCA) issued a letter to Group Company - I on July 26, 2014 stating that the government analyst declared their drug **PURADANE POWDER** as “not of standard quality” vide report no. 1443/DCL/2014 dated May 30, 2014. DCA requested Group Company - I to disclose the source of supply under Section 18A of the Drugs and Cosmetics Act, 1940 (hereinafter referred as “**DC Act**”) and to call back the complete stock from the market as the drug in question was declared as “not of standard quality”. DCA also requested Group Company - I to submit certified copies of certain documents along with the approval letter from the Drug Licensing Authority and details of partners and directors responsible for the affairs of the company. Group Company - I tested samples for Iodine levels and found the levels within the prescribed limits. They furnished all the details and the required documents along with a reply to the aforesaid letter on August 16, 2014 stating that the drug was at par with provisions of the DC Act and requesting the DCA to get the sample tested from Central Drug Laboratory. Currently, the matter is pending.

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

Our Company does not have any Subsidiary Company as on the date of filing of this Draft Red Herring Prospectus.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

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 235 of this Draft 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 December 31, 2017, our Company had 580 creditors, to whom a total amount of Rs. 1031.93 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated March 16, 2018, 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)
Abil chempharma pvt.ltd. (baddi)	44.63
Jasco paper products	39.20
Del trade international (p) ltd	36.23
Venus enterprises	31.53
Del trade international pvt ltd. (delhi)	27.74
Shriya pharma & surgical	22.82
Maya biotech private limited	22.12
Goliath exim private limited	19.32
Passim medichem agencies	19.09
Yaksh pharma	17.32
Gorang international	16.98
Rich pharma chem	16.48
National laboratories	16.15
Nectar lifesciences ltd. (mohali)	15.40
Passim medichem agencies (baddi)	15.05
Biocon ltd.	14.89
P.k.pharmatech pvt.ltd	14.42
Aquatic remedies pvt. Ltd.	13.16
Metrochem api pvt.ltd	12.87
Unison pharmaceuticals	10.46
B.m.chemie	9.93
Precious pharma	9.83
Swisskem healthcare	9.75

G.c.chemie pharmie ltd. (mumbai)	9.33
Passim medichem agencies	9.30
Primus pharmaceuticals	9.26
Smd chemi pharma pvt.ltd.	8.51
Vinay packaging	8.44
Bajaj healthcare limited	8.40
Ra chem pharma limited	7.71
Hitech formulation (p) ltd (f.g)	7.60
Unnati pharmaceuticals pvt. Ltd.	7.55
Ster chem	7.37
Pharma zone	7.15
Indo pack limited	7.13
Ganpati additives pvt ltd	6.98
Accent microcell industries	6.94
K.p.manish global ingredients pvt.ltd.	6.92
Nikeon corporation	6.75
Mahaveer chemicals	6.32
Prakriti international	6.28
Enaltec labs limited	6.14
Synergene active ingredients pvt. Ltd	6.08
M.b.s pharmacia	6.04
Mars healthcare pvt.ltd.	6.03
Bio-gen extracts pvt.ltd.	6.00
Unnati pharmaceuticals pvt.ltd. (mumbai)	5.88
Molecules india	5.87
Vardhman healthcare	5.68
Cosmic chemicals	5.59
Central drug house	5.45
Sneha medicare pvt. Ltd	5.42
Srs industries	5.41
Scope ingredients pvt.ltd.	5.23
Farmachem life pvt.ltd.	5.13
Welcome pharma	5.03
Total	678.32

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.mdcpharmaceuticals.com .Information provided on the website of our Company is not a part of this 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.mdcpharmaceuticals.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 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 manufacturing, supplying and exporting pharmaceuticals, 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 184 of this Draft Red Herring Prospectus.

The Company has its business located at:

Registered Office/ Sales and Corporate Office: Plot No. 213, First Floor, Industrial Area, Phase - I, Colony No 04, Chandigarh, 160001

Warehouse: Near Radha Swami Satsanag Bhawan, Sai Road, Baddi, Solan, Himachal Pradesh, India

Factory Units:

1. No.197 Pargana, Dharampur, Tehsil Nalagarh, Sai Road, Baddi, Himachal Pradesh
2. Plot No. 2- EXT, Industrial Area, Baddi, Dist Solan, Himachal Pradesh

Further, except as mentioned herein below, our Company has not yet applied for any licenses for the proposed activities as contained in the chapter titled ‘Objects of the Issue’ beginning on page no. 114 of this Draft Red Herring Prospectus to the extent that such licenses/approvals may be required for the same.

The objects 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 March 14, 2018, 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 March 15, 2018 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 [●] bearing reference no. [●].

Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated March 13, 2018 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Link Intime India Private Limited, for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated March 23, 2018 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its shares.

3. The Company's International Securities Identification Number ("ISIN") is INE644Z01014.

INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated July 14, 1994 issued by the Registrar of Companies, Punjab, Himachal Pradesh & Chandigarh, in the name of "MDC PHARMACEUTICALS PRIVATE LIMITED".
2. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on March 13, 2018 by the Registrar of Companies, Chandigarh in the name of "MDC PHARMACEUTICALS LIMITED".
3. The Corporate Identification Number (CIN) of the Company is U24231CH1994PLC014820

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, Ministry of Commerce and Industry, Government of India	2297002335	November 05, 1997	In case of change in name/address or constitution of IEC holder, the IEC holder shall cease to be eligible to Import or Export against the IEC after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the IEC by the concerned licensing authority.
2	Udyog Aadhar Memorandum/ Entrepreneurs Memorandum for	Ministry of Micro, Small and Medium Enterprises,	02/09/1/2/70028	February 05, 2007	N/A

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	setting micro, small and medium Enterprises Unit	Government of India			
3	License to work a factory (under Factories Act, 1948 and Rules made thereunder) – for Unit I	Chief Inspector of Factories, Himachal Pradesh	L&E(FAC)9-2016293-2012	January 01, 2015	December 31, 2019
4	License to work a factory (under Factories Act, 1948 and Rules made thereunder) – for Unit II	Chief Inspector of Factories, Himachal Pradesh	L&E (Fac) 9-29/13	March 21, 2013	Not traceable
5	License to manufacture for sale of drugs other than those specified in Schedule X	State Drugs Controller, Controlling cum Licensing Authority	MNB/05/273	Granted on: March 21, 2006 Date of renewal: March 21, 2016	March 20, 2021
6	License to manufacture for sale of drugs other than those specified in Schedule X	State Drugs Controller, Controlling cum Licensing Authority	MNB/05/274	Granted on: March 21, 2006 Date of renewal: March 21, 2016	March 20, 2021
7	License under Food Safety and Standards Act, 2006	Department of Health, Safety and Regulations	10914011000012	April 01, 2016	March 31, 2021
8	Renewal of Drug Registration of Azisan Tablet [Azithromycin USP (as Dehydrate) equivalent to Anhydrous Azithromycin 250mg] under (Ministry of Health Order 3/93)	Secretary, Myanmar Food and Drug Board of Authority	R1907AA1774	July 01, 2014	July 01, 2019

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	under the Government of Republic of the Union of Myanmar				
9	Renewal of Drug Registration of Azisan Tablet [Azithromycin USP (as Dehydrate) equivalent to Anhydrous Azithromycin 250mg] under (Ministry of Health Order 3/93) under the Government of Republic of the Union of Myanmar.	Secretary, Myanmar Food and Drug Board of Authority	R1907AA1775	July 11, 2014	July 11, 2019
10	Renewal of Drug Registration of Beclide-M Table (Glicilazide BP 80 mg, Metformin Hydrochloride BP 500mg) under (Ministry of Health Order3/93) under the Government of Republic of the Union of Myanmar.	Secretary, Myanmar Food and Drug Board of Authority	R1907AA1920	July 01, 2014	July 01,2019
11	Renewal of Drug Registration of Omac-20 Capsule [Omeprazole BP (enteric coated pallets)20mg/hard gelatin capsule] under (Ministry of Health Order 3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	R2002A3786	February 23, 2015	February 20, 2020
12	Renewal of Drug Registration of Essomac-20 Tablet	Secretary, Myanmar Food and	R1803AA317	March 14, 2013	March 14, 2018 (Expired)

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	[Esomeprazole Magnesium USP (as Trihydrate) equivalent to Esomeprazole 20mg] under (Ministry of Health Order3/93) under the Government of Republic of the Union of Myanmar	Drug Board of Authority			
13	Renewal of Drug Registration of Vastadine-20 Tablet (Trimetazidine Dihydrochloride BP 20mg) under (Ministry of Health Order3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	R1803AA316	March 14, 2013	March 14, 2018 (Expired)
14	Renewal of Drug Registration of Fenosan Tablet (Fenofibrate USP 16mg) under (Ministry of Health Order3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	R2103AA2934	March 01, 2016	March 01, 2021
15	Renewal of Drug Registration of Gabajet Capsule (Gabapentin USP 300mg) under (Ministry of Health Order3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	R2103AA2936	March 01, 2016	March 01, 2021

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
16	Renewal of Drug Registration of Mosac-5 Tablet (Mosapride Citrate Dihydrate equivalent to Mosapride Citrate 5mg) under (Ministry of Health Order3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	R1907A7001	July 09, 2014	July 09, 2019
17	Renewal of Drug Registration of Motimin Tablet (Domperidone Maleate BP equivalent to Domperidone 10mg) under (Ministry of Health Order3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	R2002A3789	February 23, 2015	February 23, 2020
18	Renewal of Drug Registration of Obestat Capsule (Orlistat USP 120mg) under (Ministry of Health Order3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	R2007AA2606	July 28, 2015	July 28, 2020
19	Renewal of Drug Registration of Sanfix-200 Tablet [Cefixime USP (As Trihydrate) equivalent to Anhydrous Cefixime 200mg] under (Ministry of Health Order3/93) under the Government	Secretary, Myanmar Food and Drug Board of Authority	R2001AA2357	January 11, 2015	January 11, 2020

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	of Republic of the Union of Myanmar				
20	Renewal of Drug Registration of Tylongesic Tablet (Aceclofenac BP 100mg) under (Ministry of Health Order3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	R2203AA4371	March 09, 2017	March 09, 2022
21	Drug Registration Certificate of URISAN in accordance with Section 5 sub-section(g) of the National Drug Law under the Myanmar Food and Drug Board Authority, Ministry of Health under the Government of the Republic of the Union of Myanmar	Secretary-Drug Advisory Committee, Myanmar Food and Drug Board of Authority	1809AA6490	September 30, 2013	September 30, 2018
22	Renewal of Drug Registration of Lipvas-F Tablet (Atorvastatin Calcium USP equivalent to Atorvastatin10mg, Fenofibrate USP 160mg) under (Ministry of Health Order3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	R2103AA3288	March 01, 2016	March 01, 2021
23	Renewal of Drug Registration of Lipvas-10 Tablet	Secretary, Myanmar Food and	R1907A6999	July 09, 2014	July 09, 2019

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	(Atorvastatin Calcium USP equivalent to Atorvastatin 10mg) under (Ministry of Health Order 3/93) under the Government of Republic of the Union of Myanmar	Drug Board of Authority			
24	Renewal of Drug Registration of Lipvas-20 Tablet (Atorvastatin Calcium USP equivalent to Atorvastatin 20mg) under (Ministry of Health Order 3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	R1907A7000	July 09, 2014	July 09, 2019

Product Registration Approvals in Foreign Countries

Sr No.	Description	Authority	Licence No.
1.	Drug Registration of Arthrovit Capsules (under Ministry of Health Order 3/93 and under the Government of Republic of the Union of Myanmar)	Secretary, Myanmar Food and Drug Board of Authority	R2109AA3408
2.	Renewal of Drug Registration of Levosan-500 Tablets under (Ministry of Health Order 3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	R 1907AA 1772
3.	Renewal of Drug Registration of Lipvas-E Tablets under (Ministry of Health Order 3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	1603 AA 3292 (expired)
4.	Drug Registration of Panzodom capsules under (Ministry of Health Order 3/93) under the Government of Republic of the Union of Myanmar	Secretary, Myanmar Food and Drug Board of Authority	1709 AA 4673 (Expired)
5.	Drug Registration of Urosan Tablets under (Ministry of Health Order 3/93) under the	Secretary, Myanmar Food	1703 AA 3764 (expired)

	Government of Republic of the Union of Myanmar	and Drug Board of Authority	

REPLACEMENT OF DRUGS FROM MDC PHARMACEUTICALS PRIVATE LIMITED TO UNIMAX LABORATORIES

Sr no.	Description	Authority	Registration No./ Reference No./ License No.	Date of Replacement
1	Myanmar Food and Drug Board Authority, Drug Advisory Committee has approve the change of the Manufacturer of Esomac- 40 Tablet (Esomeprazole Magnesium USP equivalent to Esomeprazole 40mg) in accordance with Ministry of Health Notification no.3/93 Paragraph (14-b) under National Drug Law.	Drug Advisory Committee, under the Government of the Republic of the Union of Myanmar under Ministry of health department, Myanmar Food and Drug Board of Authority.	R1803AA318	November 25, 2015 (expired)
2	Myanmar Food and Drug Board Authority, Drug Advisory Committee has approve the change of the Manufacturer of Glutazone-15 Tablet in accordance with Ministry of Health Notification no.3/93 Paragraph (14-b) under National Drug Law.	Drug Advisory Committee, under the Government of the Republic of the Union of Myanmar under Ministry of health department, Myanmar Food and Drug Board of Authority.	R1903A6908	January 18, 2016
3	Myanmar Food and Drug Board Authority, Drug Advisory Committee has approve the change of the Manufacturer of Glutazone-30 Tablet in accordance with Ministry of Health Notification no.3/93 Paragraph (14-b) under National Drug Law.	Drug Advisory Committee, under the Government of the Republic of the Union of Myanmar under Ministry of health department, Myanmar Food and Drug Board of Authority.	R1907AA1773	January 18, 2016

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	AACCM4527B	July 14, 1994	Perpetual
2	Tax Deduction Account Number (TAN)	Income Tax Department through National Securities Depository Limited (NSDL), Ministry of Finance, Government of India	PTLM11932E	Not traceable	Perpetual
3	Goods and Service Tax Identification Number (GSTIN) – Chandigarh Office	Government of India	04AACCM4527B2Z1	August 19, 2017	N/A
4	Goods and Service Tax Identification Number (GSTIN) – Himachal Pradesh Unit	Government of India and Government of Himachal Pradesh	02AACCM4527B2Z5	June 28, 2017	N/A
5	Certificate of Registration (under Himachal Pradesh Value Added Tax Act, 2005 read with Rule 5 (1) of the Himachal Pradesh Value Added Tax Rules, 2005)	Office of Assessing Authority, Solan	02020200095	January 20, 1995	N/A
6	Certificate of Registration Central Sales Tax (under Rule 5(1)	Office of Assessing Authority, Solan	02020200095	January 20, 1995	Until cancelled

Sr. No.	Authorisation granted	Issuing Authority	Registration No./Reference No./License No.	Date of Issue	Validity
	of Central Sales Tax (Registration and Turnover) Rules, 1957)				
7	Central Excise Registration Certificate (under Rule 9 of the Central Excise Rules, 2002)	Assistant Commissioner of Central Excise, Central Board of Excise and Customs, Ministry of Finance, Department of Revenue	AACCM4527BEM002	May 23, 2016	N/A

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)	Employees Provident Fund Organisation, Ministry of Labour, Government of India	HP/5157	August 30, 2006
2	Registration for Employees State Insurance (under Employees State Insurance Act, 1948)	Employees State Insurance Corporation	HP 14-43297-34	July 03, 2006

ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Consent to Operate issued by State Pollution Control Board Under section 25 of the Water (Prevention &Control of Pollution) Act, 1974 & Under section 21	Himachal Pradesh Pollution Control Board	HPSPCB/PCB-ID11848	February 19, 2018	March 31, 2019

	of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008 – for Unit I				
2.	Consent to Establish/ Provisional No Objection Certificate for the manufacture of Fiber High Protene Flour.	Himachal Pradesh Pollution Control Board	F.No/PCB/R.O.Badd i/745/MDC Pharmaceuticals/02-/1954-55	March 13, 2002	N.A

OTHER BUSINESS RELATED APPROVALS

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
4	GMP Certificate	State Drugs Controller, Controlling cum Licensing Authority	HFW-H(Drugs)460/05(Vol -II)	March 31, 2016	March 30, 2018 (Expired)
5	ISO 9001:2015 Quality Management System	European Compliance Assessment	IND/02/4212017	April 04, 2017	April 03, 2020
6	Conformation to Good Manufacturing Practices	European Compliance Assessment	IND/02/4052016	April 07, 2016	April 06, 2019

INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS

TRADEMARKS

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
1.	MEGASPAS	Word	5	MDC Pharmaceu ticals	1037295	August 16, 2001	August 16, 2011	Registered

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
	Pharmaceutic als (Medicines)			Private Limited				
2.	LAXE Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037287	August 16, 2001	August 16, 2011	Registered
3	SANOZEM Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037281	August 16, 2001	August 16, 2011	Registered
4	MOTIMIN Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037286	August 16, 2001	August 16, 2011	Registered
5	OMAC-20 Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037284	August 16, 2001	August 16, 2011	Registered
6	VITAWIN Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037278	August 16, 2001	August 16, 2011	Registered
7	CEFAMAX – 500 Pharmaceutic als	Word	5	MDC Pharmaceu ticals Private Limited	1037304	August 16, 2001	August 16, 2011	Registered
8	HEXIPLUS Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037296	August 16, 2001	August 16, 2011	Registered
9	TENSINIL Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037279	August 16, 2001	August 16, 2011	Registered

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
10	LYCIP Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037293	August 16, 2001	August 16, 2031	Registered
11	P R O T I M A X Pharmaceutic als (Medicines)	Word	30	MDC Pharmaceu ticals Private Limited	702311	March 20, 1996	March 20, 2006	Removed
12	TIZANAC Pharmaceutic als Medicines for Human Purpose	Word	5	MDC Pharmaceu ticals Private Limited	1143692	October 16, 2002	October 16, 2012	Registered
13	DOMICID Pharmaceutic als Medicines for Human Purpose	Word	5	MDC Pharmaceu ticals Private Limited	1143687	October 16, 2002	October 16, 2012	Registered
14	FEROMALT Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037302	August 16, 2001	August 16, 2011	Registered
15	VOLTANAS E Pharmaceutic als Medicines for Human Purpose	Word	5	MDC Pharmaceu ticals Private Limited	1143700	October 16, 2002	October 16, 2012	Registered
16	JETISPAS Pharmaceutic als Medicines for Human Purpose	Word	5	MDC Pharmaceu ticals Private Limited	1143696	October 16, 2002	October 16, 2012	Registered
17	ARTHROVI T Pharmaceutic als Medicines for Human Purpose	Word	5	MDC Pharmaceu ticals Private Limited	1143695	October 16, 2002	October 16, 2012	Registered

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
18	DEFLU-X Pharmaceutic als Medicines for Human Purpose	Word	5	MDC Pharmaceu ticals Private Limited	1143698	October 16, 2002	October 16, 2012	Registered
19	SANLANZO Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037298	August 16, 2001	August 16, 2011	Registered
20	CBC-120 Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037280	August 16, 2001	August 16, 2011	Registered
21	ALFABON Pharmaceutic als Medicines for Human Purpose	Word	5	MDC Pharmaceu ticals Private Limited	1143693	October 16, 2002	October 16, 2012	Registered
22	SPEDOX Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037299	August 16, 2001	August 16, 2011	Registered
23	ACUGESIC Pharmaceutic al, Medicinal and Veterinary Preparation 	Device	5	MDC Pharmaceu ticals Private Limited	1951372	April 16, 2010	April 16, 2020	Registered
25	HEMOVIT Pharmaceutic als (Medicines)	Word	5	MDC Pharmaceu ticals Private Limited	1037297	August 16, 2001	August 16, 2011	Registered
26	AZIMORE (WITH DEVICE)	Device	5	MDC Pharmaceu ticals Private Limited	2015892	August 30, 2010	-	Advertised bef acc

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
								
27	CEFAMAX (WITH DEVICE) 	Device	5	MDC Pharmaceu ticals Private Limited	2015894	August 30, 2010	-	Advertised bef acc
28	BIOGESIC (WITH DEVICE) 	Device	5	MDC Pharmaceu ticals Private Limited	2015895	August 30, 2010	-	Refused
29	MUCODIL (WITH DEVICE) 	Device	5	MDC Pharmaceu ticals Private Limited	2015896	August 30, 2010	-	Refused
30	MUCODIL	Word	5	MDC Pharmaceu ticals Private Limited	1037294	August 16, 2001	-	Abandoned
31	DUMOX	Word	5	MDC Pharmaceu ticals Private Limited	1037282	August 16, 2001	-	Opposed
32	TRUZYME (WITH DEVICE) 	Device	5	MDC Pharmaceu ticals Private Limited	2015898	August 30, 2010	-	Objected
33	OMAXE (WITH DEVICE)	Device	5	MDC Pharmaceu ticals Private Limited	2015897	August 30, 2010	-	Abandoned

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
								
34	BRUTUS (WITH DEVICE) 	Device	5	MDC Pharmaceu ticals Private Limited	2015893	August 30, 2010	August 30, 2020	Registered
35	MDCLOVIR 	Device	5	MDC Pharmaceu ticals Private Limited	3500013	March 03, 2017	-	Objected
36	LD CORT(WIT H DEVICE) 	Device	5	MDC Pharmaceu ticals Private Limited	2057631	Novemb er 23, 2010	-	Opposed
37	LASARTIN (WITH DEVICE) 	Device	5	MDC Pharmaceu ticals Private Limited	2057630	Novemb er 23, 2010	-	Opposed
38	CIBACIN (WITH DEVICE) 	Device	5	MDC Pharmaceu ticals Private Limited	2057632	Novemb er 23, 2010	-	Advertised bef acc
39	CEFAPEE(WITH DEVICE) 	Device	5	MDC Pharmaceu ticals Private Limited	2057633	Novemb er 23, 2010	-	Opposed
40	LIMISONE (LOGO)	Device	5	MDC Pharmaceu	2111665	March 08, 2011	March 08, 2021	Registered

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
				ticals Private Limited				
41	HEXIFRESH (LOGO) 	Device	5	MDC Pharmaceuticals Private Limited	2111666	March 08, 2011	-	Objected
42	HEXIPLUS	Word	5	MDC Pharmaceuticals Private Limited	1037296	August 16, 2001	August 16, 2011	Registered
43	MYLON	Word	5	MDC Pharmaceuticals Private Limited	2204464	September 13, 2011	-	Advertised bef. acc
44	HOPEMET	Word	5	MDC Pharmaceuticals Private Limited	2204462	September 13, 2011	-	Objected
45	LACTOLAC	Word	5	MDC Pharmaceuticals Private Limited	2227661	November 01, 2011	-	Objected
46	ESOPAV (LOGO) 	Device	5	MDC Pharmaceuticals Private Limited	2252227	December 19, 2011	December 19, 2021	Registered
47	VOGL-M (LOGO) 	Device	5	MDC Pharmaceuticals Private Limited	2259234	December 30, 2011	-	Opposed
48	EPADAY (LOGO) 	Device	5	MDC Pharmaceuticals	2259233	December 30, 2011	December 30, 2021	Registered

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
				Private Limited				
49	SINALATE (DEVICE) 	Device	5	MDC Pharmaceuticals Private Limited	2278669	February 07, 2012	February 07, 2022	Registered
50	TELIMED (DEVICE) 	Device	5	MDC Pharmaceuticals Private Limited	2278670	February 07, 2012	-	Accepted & Advertised
51	MDGAIN (DEVICE) 	Device	5	MDC Pharmaceuticals Private Limited	2278671	February 07, 2012	February 07, 2022	Registered
52	CALCIGUM (DEVICE) 	Device	5	MDC Pharmaceuticals Private Limited	2331784	May 15, 2012	-	Objected
53	VITGUM (DEVICE) 	Device	5	MDC Pharmaceuticals Private Limited	2331783	May 15, 2012	-	Accepted
54	TOLIGESIC 	Device	5	MDC Pharmaceuticals Private Limited	2491417	March 07, 2013	-	Objected
55	SKIN FAIR (DEVICE) 	Device	5	MDC Pharmaceuticals Private Limited	2512228	April 12, 2013	-	Objected
56	ANXIDOL 	Device	5	MDC Pharmaceuticals Private Limited	2641187	December 11, 2013	-	Objected

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
57	URITAM 	Device	5	MDC Pharmaceuticals Private Limited	2641183	December 11, 2013	-	Objected
58	ECLOTOP 	Device	5	MDC Pharmaceuticals Private Limited	2641184	December 11, 2013	December 11, 2023	Registered
59	MOMOCORT 	Device	5	MDC Pharmaceuticals Private Limited	2641186	December 11, 2013	-	Objected
60	MGIN (WORD MARK) 	Device	5	MDC Pharmaceuticals Private Limited	2659021	January 13, 2014	-	Objected
61	MDYRON (DEVICE) 	Device	5	MDC Pharmaceuticals Private Limited	2814001	September 22, 2014	-	Objected
62	MEDINOZE (DEVICE) 	Device	5	MDC Pharmaceuticals Private Limited	2814000	September 22, 2014	-	Objected
63	LIFESIL (DEVICE) 	Device	5	MDC Pharmaceuticals Private Limited	2813999	September 22, 2014	September 22, 2024	Registered
64	TALOT 	Device	5	MDC Pharmaceuticals Private Limited	2877028	January 07, 2015	January 07, 2015	Registered
65	HALOVIT	Word	5	MDC Pharmaceu	2911636	February 27, 2015	-	Objected

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
				ticals Private Limited				
66	LITROZ 	Device	5	MDC Pharmaceuticals Private Limited	2911634	February 27, 2015	-	Objected
67	TRANSAMINE	Word	5	MDC Pharmaceuticals Private Limited	2911635	February 27, 2015	-	Objected
68	LIFECIN 	Device	5	MDC Pharmaceuticals Private Limited	3071469	October 06, 2015	-	Opposed
69	MDFLO 	Device	5	MDC Pharmaceuticals Private Limited	3071468	October 06, 2015	-	Objected
70	MAXINOZE 	Device	5	MDC Pharmaceuticals Private Limited	3071467	October 06, 2015	October 06, 2025	Registered
71	MURTELA 	Device	5	MDC Pharmaceuticals Private Limited	2641185	December 11, 2013	December 11, 2023	Rectification Filed
72	GLOPETRA 	Device	5	MDC Pharmaceuticals Private Limited	2894721	February 06, 2015	-	Objected
73	UNISURE 	Device	5	MDC Pharmaceuticals	2894722	February 06, 2015	-	Objected

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
				Private Limited				
74	LYCORON SYRUP 	Device	5	MDC Pharmaceuticals Private Limited	3283106	June 13, 2016	-	Objected
75	PATCHGO 	Device	5	MDC Pharmaceuticals Private Limited	3283108	June 13, 2016	June 13, 2026	Registered
76	CLANISOL 	Device	5	MDC Pharmaceuticals Private Limited	3283107	June 13, 2016	-	Objected
77	CANKLEEN 	Device	5	MDC Pharmaceuticals Private Limited	3331614	August 09, 2016	-	Objected
78	ACTIVCAL 	Device	5	MDC Pharmaceuticals Private Limited	3379067	October 03, 2016	-	Objected
79	MEDISPAS 	Device	5	MDC Pharmaceuticals Private Limited	3477293	February 08, 2017	-	Objected
80	CEFAMAX-500	Word	5	MDC Pharmaceuticals Private Limited	1037304	August 16 th , 2001	August 16 th , 2011	Registered
81	ALFABON	Word	5	MDC Pharmaceuticals Private Limited	1143693	October 16 th , 2002	October 16 th , 2012	Registered

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
82	CAROTIN	Word	5	MDC Pharmaceu ticals Private Limited	1037306	October 16 th , 2001		Opposed
83	ZINCO PLUS	Word	5	MDC Pharmaceu ticals Private Limited	1037283	August 16 th , 2001		Opposed
84	ZOVERAN	Word	5	MDC Pharmaceu ticals Private Limited	1037277	August 16 th , 2001		Opposed
85	TOPCIN	Word	5	MDC Pharmaceu ticals Private Limited	1143690	August 16 th , 2002		Abandoned
86	DUOMOX (With device) 	Device	5	MDC Pharmaceu ticals Private Limited	2015899	30-08-2018	30-08-2020	Registered
87	FERIFOL	Word	5	MDC Pharmaceu ticals Private Limited	1037303	16-08-2001	16-08-2011	Registered
88	FUNGINIL	Word	5	MDC Pharmaceu ticals Private Limited	1037301	16/08/2001	Not available	Abandoned
89	HAIRLIFE	Word	5	MDC Pharmaceu ticals Private Limited	2877029	07/01/2015	Not available	Objected
90	HEMOVIT	Word	5	MDC Pharmaceu	1037297	16/08/2001	16/08/2011	Registered

Sr. No.	Trademark	Trade mark Type	Classes	Applicant	Applica tion No.	Date of Applica tion	Validity/ Renewal	Registratio n status
				ticals Private Limited				
91	LAXE	Word	5	MDC Pharmaceu ticals Private Limited	1037287	16/08/2001	16/08/2011	Registered
92	MOXYPLU S	Word	5	MDC Pharmaceu ticals Private Limited	1037288	16/08/2001	Not available	Withdrawn
93	NIMUSID	Word	5	MDC Pharmaceu ticals Private Limited	1037285	16/08/2001	Not available	Opposed
94	PROTIMAX 	DEVIC E	5	MDC Pharmaceu ticals Private Limited	2278668	07/02/2012	07/02/2022	Registered
95	SANOVIT	Word	5	MDC Pharmaceu ticals Private Limited	1037292	16/08/2001	Not available	Opposed
96	TELIMED 	Device	5	MDC Pharmaceu ticals Private Limited	2278670	07/02/2012	Not available	Opposed
97	MDC	Word	35	MDC Pharmaceu ticals Private Limited	1867330	Septemb er 25 th , 2009	Septemb er 25 th , 2019	Registered

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. An application dated December 07, 2017 has been made to the Himachal Pradesh Pollution Control Board for renewal of consent to establish or take any step to establish any industry, operation process or any treatment and disposal system for discharge, under Section 25 or continuation or discharge under Section 26 of the Water (Prevention and Control of Pollution) Act, 1974 for Unit no. II.
2. An application dated December 07, 2017 has been made to the Himachal Pradesh Pollution Control Board for renewal of consent under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 for Unit II.
3. An application dated December 07, 2017 has been made to the Himachal Pradesh Pollution Control Board for renewal of authorization for Collection/ Reception/ Treatment/ Storage/ Disposal of Hazardous Waste under sub-rule (3) of rule 5 of the hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 for Unit no. I
4. In the above-mentioned table of Intellectual Property Related Approvals/Registrations total 97 trademarks are applied for registration out of which 48 applications are currently pending.
5. In the above-mentioned table of Product Registration in foreign Countries we have made 28 applications for registration of our pharmaceutical products/medicines out of which 25 applications are registered in Myanmar and 3 are registered in Guatemala and Jordan. Currently out of 25 applications registered in Myanmar, 6 applications have expired, for which we have applied for renewal and are currently. The Drug Registrations of Essomac-20 and Vastadine-20 Tablet has been expired on March 14, 2018, and our Company has applied for the renewal of the license in the country of Myanmar.
6. An application dated May 02, 2018 has been made to the State Drugs Controller, Controlling cum Licensing Authority for renewal of GMP Certificate which is currently pending.

MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

1. Application for change of name of all the above-mentioned approvals from “MDC Pharmaceuticals Private Limited” to “MDC Pharmaceuticals Limited” in not made by the Company.
2. Consent to Establish to be issued by Himachal Pradesh Pollution Control Board
3. Registration Certificate of Establishment of Chandigarh office
4. Professional Tax Enrolment Certificate (PTEC)
5. Professional Tax Registration Certificate (PTRC)
6. Trademark of **BIOGESIC**, **MUCODI** and **MOXYPLUS** has been refused and withdrawn respectively. The company has not applied for registration of the same.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on March 14, 2018 and by the shareholders of our Company by a Special Resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013 passed at the Extraordinary General Meeting of our Company held on March 15, 2018 at registered office of the Company.

The Company may consider in consultation with the BRLM, a private placement of upto 4,60,000 Equity Shares for cash consideration aggregating Rs. 300.00 Lakhs (Pre IPO Placement) at its discretion in favour of such investors permissible under applicable laws, to be completed prior to filing of the Red Herring Prospectus with the RoC (the —Pre-IPO Placement) and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR. The size of the Issue as disclosed in the Draft Red Herring Prospectus being upto 52,86,000 Equity Shares has been reduced accordingly.

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor our Directors, our Promoter, relatives of Promoter, 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, Promoters, 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 are 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 in any manner associated with the securities market. There has been no action taken by SEBI against any of our Directors or any entity our Directors are associated with as directors.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds Rs. 1,000 lakhs but does not exceed Rs 2,500 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% of the total issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 82 of this Draft 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/

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 Book Running Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled “General Information” beginning on page 82 of this Draft 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.mdcpharmaceutical.com
11. There is no material regulatory or disciplinary action taken by any stock exchange or regulatory authority in the past year in respect of promoters/ promoting company(ies), group companies, companies promoted by the promoters/promoting companies of the Company.
12. There is no default in payment of interest and/ or principal to the debenture/ bond/ fixed deposit holders, banks, FIs by the Company, promoters/ promoting companies(ies), group companies, companies promoted by the promoters/ promoting company(ies) during the past three years.

We further confirm that we shall be complying 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 us in this Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE 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 DRAFT 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

“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, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT 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 DRAFT RED HERRING PROSPECTUS FILED WITH THE EXCHANGE / BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. THE DISCLOSURES MADE IN THE DRAFT 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 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 DRAFT 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 DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT 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 DRAFT RED HERRING PROSPECTUS.**
- 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 ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. 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 DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT 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 DEMATERIALIZED 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 DRAFT 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 DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. - NOTED FOR COMPLIANCE
- 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 DRAFT 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 DRAFT 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 DRAFT RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. – NOTED FOR COMPLIANCE
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF

THE ISSUER.

- (5) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST 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 DRAFT RED HERRING PROSPECTUS.
- (6) WE CONFIRM THAT UNDERWRITING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.- NOTED FOR COMPLIANCE
- (7) WE CONFIRM THAT MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE - NOTED FOR COMPLIANCE

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34, 35 and 36(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus and Prospectus with the Registrar of Companies, Chandigarh, in terms of Section 26, 30, 32 and 33 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 Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and that anyone placing reliance on any other source of information, including our website www.mdcpharmaceutical.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 March 28, 2018, the Underwriting Agreement dated March 28, 2018 entered into among the Underwriter and our Company and the Market Making Agreement dated March 28, 2018 entered into among the Market Maker, 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 Draft Red Herring Prospectus and the website of the 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 Draft 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 Draft 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 only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with EMERGE Platform of National Stock Exchange of India for its observations and National Stock Exchange of India shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft 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 Draft 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 Draft 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.: [●] dated [●] 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 draft 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 National Stock Exchange of India; 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 take any responsibility nor does it warrant that this that this Issuer’s securities will be listed or will continue to be listed on the Exchange 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 Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Draft Prospectus in terms of Regulation 106(M) (3). However, a copy of the Red Herring Prospectus shall be filed with SEBI at the SEBI Regional Office, Northern Regional Office, 5th Floor, Bank of Baroda Building, 16 Sansad Marg, New Delhi - 110 001. A copy of both, the Red Herring Prospectus and Prospectus, along with the documents required to be filed under Section 26 and Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at Corporate Bhavan, 1st Floor, Plot No. 4-B, Madhya Marg, Sector 27B Chandigarh – 160019.

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-principle approval for using its name in our Draft Red Herring Prospectus *vide* its letter dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the EMERGE Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 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 annum on application money, as prescribed under section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

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, the Statutory Auditors, the Peer Reviewed Auditors, the Banker to the Company; and (b) Book Running Lead Managers, 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 to act in their respective capacities have been obtained and will be 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 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 Draft Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus & 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 the Restated Financial Statements for the period ended December 31, 2017 and for the financial years ended on March 31, 2017, 2016, 2015, 2014, & 2013 of our Company

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 114 of this Draft Red Herring Prospectus.

DETAILS OF FEES PAYABLE

Fees Payable to the 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 March 28, 2018, 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 RIGHT 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 95 of this Draft 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 recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of this Draft 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.

DETAILS OF PUBLIC/RIGHTS ISSUES BY LISTED GROUP COMPANIES, SUBSIDIARIES AND ASSOCIATES IN THE LAST THREE YEARS

As on the date of this Draft Red Herring Prospectus, none of our Group Companies, Subsidiaries or Associate is listed or has made any application for listing on any stock exchange in India or overseas

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 applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within 15 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on March 16, 2018. For further details, please refer to the chapter titled “*Our Management*” beginning on page 205 of this Draft Red Herring Prospectus.

Our Company has appointed Jolly Kashyap as Compliance Officer and she may be contacted at the following address:

Jolly Kashyap

213, First Floor Industrial Area,
Phase I Chandigarh-160001 India

Tel: 0172-3016800/801/808

Fax: Not available

Email: mdcpharma.legal@gmail.com

Website: www.mdcpharmaceutical.com

Corporate Identification Number: U24231CH1994PLC014820

Investors 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 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 has been no change in Auditors of our Company 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 95 of this Draft 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

Other than as disclosed in this Draft 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 Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft 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 Draft 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 number 374 of this Draft 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 233 this Draft 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 Anchor Investor Allocation Price 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 all edition of the English national newspaper [●], all edition of the Hindi national newspaper [●] and the Punjabi edition of Regional newspaper [●], 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 number 374 of this Draft 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 March 23, 2018 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated March 13, 2018 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 Draft Red Herring Prospectus with Stock Exchange.

BID/ ISSUE OPENING DATE

Bid / Issue Opening Date *	[●]
Bid / Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

**Our Company may, in consultation with the BRLM, consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI Regulations.*

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 Draft 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 Draft 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 Draft 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 Draft 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 82 of this Draft 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 95 Draft 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 374 of this Draft 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 Draft 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)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital exceeds ten crore rupees but does not exceed twenty five crore. 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 304 and 316 of this Draft Red Herring Prospectus.

The Company may consider in consultation with the BRLM, a private placement of upto 4,60,000 Equity Shares for cash consideration aggregating upto Rs. 300.00 Lakhs (Pre IPO Placement) at its discretion in favour of such investors permissible under applicable laws, to be completed prior to filing of the Red Herring Prospectus with the RoC (the —Pre-IPO Placement) and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of SCRR. The size of the Issue as disclosed in the Draft Red Herring Prospectus being upto 52,86,000 Equity Shares shall be reduced accordingly.

Following is the issue structure:

Initial Public Issue of Upto 52,86,000 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. [●] lakhs. The Issue comprises a Net Issue to the public of up to [●] 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 [●] Equity Shares of Rs. 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”).

Particulars	Qualified Institutional Bidders	Market Maker Reservation Portion	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares	[●] Equity Shares	Upto [●] Equity Shares	[●] Equity Shares	[●] Equity Shares
Percentage of Issue Size available for allocation	[●]% of Net the Issue size shall be available for allocation to QIBs. However, up to 5% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Upto [●]% of the QIB Portion may be available for allocation to Anchor Investors	Upto [●] % of Issue Size	Not less than [●] % of Net Issue shall be available for allocation	Not less than [●] % of Net Issue shall be available for allocation

Particulars	Qualified Institutional Bidders	Market Maker Reservation Portion	Non Institutional Bidders	Retail Individual Bidders
	and one-third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only*			
Basis of Allotment / Allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion:- a) upto [●] Equity Shares, shall be available for allocation on a proportionate basis to Mutual Funds only and; b) [●] Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors For further details please refer to the section titled “Issue Procedure” beginning on page 316 of the Draft Red Herring Prospectus	Firm Allotment	Proportionate	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 “Issue Procedure” beginning on page 316 of the Draft Red Herring
Mode of Bid cum	Online or Physical through ASBA	Through ASBA Process only	All applicants/ bidders shall make	All applicants/ bidders shall

Particulars	Qualified Institutional Bidders	Market Maker Reservation Portion	Non Institutional Bidders	Retail Individual Bidders
Application	Process only (except Anchor Investors)		the application (Online or Physical through ASBA Process only)	make the application (Online or Physical through ASBA Process only)
Minimum Bid Size	Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000	Upto [●] Equity Shares of face value of Rs 10/- each	Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000	Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size does not exceed Rs 2,00,000
Maximum Bid Size	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Upto [●] Equity Shares of face value of Rs 10/- each	Not exceeding the size of the issue	Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size does not exceed Rs 2,00,000
Mode of Allotment	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode
Trading Lot	[●] Equity Shares	Upto [●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares	[●] Equity Shares
Terms of payment	The entire Bid Amount will be payable at the time of submission of the Bid Form			

1. * Our Company, in consultation with the BRLM may allocate upto [●]% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2009, as amended. 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 Anchor Investor Price. For further details please refer to the section titled "Issue Procedure" beginning on page 316 of the Draft Red Herring Prospectus;
2. Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form.
3. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category other than the QIB Category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.
4. The QIB Portion includes Anchor Investor Portion, as per the SEBI Regulations. Anchor Investor shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Provided that any difference between the Anchor Investor Allocation Price and Anchor Investor Allocation Price, shall be payable by Anchor Investor Pay-in Date
5. The Issue is being made through the Book Building Process, wherein [●]% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM may allocate upto [●]% of the QIB Portion to Anchor Investors on a discretionary basis. 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 Anchor Investor Allocation Price. In the event of under subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. Further not less than [●]% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than [●]% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

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 Draft 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*	[●]
Bid / Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

**Our Company may, in consultation with the BRLM may, consider participation by Anchor Investors. The Anchor Investor shall Bid in the Anchor Investor Bid Period i.e. one Working Day prior to the Bid Opening Date.*

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.

In case of Bids by Non Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10:00 am and 3:00 pm (Indian Standard Time) and uploaded till 4:00 pm on the Bid Closing Date.

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 Draft 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 Draft 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)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Issue is being made through the Book Building Process wherein [●]% of the Net Issue shall be available for allocation to Qualified Institutional Buyers on a proportionate basis provided that Our Company in consultation with the BRLM may allocate up to [●]% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with SEBI Regulation. 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 Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as

specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.

Further not less than [●]% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than [●]% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received 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
Anchor Investors**	As prescribed by the Issuer

**excluding electronic Bid cum Application Form*

*** Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM*

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.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Draft Red Herring Prospectus. The Application Form shall contain information about the Applicant, price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSBs at the time of submitting the Bid.

Applicants are required to submit their applications only through any of the Application Collecting Intermediaries

- i. An SCSB, with whom the bank account to be blocked is maintained
- ii. A syndicate member (or sub syndicate member)
- iii. 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)
- iv. A depository participant (DP) (whose name is mentioned on the website of stock exchange as eligible for this activity)
- v. 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)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgment to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by”

For applications submitted by investors to SCSB	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified
For applications submitted by investors to intermediaries other than SCSBs	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading they shall forward a schedule as per prescribed format along with the application forms to designated branches of respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

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

- Our Company shall file the Draft Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.
- Our Company shall, after registering the Draft 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.
- 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.
- 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.
- 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 DRAFT 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 ANCHOR INVESTORS

Our Company, in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for upto [●]% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is atleast Rs 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of Rs 100 million.
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
5. Our Company, in consultation with the BRLM, will finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
 - a. where allocation in the Anchor Investor Portion is upto Rs. 1000.00 Lakhs, maximum of 2 (two) Anchor Investors;
 - b. where the allocation under the Anchor Investor Portion is more than Rs. 1000.00 Lakhs but upto Rs. 25,000 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of Rs. 500 Lakhs per Anchor Investor; and
 - c. where the allocation under the Anchor Investor portion is more than Rs. 25,000 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto Rs. 25,000 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of Rs. 25,000 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of Rs. 500 Lakhs per Anchor Investor.
6. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.

7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
9. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
10. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
11. The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

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 BY LIMITED LIABILITY PARTNERSHIP

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 Draft 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 Draft 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.

PAYMENT INTO ESCROW ACCOUNT FOR ANCHOR INVESTORS

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: — MDC Pharmaceuticals Limited Public Issue – Escrow –Anchor Investor –R
- b. In case of Non-Resident Anchor Investors: — MDC Pharmaceuticals Limited Public Issue – Escrow –Anchor Investor –NR

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

- a) Our Company has entered into an Underwriting agreement dated March 28, 2018.
- 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 authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization 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. Anchor Investors should not Bid through the ASBA Process
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);
11. 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;
12. Do not submit the General Index Register number instead of the PAN;
13. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
14. 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;
15. 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;
16. 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);
17. 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 DIFFERFENT 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.

e) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

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. Completion of Allotment and dispatch of the Allotment Advice and Anchor Investor CAN, including any revisions, if required, and refund orders to the Anchor Investor Bidders shall be done within the time prescribed under Applicable Law, and in the event of failure to do so, the Company shall ensure payment of interest to the Bidders in respect of which there was such a failure, as required under Applicable Law.
6. 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
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
8. 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;
9. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
10. 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 March 23, 2018 among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated March 13, 2018 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE644Z01014.

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 Draft 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 Draft 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 (2) 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 (2) 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 Red Herring Prospectus and Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus and 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.
- (m) There is no material regulatory or disciplinary action taken by any stock exchange or regulatory authority in the past year in respect of promoters/ promoting company(ies), group companies, companies promoted by the promoters/promoting companies of the Company.
- (n) There is no default in payment of interest and/ or principal to the debenture/ bond/ fixed deposit holders, banks, FIs by the Company, promoters/ promoting companies(ies), group companies, companies promoted by the promoters/ promoting company(ies) during the past three years.

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 (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital exceeds 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 Draft 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:

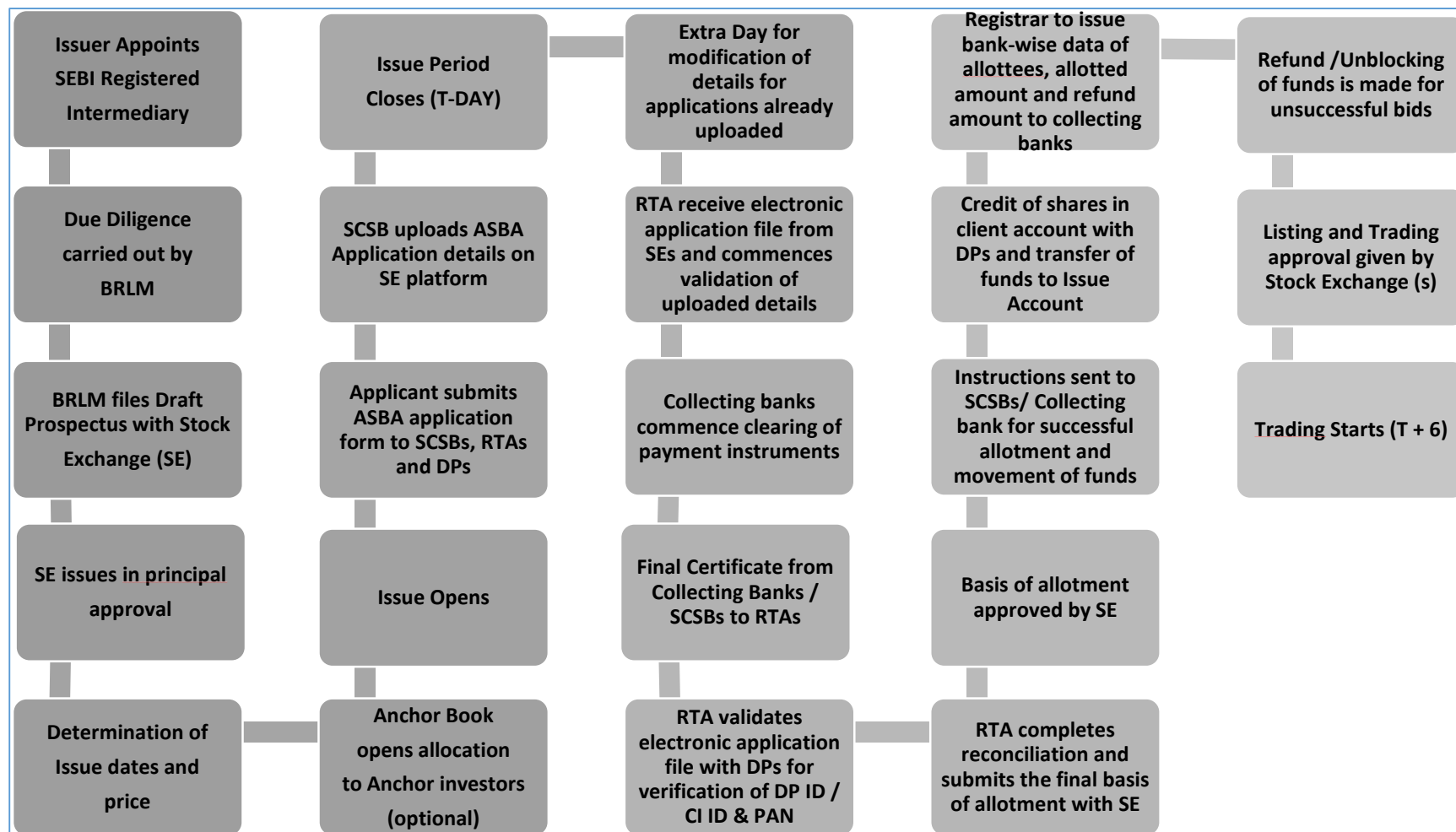
- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other 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 fulfilment 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.

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 GID, 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	MDC PHARMACEUTICALS LIMITED - INITIAL PUBLIC ISSUE - R Registered Office: 213, First Floor Industrial Area, Phase I Chandigarh, India - 160001 Tel No.: 0172-2655030; Fax No.: No. Not Available; E-mail: ipo@mdcp.har.maceutikal.com; Website: www.mdcp.har.maceutikal.com; CIN NO: U24231CH1994PLC014820	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS																																																																																																		
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NR Bid cum Application ASBA Form

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4.1.1 FIELD NUMBER 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 FILED NUMBER 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 FIELD NUMBER 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 FIELD NUMBER 4: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Red Herring Prospectus 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 RHP 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.
 - II) 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 FIELD NUMBER 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 FIELD NUMBER 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 FIELD NUMBER 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.

- o) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalization on 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.
- p) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2 Payment instructions for Anchor Investors:

- a. Anchor Investors may submit their Bids with a BRLM.
- b. Payments by Anchor Investors are required to be made through direct credit, RTGS or NEFT
- c. The Escrow Collection Bank shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.8. FIELD NUMBER 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. FIELD NUMBER 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. FIELD NUMBER 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; orFor 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	MDC PHARMACEUTICALS LIMITED - INITIAL PUBLIC ISSUE - REVISION -R Registered Office: 212, First Floor Industrial Area, Phase I Chandigarh, India -160001 Tel. No.: 0172-2655030; Fax No.: No. Not Av available; E-mail: ipo@mdcpharmaceutical.com; Website: www.mdcpharmaceutical.com; CIN No: U24231CH1994PLC04820	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS



To,
The Board of Directors
MDC PHARMACEUTICALS LIMITED

BOOK BUILT ISSUE
ISIN - INE644Z01014

**Bid Cum
Application
Form No.**

SYNDICATE MEMBER'S STAMP & CODE	REGISTERED BROKER / SCBS / CDP / KTA 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 / SCBS BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER _____
BANK BRANCH SERIAL NO.	SCBS SERIAL NO.	3. BIDDERS DEPOSITORY ACCOUNT DETAILS ■ NSDL ■ 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

4. FROM (AS PER LAST BID OR REVISION)																
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"
	8	7	6	5	4	3	2	1	0	1	3	2	1	0	1	(Please ✓ tick)
Option 1																
(OR) Option 2																
(OR) Option 3																

5.T0 (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 1 equity shares)									Price per Equity Share (₹) "Cut-off" (In Figures)												
										Bid Price		Retail Discount, if any		Net Price		"Cut-off" (Please ✓ tick)						
	8	7	6	5	4	3	2	1		4	3	2	1	3	2		1	4	3	2	1	
Option 1																						☐
(OR) Option 2																						☐
(OR) Option 3																						☐

6. PAYMENT DETAILS															PAYMENT OPTION : FULL PAYMENT ☐ PART 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 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

OVERSEAS DEVELOPMENT BANK OF JAPAN, APPLICANT(S), IF ANY		FOR FILLING OF THE BID YOUR APPLICATION FORM GIVER OVERSEAS	
7A. SIGNATURE OF SOLE / FIRST BIDDER		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	
		I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
		1/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
		2) _____	
		3) _____	
Date: _____, 2018		SYNDICATE MEMBER BROKER / SCSE / CDP / RTA STAMP (Acknowledging in lead or Bid in Stock Exchange system)	

TEAR HERE

MDC PHARMACEUTICALS LIMITED - BID REVISION
FORM - INITIAL PUBLIC ISSUE - REVISION-R

**Acknowledgement Slip
for Syndicate Member
Broker/SCSB/CDP/RTA**

**Bid Cum
Application
Form No.**

PAN of Sole / First Bidder									
DPID / CLAD									
Additional Amount Blocked (₹ in figures)							ASBA A/c. No.		Stamp & Signature of SCSE Branch
Bank & Branch									
Received from Mr./Ms.									
Telephone / Mobile				Email					

TEAR HERE.

JDC PHARMACEUTICALS LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - REVISION - E		Option 1	Option 2	Option 3	Stamp & Signature of Syndicate Member / Registered Broker / SCSR / CDP / RTA 	Name of Sole / First Bidder 	
	No. of Equity Shares						
	Bid Price						
	Additional Amount Blocked (₹)						
	A/SBA Bank A/c No.: _____ Bank & Branch: _____					Acknowledgment Slip for Bidder 	
					Bid Cum Application 		

Revision Form – NR

COMMON BID REVISION FORM	MDC PHARMACEUTICALS LIMITED - INITIAL PUBLIC ISSUE - REVISION - NR	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	Registered Office: 213, First Floor Industrial Area, Phase I Chandigarh, India - 160001 Tel. No.: 0172-2655930; Fax No.: No. Not Available; E-mail: ipo@mdcp pharmaceutical.com; Website: www.mdcp pharmaceutical.com; CIN NO: U24231CH1994PL C014820	



To,
The Board of Directors
MDC PHARMACEUTICALS LIMITED

BOOK BUILT ISSUE
ISIN - INE644Z01014

Bid Cum
Application
Form No.

SYNDICATE MEMBER'S STAMP & CODE	REGISTERED BROKER / SCSE / 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 / SCSE BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER _____
BANK BRANCH SERIAL NO.	SCSE SERIAL NO.	3. BIDDERS DEPOSITORY ACCOUNT DETAILS ■ NSDL ■ CDSL For NSDL enter 8 Digit DPID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)									
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of 1 equity shares)								
	8	7	6	5	4	3	2	1	
Option 1									
(OR) Option 2									
(OR) Option 3									

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 1 equity shares)								
	8	7	6	5	4	3	2	1	
Option 1									
(OR) Option 2									
(OR) Option 3									

6. PAYMENT DETAILS		PAYMENT OPTION : FULL PAYMENT ☐ PART 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 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.

7A. SIGNATURE OF SOLE / FIRST BIDDER Date: _____, 2018	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) 1/We authorize the SCSE to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	SYNDICATE MEMBER/BROKER / SCSE / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

MDC PHARMACEUTICALS LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Syndicate Member Broker/SCSE/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 SCSE Branch
Bank & Branch		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

MDC PHARMACEUTICALS BID REVISION FORM - INITIAL PUBLIC ISSUE - NR	Option 1	Option 2	Option 3	Stamp & Signature of Syndicate Member / Registered Broker / SCSE / CDP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Additional Amount Blocked (₹)				
ASBA Bank A/c No.:	Acknowledgement Slip for Bidder				
Bank & Branch:	Bid Cum Application Form No.				

4.2.1. FIELDS 1, 2 AND 3: 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. FIELD 4 & 5: 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. FIELD NUMBER 7: 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
Application by Anchor Investor	To the BRLM at the location specified in the Anchor Investor 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

- 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.
- 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).
- 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.

GROUNDS 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 Issue 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

a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

b. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the

aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

c. For QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations 2009 or RHP/Prospectus. Bids received from the QIB Category (net of Anchor Portion) at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Issue size less Allotment to Non Institutional Bidders and Retail shall be available for Allotment to Non- QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. The Allotment to all the QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for 5.00% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds 5.00% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5.00% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than 5.00% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below 5.00% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a). Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements

(i) not more than 59.98% of the QIB Portion will be allocated to Anchor Investors;

(ii) 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; and

(iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to Rs. 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 10 crores and up to Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor

(b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Issue Price is higher than the Anchor Investor Allocation Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Issue Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

e. Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over-Subscribed Issue

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the EMERGE Platform of National Stock Exchange of India Limited (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis 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.

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 EMERGE Platform of National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited - 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 to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to unblock funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(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 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 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

(a) In case of ASBA Bids: Within six Working Days of the Bid/ Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts of unsuccessful Bidders and also for any excess amount blocked on Bidding/Application.

(b) In case of Anchor Investors: Within six Working Days of the Bid/ Issue Closing Date may dispatch refunds for all amounts payable to unsuccessful Anchor Investors. The Registrar to the Issue may obtain from the Depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Bank, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

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, issue / allotment of Equity Shares pursuant to the Issue to successful Applicants.
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least Rs. 1000 Lakhs, in accordance with the requirements specified in the SEBI ICDR Regulations
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Upto [●]% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLM to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
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 Draft 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, Chandigarh
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Draft 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 HDFC 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 “Issue Procedure” beginning on page 316 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder (other than an Anchor Investor) or on Anchor Investor Bidding Date by an Anchor Investor, 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

Term	Description
	as permitted under the SEBI ICDR Regulations in accordance with the Draft 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 Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus and the Prospectus.
Bid/ Issue Opening Date	Except in relation to Anchor Investors , the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all edition of the English national newspaper [●], all edition of the Hindi national [●], and Punjabi edition of the regional newspaper [●], 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 other than Anchor Investor can submit their Bids, including any revisions thereof. Provided however that the Bidding/Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.
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 Manager or BRLM	The Book Running Lead Manager 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.
Business Day	Monday to Friday (except public holiday)
CAN or Confirmation of Allocation Note	In the case of Anchor Investors, CAN shall mean the note or advice or intimation of Allotment of Equity Shares sent to the Anchor Investors to whom Equity Shares have been Allotted
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 Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no.

Term	Description
	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 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 (except 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 Draft Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
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 Draft Red herring Prospectus/ 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
DP ID	Depository Participant's Identification Number
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated May 21, 2018 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.

Term	Description
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 52,86,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●] lakhs The Company has undertaken in consultation with the BRLM, a private placement of upto 4,60,000 Equity Shares for cash consideration aggregating Rs. Upto 300.00 Lakhs (Pre IPO Placement). The size of the Issue as disclosed in the Draft Red Hearing Prospectus dated May 21, 2018 being upto 52,86,000 Equity Shares has been reduced accordingly.
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	Issue less Market maker 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
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
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 ₹ 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 Draft 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 Draft 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 Allocation Price. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager
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 [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and Punjabi edition of the regional newspaper [●], 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 32 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 HDFC Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the 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

Term	Description
	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 National Stock Exchange 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 Link Intime India Private Limited having registered office at C-101,1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083, 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 offer 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, 2009	The Securities and Exchange Board of India (Issue of Capital and 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

Term	Description
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 [●] 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, [●]
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
Underwriter	Pantomath Capital Advisors Private Limited
Underwriting Agreement	The agreement dated March 28, 2018 entered into between the Underwriter and our Company.
Working Day	Till Application / Issue closing date: All days other than a Saturday Sunday or a public holiday. 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 2017(**“FDI Policy 2017”**), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 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 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and

FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. 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 2017, 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, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. 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 FPIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. 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.

ii. Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e.:

- The total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference

shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

iii. Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI 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 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 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 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

THE COMPANIES ACT, 2013 (COMPANY LIMITED BY SHARES) ARTICLES OF ASSOCIATION OF MDC PHARMACEUTICALS LIMITED

Sr. No	Particulars	
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 F Applicable.
	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 means MDC PHARMACEUTICALS LIMITED	
	(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	Executor or Administrator

Sr. No	Particulars	
	Administrator General under section 31 of the Administrator General Act, 1963.	
	(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
	(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) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	Singular number

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	(x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	Statutes
	(y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	These presents
	(z) "Variation" shall include abrogation; and "vary" shall include abrogate.	Variation
	(aa) "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.	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.
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 64 of 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,	Non Voting Shares

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	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.	
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 relating to the reduction of the share capital of the Company shall, except as provided in Section 55of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in	Provisions to apply on issue of Redeemable Preference Shares

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	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	
10.	The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account 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.	Reduction of capital
11.	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.	Debentures
12.	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.	Issue of Sweat Equity Shares
13.	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.	ESOP
14.	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,	Buy Back of shares

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	the company may purchase its own shares or other specified securities.	
15.	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 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.	Consolidation, Sub-Division And Cancellation
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
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or	New Issue of Shares not to affect rights attached to existing shares of that class.

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	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 pari passu therewith.	
19.	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.
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of subsection (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	Power to issue shares on preferential basis.
21.	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 subdivided. 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.
22.	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.

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23.	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
24.	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.
25.	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.
26.	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	
27.	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	
28.	(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 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	Share Certificates.

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	of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, subdivision, 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. (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	

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	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. (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.	
29.	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 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. 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. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.	Issue of new certificates in place of those defaced, lost or destroyed.
30.	(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	The first named joint holder deemed Sole holder.

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	other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	
	(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.
31.	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.
32.	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	
33.	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 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.	Commission
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	Brokerage
	CALLS	
35.	(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	Directors may make calls

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	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. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	
36.	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
37.	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.
38.	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.
39.	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.
40.	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.
41.	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)	Sums deemed to be calls.

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	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.	
42.	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.	Proof on trial of suit for money due on shares.
43.	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.	Judgment, decree, partial payment motto proceed for forfeiture.
44.	(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	Payments in Anticipation of calls may carry interest

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	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. (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.	
	LIEN	
45.	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 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.	Company to have Lien on shares.
46.	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	As to enforcing lien by sale.

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	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.	
47.	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	
48.	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 maybe given.
49.	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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	determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	
50.	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.	On default of payment, shares to be forfeited.
51.	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.	Notice of forfeiture to a Member
52.	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.	Forfeited shares to be property of the Company and maybe sold etc.
53.	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.	Members still liable to pay money owing at time of forfeiture and interest.
54.	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.	Effect of forfeiture.
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that	Evidence of Forfeiture.

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	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.	
56.	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.	Title of purchaser and allottee of Forfeited shares.
57.	Upon any sale, re-allotment or other disposal under the provisions 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.	Cancellation of share certificate in respect of forfeited shares.
58.	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.
59.	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	Validity of sale

Sr. No	Particulars	
	aggrieved by the sale shall be in damages only and against the Company exclusively.	
60.	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	
61.	(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.
62.	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.
63.	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 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	Transfer not to be registered except on production of instrument of transfer.

Sr. No	Particulars	
	any shares in the Company has been transmitted by operation of law.	
64.	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.
65.	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.
66.	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.
67.	The Board of Directors shall have power on giving not less than seven days pervious 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 debenture holder or other security holders..
68.	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.
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered	Application for transfer of partly paid shares.

Sr. No	Particulars	
	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.	
70.	For this purpose the notice to the transferee shall be deemed to have 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.	Notice to transferee.
71.	(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and 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. (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 (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.	Recognition of legal representative.
72.	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	Titles of Shares of deceased Member

Sr. No	Particulars	
	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 72 of the Companies Act.	
73.	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.	Notice of application when to be given
74.	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 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'.	Registration of persons entitled to share otherwise than by transfer.(transmission clause).
75.	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.
76.	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	Board may require evidence of transmission.

Sr. No	Particulars	
	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.	
77.	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.
78.	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.
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	No transfer to insolvent etc.
	NOMINATION	
80.	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 event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination. 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	Nomination

Sr. No	Particulars	
	specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination. 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.	
81.	A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either- (i) to be registered himself as holder of the security, as the case may be; or (ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made; (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; (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. 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.	Transmission of Securities by nominee
	DEMATERIALISATION OF SHARES	
82.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its	Dematerialisation of Securities

Sr. No	Particulars	
	members facility to hold securities issued by it in dematerialized form.	
	JOINT HOLDER	
83.	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.	Joint Holders
84.	(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.	Joint and several liabilities for all payments in 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	
85.	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
86.	(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	Deposit of share warrants

Sr. No	Particulars	
	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. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	
87.	(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. (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 included in the warrant, and he shall be a Member of the Company.	Privileges and disabilities of the holders of share warrant
88.	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	
89.	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.
90.	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	Transfer of stock.

Sr. No	Particulars	
	such minimum shall not exceed the nominal amount of the shares from which the stock arose.	
91.	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.
92.	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	
93.	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.
94.	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 with the right to allotment of or conversion into shares shall not be issued except	Issue of discount etc. or with special privileges.

Sr. No	Particulars	
	with the sanction of the Company in General Meeting.	
95.	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.
96.	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.
97.	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.
98.	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 surety 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	

Sr. No	Particulars	
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	Distinction between AGM & EGM.
100	(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 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.	When a Director or any two Members may call an Extra Ordinary General Meeting
101	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.
102	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
103	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.
104	a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting,	Chairman with consent may adjourn meeting.

Sr. No	Particulars	
	adjourn the meeting from time to time and from place to place. 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. 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. 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.	
105	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.
106	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.
107	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	
108	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either 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.	Members in arrears not to vote.
109	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	Number of votes each member entitled.

Sr. No	Particulars	
	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.	
110	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.
111	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
112	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
113	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	E-Voting
114	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. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	Votes of joint members.

Sr. No	Particulars	
115	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	Votes may be given by proxy or by representative
116	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.
117	(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.
118	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.
119	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	No votes by proxy on show of hands.

Sr. No	Particulars	
	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.	
120	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.
121	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	Form of proxy.
122	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 not withstanding death of a member.
123	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.
124	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	
125	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	Number of Directors

Sr. No	Particulars	
	appoint more than fifteen directors after passing a special resolution	
126	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	Qualification shares.
127	(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 (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. (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. (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.	Nominee Directors.
128	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a 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	Appointment of alternate Director.

Sr. No	Particulars	
	of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	
129	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.	Additional Director
130	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.	Directors power to fill casual vacancies.
131	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.	Sitting Fees.
132	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.	Travelling expenses Incurred by Director on Company's business.
	PROCEEDING OF THE BOARD OF DIRECTORS	
133	(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.	Meetings of Directors.
134	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	Chairperson

Sr. No	Particulars	
	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.	
135	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.	Questions at Board meeting how decided.
136	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
137	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.
138	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 Meeting show to be governed.
139	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
140	a) A committee may meet and adjourn as it thinks fit.	Meetings of the Committee

Sr. No	Particulars	
	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.	
141	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	
142	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 vacated as aforesaid.	Power to fill casual vacancy
	POWERS OF THE BOARD	
143	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
144	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	Certain powers of the Board

Sr. No	Particulars	
	Directors shall have the following powers, that is to say	
	(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	To insure properties of the Company.

Sr. No	Particulars	
	all or any part of the buildings, machinery, goods, 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.

Sr. No	Particulars	
	(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 agreed upon;	To give Security by way of indemnity.
	(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	Transfer to Reserve Funds.

Sr. No	Particulars	
	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 depredation 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.	
	(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, 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	To appoint and remove officers and other employees.

Sr. No	Particulars	
	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.	
	(20) 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.	To appoint Attorneys.
	(21) 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.	To enter into contracts.
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	To make rules.
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements	To effect contract etc.

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	and other contracts within the scope of the business of the Company.	
	(24) 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 expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	To apply & obtain concessions licenses etc.
	(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	

Sr. No	Particulars	
	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 aforesaid or any of them as they be thought necessary or expedient. (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. (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	

Sr. No	Particulars	
	disposal of the Company or in which the Company is interested. (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. (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. (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.	
	MANAGING AND WHOLE-TIME DIRECTORS	
145	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. 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.	Powers to appoint Managing/Wholetime Directors.

Sr. No	Particulars	
146	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 commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	Remuneration of Managing or Whole-time Director.
147	(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. (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. (3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles. (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	Powers and duties of Managing Director or Whole-time Director.

Sr. No	Particulars	
	Company in any specified locality in such manner as they may think fit. (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.	
	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
148	a) Subject to the provisions of the Act,— i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. b) 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.	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer
	THE SEAL	
149	(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. (b) The Company shall also be at liberty to have an Official Seal in accordance with of	The seal, its custody and use.

Sr. No	Particulars	
	the Act, for use in any territory, district or place outside India.	
150	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.	Deeds howexecuted.
	Dividend and Reserves	
151	(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. (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. (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.	Division of profits.
152	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.	The company in General Meeting maydeclare Dividends.
153	a) The Board may, before recommending any dividend, set aside 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	Transfer to reserves

Sr. No	Particulars	
	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. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	
154	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.
155	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.
156	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.
157	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.
158	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 .
159	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.

Sr. No	Particulars	
160	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.
161	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.
162	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 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. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Dividends how remitted.
163	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.
164	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	
165	(1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (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 (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. (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: (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;	Capitalization.

Sr. No	Particulars	
	(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 (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii). (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. (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.	
166	(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall — (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and (b) generally to do all acts and things required to give effect thereto. (2) The Board shall have full power - (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an 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. (3) Any agreement made under such authority shall be effective and binding on all such members. (4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such	Fractional Certificates.

Sr. No	Particulars	
	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.	
167	(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. (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.	Inspection of Minutes Books of General Meetings.
168	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. 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.	Inspection of Accounts
	FOREIGN REGISTER	
169	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	
170	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.
171	Save as otherwise expressly provided in the Act, a document or proceeding requiring	Authentication of documents and proceedings.

Sr. No	Particulars	
	authentication by the company may be signed 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.	
	WINDING UP	
172	Subject to the provisions of Chapter XX of the Act and rules made thereunder— (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. (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. (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.	
	INDEMNITY	
173	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	Directors' and others right to indemnity.

Sr. No	Particulars	
	463 of the Act on which relief is granted to him by the Court.	
174	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 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.	Not responsible for acts of others
	SECRECY	
175	(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	Access to property information etc.

Sr. No	Particulars	
	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.	

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft 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 Draft Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 213, First Floor Industrial Area, Phase I Chandigarh-160001 India from date of filing this Draft Red Herring Prospectus with Stock Exchange to Bid Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Issue Agreement dated March 28, 2018 between our Company and the BRLM.
2. Registrar Agreement dated March 28, 2018 between our Company and Link Intime India Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated March 28, 2018 between our Company and Underwriter viz. BRLM
4. Market Making Agreement dated March 28, 2018 between our Company, Market Maker and the BRLM
5. Bankers to the Issue Agreement dated March 28, 2018 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 March 23, 2018.
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated March 13, 2018.
8. Syndicate Agreement dated [●] between our Company, the BRLM and Syndicate Member.
9. Agreement dated May 5, 2018 between our Company and Managing Director.
10. Agreements dated May 5, 2018 each between our Company and both the Whole Time Directors respectively.
11. Shareholder Agreement dated January 31, 2018 by Sham Lal Singla , Parvinder Singh Gulati and Gurmeet Singh Narula and between our Company (collectively referred to as “Parties”).
12. Agreement dated May 18, 2018 among our company, Jasleen Kaur Matta and M/s. Jasco Paper Products to bear 20% of total costs of construction.

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 March 14, 2018 in relation to the Issue and other related matters.
3. Shareholders’ resolution dated March 15, 2018 in relation to the Issue and other related matters.
4. NOC dated May 18, 2018 from co-owners Jasmeet Singh Gulati and Jasleen Kaur Matta owing 20% each respectively of the land where development of corporate office and warehouse is proposed to be developed by MDC Pharmaceutical Private Limited and Jasco Paper Products.
5. Statement of Tax Benefits dated May 14, 2018 issued by our Peer Reviewed Auditor, PSD & Associates, Chartered Accountants.

6. Report of the Peer Reviewed Auditor, PSD & Associates, Chartered Accountants, dated May 14, 2018 on the Restated Financial Statements for the period ended December 31, 2017 and financial years ended as on March 31, 2017, 2016, 2015, 2014 & 2013 of our Company.
7. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Reviewed Auditors, Banker to the Company, Legal Advisor to the offer, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Bankers to the Issue, Refund Banker, Syndicate members to the issue to act in their respective capacities.
8. Copy of approval from NSE India Ltd. Limited *vide* letter dated [●], to use the name of NSE in this offer document for listing of Equity Shares on NSE Emerge (SME Platform) of National Stock Exchange of India Limited.

None of the contracts or documents mentioned in this Draft 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 BY THE COMPANY

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 Draft 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 Draft Red Herring Prospectus are true and correct.

Signed by all the Directors of our Company

Name and Designation	Signature
Parvinder Singh Gulati <i>Chairman & Whole-time Director</i> DIN: : 01565151	Sd/-
Gurmeet Singh Narula * <i>Whole Time Director</i> DIN: 02398004 *Signed through Parvinder Singh Gulati pursuant to Power of Attorney dated May 18, 2018	Sd/-
Sham Lal Singla <i>Managing Director</i> DIN: 00496397	Sd/-
Vir Pal Singh <i>Executive Director</i> DIN: 08074450	Sd/-
Ravdeep Singh Matta <i>Non-Executive Director</i> DIN: 01589954	Sd/-
Jatinder Singh Wig <i>Independent Director</i> DIN: 08074279	Sd/-
Manisha Sharma <i>Independent Director</i> DIN: 08073704	Sd/-
Harkanwal Kaur Bhatia <i>Independent Director</i> DIN: 07936863	

Signed by Chief Financial Officer and Company Secretary and Compliance officer of the Company.

Sd/-
Pramila Devi
Chief Financial Officer

Sd/-
Jolly Kashyap
Company Secretary and
Compliance Officer

Place: Chandigarh
Date: May 21, 2018

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.	Mohini Health & Hygiene Limited	20.71	42.00	February 16, 2018	50.40	61.90%(-3.43%)	39.29% (2.76%)	Not Applicable
2.	South West Pinnacle Exploration Limited	35.85	78.00	February 19, 2018	93.60	3.72% (-2.45%)	Not Applicable	Not Applicable
3.	Macpower CNC Machines Limited	36.61	140.00	March 22, 2018	149.00	84.54% (4.44%)	Not Applicable	Not Applicable
4.	Benara Bearings and Pistons Limited	33.49	63.00	April 3, 2018	64.00	3.97% (5.41%)	Not Applicable	Not Applicable
5.	Soni Soya Products Limited	4.50	25.00	April 12, 2018	26.00	0.40% (3.33%)	Not Applicable	Not Applicable
6.	Vera Synthetic Limited	5.34	40.00	April 12, 2018	45.00	5.00% (3.33%)	Not Applicable	Not Applicable
7.	S.S. Infrastructure Development Consultants Limited	17.11	40.00	April 12, 2018	42.95	5.75% (3.33%)	Not Applicable	Not Applicable
8.	Mahickra Chemicals Limited	5.25	25.00	April 26, 2018	35.00	Not Applicable	Not Applicable	Not Applicable
9.	Akshar Spintex Limited	26.99	40.00	May 11, 2018	40.00	Not Applicable	Not Applicable	Not Applicable
10.	Softtech Engineers Limited	22.81	80.00	May 11, 2018	88.00	Not Applicable	Not Applicable	Not Applicable

Note:

Affordable Robotic & Automation Limited has registered its Red Herring Prospectus with Registrar of Companies.

Innovators Facade Systems Limited and Latteys Industries Limited have egistered its Prospectus with Registrar of Companies.

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 30th Calendar day from listing date			Nos of IPOs trading at premium on 30th Calendar day from listing date			Nos of IPOs trading at discount on 180th Calendar day from listing date			Nos of IPOs trading at premium on 180th 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	5	3	8	-	1	5	10	1	6
17-18	***30\$\$	610.90	-	-	4	10	7	9	-	1	2	11	2	4
18-19	****7\$\$\$	115.49	-	-	-	-	-	4	-	-	-	-	-	-

*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 Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited, Lexus Granito (India) Limited, Worth Peripherals Limited, R M Drip and Sprinklers Systems Limited, Shree Tirupati Balajee FIBC Limited, Innovative Tyres and Tubes Limited, Poojawestern Metaliks Limited, Airo Lam Limited, Goldstar Power Limited, IRIS Business Services Limited, Tirupati Forge Limited, Beta Drugs Limited, One Point One Solutions Limited, Astron Paper & Board Mill Limited,

Shree Ram Proteins Limited and Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017 July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017, August 22, 2017, August 23, 2017, September 27, 2017, October 04, 2017, October 05, 2017, October 05, 2017, October 05, 2017, October 06, 2017, October 10, 2017, October 11, 2017, October 12, 2017, October 12, 2017, December 26, 2017, December 29, 2017, February 05, 2018, February 08, 2018, February 09, 2018, February 12, 2018, February 15, 2018, February 16, 2018, February 19, 2018 and March 22, 2018 respectively.

****The scripts of Benara Bearings and Pistons Limited, Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited, Akshar Spintex Limited and Softtech Engineers Limited were listed on April 3, 2018, April 12, 2018, April 12, 2018, April 12, 2018, April 26, 2018, May 11, 2018 and May 11, 2018 respectively.

\$. As on 30th trading day the closing price of the scripts Ruby Cables Limited and Shashijit Infraprojects Limited were at par with the issue price. Hence, they are not considered for counting the number of IPOs trading at discount and premium.

\$\$ The scripts of One Point One Solutions Limited, Astron Paper & Board Mill Limited, Shree Ram Proteins Limited, Gujarat Hy – Spin Limited, Focus Suites Solutions & Services Limited, A and M Jumbo Bags Limited, Sintercom India Limited, Mohini Health & Hygiene Limited, South West Pinnacle Exploration Limited and Macpower CNC Machines Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 180 days, 180 Days and 180 Days respectively from the date of listing.

\$\$\$ The scripts of Benara Bearings and Pistons Limited, Soni Soya Products Limited, Vera Synthetic Limited, S.S. Infrastructure Development Consultants Limited, Mahickra Chemicals Limited Akshar Spintex Limited and Softtech Engineers Limited have not completed 180 Days, 180 Days, 180 Days, 180 Days, 30 Days, 30 Days and 30 Days respectively from the date of listing.

Note: *Majestic Research Services and Solutions Limited and Ambition Mica Limited are Further Public Offerings lead managed by Pantomath Capital Advisors Private Limited in the Financial Years 2016-17 and 2017-18 respectively and the same have not been included in the above mentioned Summary Statement of Disclosure as the disclosure is limited to IPOs only.*