



## ERIS LIFESCIENCES LIMITED

Our Company was incorporated as "Eris Lifescience Private Limited" on January 25, 2007, as a private limited company under the Companies Act 1956, at Ahmedabad, with a certificate of incorporation granted by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. A fresh certificate of incorporation consequent to the change in our Company's name to "Eris Lifesciences Private Limited" was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on February 9, 2007. Further, pursuant to the conversion of our Company to a public limited company, our name was changed to "Eris Lifesciences Limited" and the Registrar of Companies, Ahmedabad (the "RoC") issued a fresh certificate of incorporation on February 2, 2017. For more information on the changes in name and registered office of our Company, see "History and Certain Corporate Matters" on page 125.

Corporate Identity Number: U24232GJ2007PLC049867

Registered Office: 21, New York Tower A, near Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad 380 054, Gujarat, India Tel: +91 79 4890 3474 Fax: +91 79 4890 3474

Corporate Office: 7<sup>th</sup> Floor, Commerce House IV, beside Shell Petrol Pump, 100 Feet Road, Prahladnagar, Ahmedabad 380 015, Gujarat, India Tel: +91 79 3045 1111 Fax: +91 79 3017 9404

Contact Person: Mr. Milind Talegaonkar, Company Secretary and Compliance Officer Tel: +91 79 3045 1182 Fax: +91 79 3017 9404

E-mail: complianceofficer@erislifesciences.com Website: www.eris.co.in

### OUR PROMOTERS: MR. AMIT INDBUHSHAN BAKSHI, MR. HIMANSHU JAYANTBHAI SHAH, MR. INDERJEET SINGH NEGI, MR. RAJENDRAKUMAR RAMBHAI PATEL AND MR. KAUSHAL KAMLESH SHAH

INITIAL PUBLIC OFFERING OF UP TO 28,875,000 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH (THE "EQUITY SHARES") OF ERIS LIFESCIENCES LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●]\* PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO 22,344,000 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY BOTTICELLI (THE "INVESTOR SELLING SHAREHOLDER"), UP TO 687,500 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. AMIT INDBUHSHAN BAKSHI, UP TO 687,500 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. HIMANSHU JAYANTBHAI SHAH, UP TO 1,031,167 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. INDERJEET SINGH NEGI, UP TO 1,031,166 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. RAJENDRAKUMAR RAMBHAI PATEL, UP TO 1,031,167 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. KAUSHAL KAMLESH SHAH, UP TO 687,500 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. BHIKHABHAI CHIMANLAL SHAH, UP TO 687,500 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. RAKESHBHAI BHIKHABHAI SHAH, AND UP TO 687,500 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MR. HETAL RASIKLAL SHAH, (THE "OFFER FOR SALE" AND SUCH SHAREHOLDERS OFFERING THEIR RESPECTIVE EQUITY SHARES UNDER THE OFFER FOR SALE, ARE COLLECTIVELY HEREINAFTER REFERRED TO AS THE "SELLING SHAREHOLDERS"). THE OFFER INCLUDES A RESERVATION OF [●] EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER), (WHICH SHALL NOT EXCEED 5% OF THE POST-OFFER EQUITY SHARE CAPITAL OF OUR COMPANY) (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER", AGGREGATING UP TO [●] EQUITY SHARES. THE OFFER AND THE NET OFFER SHALL CONSTITUTE 21% AND [●]%, RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND, RUPEE AMOUNT OF DISCOUNT, IF ANY TO THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT") AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE INVESTOR SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE "BRLMs") AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED GUJARATI NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF AHMEDABAD, WHERE OUR REGISTERED OFFICE IS SITUATED), AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE"), AND TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

\*Employee Discount of ₹ [●] to the Offer Price may be offered to Eligible Employees participating in the Employee Reservation Portion

### THE FACE VALUE OF THE EQUITY SHARES IS ₹ 1 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Offer 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 websites of the BRLMs, and at the terminals of the members of the Syndicate.

The Offer is being made in terms of Rule 19(2)(b)(iii) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR"), wherein at least 10% of the post-Offer Equity Share capital of our Company will be offered to the public through the Book Building Process and in compliance with Regulation 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), wherein at least 75% of the Net Offer shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Category"), provided that our Company and the Investor Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "Anchor Investor Portion"), 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 price at which allocation is made to Anchor Investors. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Category shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer 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 Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("ASBA") process, and shall provide details of their respective bank account in which the Bid amount will be blocked by the SCBs. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 299.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹ 1 each and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Offer Price (as determined and justified by our Company and the Investor Selling Shareholder in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and as stated in "Basis for Offer Price" on page 80) 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 and/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 the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 16.

### ISSUER'S AND SELLING SHAREHOLDERS' 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 Offer, which is material in the context of the Offer, 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. Further, each Selling Shareholder accepts responsibility for and confirms that the information relating to itself and the Equity Shares being offered by it in the Offer for Sale contained in this Draft Red Herring Prospectus are true and correct in all material aspects and are not misleading in any material respect. Each Selling Shareholder, severally and not jointly, does not assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to the Company or the other Selling Shareholders in this Draft Red Herring Prospectus.

### LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of this Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date. For details, see "Material Contracts and Documents for Inspection" on page 354.

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE OFFER

<p><b>Axis Capital Limited</b> 1<sup>st</sup> Floor, Axis House, C-2, Wadia International Centre P.B. Marg, Worli, Mumbai 400 025 Maharashtra, India Tel: + 91 22 4325 2183 Fax: +91 22 4325 3000 E-mail: eris.ipo@axiscap.in Investor grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact person: Mr. Lohit Sharma SEBI Registration No.: INM000012029</p>	<p><b>Citigroup Global Markets India Private Limited</b> 1202, 12<sup>th</sup> Floor, First International Financial Center G-Block C54 &amp; 55, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 6175 9999 Fax: +91 22 6175 9961 E-mail: erislifesciences.ipo@citi.com Investor Grievance E-mail: investors.cgimib@citi.com Website: www.online.citibank.co.in/rhtm/citigroupglobal.screen1.htm Contact Person: Mr. Ashish Guneta SEBI Registration No.: INM000010718</p>	<p><b>Credit Suisse Securities (India) Private Limited</b> 9th Floor, Ceejay House Dr. Annie Besant Road Worli, Mumbai 400 018 Maharashtra, India Tel: +91 22 6777 3885 Fax: +91 22 6777 3820 E-mail: list.projectapollo@credit-suisse.com Website: www.credit-suisse.com/in/IPO/ Investor Grievance E-mail: list.igcellmerbnkg@credit-suisse.com Contact Person: Mr. Abhay Agarwal SEBI Registration No.: INM000011161</p>	<p><b>Link Intime India Private Limited</b> C-13, Pannalal Silk Mills Compound L.B.S. Marg Bhandup (West) Mumbai 400 078 Maharashtra, India Tel: +91 22 6171 5400 Fax: +91 22 2596 0329 E-mail: eris.ipo@linkintime.co.in Website: www.linkintime.co.in Investor Grievance Email: www.linkintime.co.in Contact Person: Ms. Shanti Gopalkrishnan SEBI Registration No.: INR000004058</p>

### BID/OFFER PERIOD\*

BID/OFFER OPENS ON\*

[●]

BID/OFFER CLOSES ON \*\*

[●]

\* Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\* Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

## TABLE OF CONTENTS

<b>SECTION I - GENERAL</b> .....	<b>2</b>
<b>DEFINITIONS AND ABBREVIATIONS</b> .....	<b>2</b>
<b>CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION</b> .....	<b>13</b>
<b>FORWARD-LOOKING STATEMENTS</b> .....	<b>15</b>
<b>SECTION II - RISK FACTORS</b> .....	<b>16</b>
<b>SECTION III – INTRODUCTION</b> .....	<b>38</b>
<b>SUMMARY OF INDUSTRY</b> .....	<b>38</b>
<b>SUMMARY OF BUSINESS</b> .....	<b>43</b>
<b>SUMMARY FINANCIAL INFORMATION</b> .....	<b>51</b>
<b>THE OFFER</b> .....	<b>57</b>
<b>GENERAL INFORMATION</b> .....	<b>59</b>
<b>CAPITAL STRUCTURE</b> .....	<b>68</b>
<b>OBJECTS OF THE OFFER</b> .....	<b>79</b>
<b>BASIS FOR OFFER PRICE</b> .....	<b>80</b>
<b>STATEMENT OF TAX BENEFITS</b> .....	<b>84</b>
<b>SECTION IV: ABOUT THE COMPANY</b> .....	<b>88</b>
<b>INDUSTRY OVERVIEW</b> .....	<b>88</b>
<b>OUR BUSINESS</b> .....	<b>101</b>
<b>KEY REGULATIONS AND POLICIES IN INDIA</b> .....	<b>120</b>
<b>HISTORY AND CERTAIN CORPORATE MATTERS</b> .....	<b>125</b>
<b>OUR MANAGEMENT</b> .....	<b>132</b>
<b>OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES</b> .....	<b>147</b>
<b>DIVIDEND POLICY</b> .....	<b>152</b>
<b>SECTION V – FINANCIAL INFORMATION</b> .....	<b>153</b>
<b>FINANCIAL STATEMENTS</b> .....	<b>153</b>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</b> .....	<b>242</b>
<b>SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND (AS)</b> .....	<b>262</b>
<b>SECTION VI – LEGAL AND OTHER INFORMATION</b> .....	<b>268</b>
<b>OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS</b> .....	<b>268</b>
<b>GOVERNMENT AND OTHER APPROVALS</b> .....	<b>275</b>
<b>OTHER REGULATORY AND STATUTORY DISCLOSURES</b> .....	<b>278</b>
<b>SECTION VII – OFFER RELATED INFORMATION</b> .....	<b>292</b>
<b>OFFER STRUCTURE</b> .....	<b>292</b>
<b>TERMS OF THE OFFER</b> .....	<b>296</b>
<b>OFFER PROCEDURE</b> .....	<b>299</b>
<b>SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION</b> .....	<b>345</b>
<b>SECTION IX – OTHER INFORMATION</b> .....	<b>354</b>
<b>MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION</b> .....	<b>354</b>
<b>DECLARATION</b> .....	<b>356</b>

**SECTION I - GENERAL  
DEFINITIONS AND ABBREVIATIONS**

*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. Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “Financial Information”, “Outstanding Litigation and Material Developments” and “Part B” of “Offer Procedure”, will have the meaning ascribed to such terms in these respective sections.*

*Unless the context otherwise indicates, all references to “the Company” and “our Company” are references to Eris Lifesciences Limited, a company incorporated in India under the Companies Act 1956 with its Registered Office situated at 21, New York Tower A, near Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad 380 054, Gujarat India and its Corporate Office situated at 7<sup>th</sup> Floor, Commerce House IV, besides Shell Petrol Pump, 100 Feet Road, Prahladnagar, Ahmedabad 380 015, Gujarat, India and references to “we”, “us” and “our” are references to our Company, together with its Subsidiaries (as defined below).*

**Company Related Terms**

<b>Term</b>	<b>Description</b>
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Amay Pharma	Amay Pharmaceuticals Private Limited
Aprica Health	Aprica Healthcare Private Limited
Aprica Trademark Licence Agreement	Trademark license agreement dated July 12, 2016, between our Company and Aprica Health
Assam Facility	The manufacturing facility of our Company situated at Plot no. 30 and 31, Brahmaputra Industrial Park, Under Mouza-Sila, Senduri Ghopa, Amingaon, North Guwahati, Guwahati 781 031 Assam, India
Audit Committee	The audit committee of our Board, comprising Ms. Vijaya Sampath, Mr. Rajiv Gulati and Mr. Sanjiv Dwarkanath Kaul
Auditors/ Statutory Auditors	The statutory auditor of our Company, being Deloitte Haskins & Sells, LLP, Chartered Accountants
Board/ Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
Corporate Office	The corporate office of our Company, situated at 7 <sup>th</sup> Floor, Commerce House IV, besides Shell Petrol Pump, 100 Feet Road, Prahladnagar, Ahmedabad 380 015, Gujarat, India
CSR Committee	The corporate social responsibility committee of our Board, comprising Mr. Inderjeet Singh Negi, Dr. Kirit Nanubhai Shelat and Mr. Sanjiv Dwarkanath Kaul
Director(s)	The director(s) on our Board
Eris ESOP	Eris Lifesciences Employee Stock Option Plan 2017
ETPL	Eris Therapeutics Private Limited
Equity Shares	The equity shares of our Company of face value of ₹ 1 each
Group Companies	The group companies of our Company, as covered under the applicable accounting standards and other companies as considered material by our Board, if any
IPO Committee	The IPO committee of our Board constituted to facilitate the process of the Offer, comprising Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah, Mr. Inderjeet Singh Negi and Mr. Sanjiv Dwarkanath Kaul
Investor Selling Shareholder	Botticelli
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 described in “Our Management” on page 132
Kinedex	Kinedex Healthcare Private Limited
Materiality Policy	The policy adopted by our Board on February 6, 2017 for identification of Group Companies, outstanding material litigation and outstanding dues to creditors in

	respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations
MoA/Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, comprising Mr. Rajiv Gulati, Mr. Shardul Suresh Shroff and Mr. Sanjiv Dwarkanath Kaul
Promoters	The promoters of our Company, namely Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah, Mr. Inderjeet Singh Negi, Mr. Rajendrakumar Rambhai Patel and Mr. Kaushal Kamlesh Shah
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Promoters, Promoter Group and Group Companies</i> ” on page 147
Registered Office	The registered office of our Company, situated at 21, New York Tower A, near Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad 380 054, Gujarat India
Restated Consolidated Financial Statements	Restated consolidated financial statement of assets and liabilities as at March 31, 2016, 2015, 2014, 2013 and 2012 and as at six month period ended September 30, 2016 and statement of profit and loss and statement of cash flows for each of the years ended March 31, 2016, 2015, 2014, 2013 and 2012 and for the six month period ended September 30, 2016 for our Company, its subsidiaries, as applicable during the relevant periods, read along with all the schedules and notes thereto and included in “ <i>Financial Statements</i> ” on page 153
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and Restated Standalone Financial Statements
Restated Standalone Financial Statements	Restated standalone financial statement of assets and liabilities as at March 31, 2016, 2015, 2014, 2013 and 2012 and as at six month period ended September 30, 2016 and statement of profit and loss and statement of cash flows for each of the years ended March 31, 2016, 2015, 2014, 2013 and 2012 and for the six month period ended September 30, 2016 for our Company read along with all the schedules and notes thereto and included in “ <i>Financial Statements</i> ” on page 153
Selling Shareholders	Botticelli, Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah, Mr. Inderjeet Singh Negi, Mr. Rajendrakumar Rambhai Patel, Mr. Kaushal Kamlesh Shah, Mr. Bhikhabhai Chimanlal Shah, Mr. Rakeshbhai Bhikhabhai Shah and Mr. Hetal Rasiklal Shah
Shareholders	The holders of the Equity Shares
Sozin	Sozin Flora Pharma
Stakeholders Relationship Committee	The stakeholders relationship committee of our Board, comprising Ms. Vijaya Sampath, Mr. Himanshu Jayantbhai Shah, Mr. Sanjiv Dwarkanath Kaul and Mr. Inderjeet Singh Negi
Subsidiaries	The subsidiaries of our Company as disclosed in “ <i>History and Certain Corporate Matters – Subsidiaries of our Company</i> ” on page 129
SHA	Shareholders’ agreement dated August 26, 2011 entered into among our Company, our Promoters, Mr. Hetal Rasiklal Shah, Mr. Rakeshbhai Bhikhabhai Shah, Mr. Bhikhabhai Chimanlal Shah and Botticelli, as amended by amendment agreement dated January 20, 2017
SPSHA	Share purchase and shareholders’ agreement dated December 12, 2016 among our Company, Kinedex and Rakesh Dhuria, Anita Dhuria, Neeru Dhuria, Atul Arora and Rakesh Dhuria & Son (HUF)

### Offer Related Terms

Term	Description
Acknowledgment Slip	The slip or document issued by the Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allotted/Allotment/Allot	The transfer and allotment of the Equity Shares to successful Bidders pursuant to the Offer
Allottee	A successful Bidder to whom the Equity Shares are Allotted

<b>Term</b>	<b>Description</b>
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Anchor Escrow Account	Account opened with Escrow Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor	A QIB, who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Offer Opening Date on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Investor Selling Shareholder, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Category, which may be allocated by our Company and the Investor Selling Shareholder, in consultation with the BRLMs, to Anchor Investors, on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by a Bidder (other than Anchor Investors) to make a Bid authorizing the relevant SCSB to block the Bid Amount in the relevant ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by a Bidder (other than a Bid by an Anchor Investor)
ASBA Form	An application form, whether physical or electronic, used by Bidders bidding through the ASBA process, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis	Axis Capital Limited
Banker(s) to the Offer	Escrow Bank(s), Refund Banks(s) and Public Offer Account Bank(s)
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in “ <i>Offer Procedure</i> ” on page 299
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder (other than an Anchor Investor), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to subscribe for or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term ‘Bidding’ shall be construed accordingly
Bid Amount	The highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer, less Employee Discount
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bid Lot Bidder	[●] Equity Shares Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bid/Offer Closing Date	Except in relation to Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids for the Offer, which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Ahmedabad where our Registered Office is located) and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of

<b>Term</b>	<b>Description</b>
	the Syndicate Members, as required under the SEBI ICDR Regulations. Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, subject to the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Ahmedabad where our Registered Office is located)
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process as described in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/BRLMs	Axis Capital Limited, Citigroup Global Markets India Private Limited and Credit Suisse Securities (India) Private Limited, the book running lead managers to the Offer
Broker Centres	Broker centres of the Registered Brokers, where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, including any revisions thereof
Client ID	Client identification number of the Bidder's beneficiary account
Citi	Citigroup Global Markets India Private Limited
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12 (1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Credit Suisse	Credit Suisse Securities (India) Private Limited
Cut-off Price	The Offer Price, finalized by our Company and the Investor Selling Shareholder, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	The details of the Bidders including the Bidders' address, names of the Bidders' father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI ( <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> ) and updated from time to time
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time
Designated Date	The date on which the funds from the Anchor Escrow Accounts are transferred to the Public Offer Account or the Refund Account(s), as appropriate, and the amounts

Term	Description
	blocked by the SCSBs are transferred from the ASBA Accounts, to the Public Offer Account or Refund Account, as applicable, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC
Designated Intermediaries	Collectively, the members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and CRTAs, who are authorized to collect Bid cum Application Forms from the Bidders (other than Anchor Investors), in relation to the Offer
Designated RTA Locations	Such centres of the CRTAs where Bidders (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the CRTAs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated February 8, 2017, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employee	<p>All or any of the following:</p> <p>(a) a permanent and full time employee of our Company or of any of our Subsidiaries (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be an employee of our Company or of any of our Subsidiaries until the submission of the Bid cum Application Form, and is based, working and present in India as on the date of submission of the Bid cum Application Form; and</p> <p>(b) a director of our Company or of any of our Subsidiaries, whether a whole time director, part time director or otherwise, (excluding such directors not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines and any Promoter) as of the date of filing the Red Herring Prospectus with the RoC and who continues to be a director of our Company or any of our Subsidiaries, as applicable until the submission of the Bid cum Application Form and is based and present in India as on the date of submission of the Bid cum Application Form.</p> <p>An employee, who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a 'permanent and a full time employee'.</p> <p>The maximum Bid Amount under the Employees Reservation Portion by an Eligible Employee cannot exceed ₹ 500,000</p>
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Employee Discount	A discount of ₹ [●] not being more than 10% of the Offer Price, that may be offered to Eligible Employees bidding in the Employee Reservation Portion, by our Company and the Investor Selling Shareholder, in consultation with the BRLMs and which shall be announced at least five Working Days prior to the Bid/Offer Opening Date
Employee Reservation Portion	The portion of the Offer, being [●] Equity Shares, aggregating up to ₹ [●] million, which shall not exceed 5% of the post-Offer Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis
Escrow Agreement	Agreement dated [●], entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Bank and Refund Bank for collection of the Bid Amounts and where applicable remitting refunds, if any, on the terms and conditions thereof
Escrow Bank	A bank, which is a clearing member and registered with SEBI as a banker to an offer and with whom the Anchor Escrow Account has been opened, in this case being [●]

<b>Term</b>	<b>Description</b>
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, and any revisions thereof, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by SEBI and included in “ <i>Offer Procedure</i> ” on page 299
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
Minimum Promoters’ Contribution	Aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters’ contribution and locked-in for a period of three years from the date of Allotment
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or [●] Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Non-Institutional Category	The portion of the Offer, being not more than 15% of the Net Offer or [●] Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price
Non-Institutional Investors/NIIs	All Bidders, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors, or Eligible Employees Bidding in the Employee Reservation Portion, who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Offer/Offer for Sale	Public offer of up to 28,875,000 Equity Shares of face value ₹ 1 each for cash at a price of ₹ [●] each by the Selling Shareholders in terms of the Red Herring Prospectus and the Prospectus. The Offer, aggregating up to ₹ [●] million, comprises a Net Offer to the public of up to [●] Equity Shares and an Employee Reservation Portion of [●] Equity Shares for subscription by Eligible Employees. The Offer and the Net Offer shall constitute 21% and [●]% of the post-Offer paid up Equity Share capital of our Company, respectively.
Offer Agreement	The agreement dated February 8, 2017 entered into among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process and determined by our Company and the Investor Selling Shareholder, in consultation with the BRLMs in terms of the Red Herring Prospectus on the Pricing Date. A discount of ₹ [●] on the Offer Price, not being more than 10% of the Offer Price, may be offered to Eligible Employees bidding in the Employee Reservation Portion. The amount of the Employee Discount will be decided by our Company and the Investor Selling Shareholder, in consultation with the BRLMs, and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Ahmedabad where our Registered Office is located) at least five Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Price Band	Price band of the Floor Price of ₹ [●] and a Cap Price of ₹ [●], including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Investor Selling Shareholder, in consultation with the BRLMs, and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language of Ahmedabad where our Registered Office is located) at least five Working

<b>Term</b>	<b>Description</b>
	Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company and the Investor Selling Shareholder, in consultation with the BRLMs, shall finalize the Offer Price
Prospectus	The Prospectus to be filed with the RoC for this Offer on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act 2013 and the SEBI ICDR Regulations, containing the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The account(s) to be opened with the Banker(s) to the Offer under Section 40(3) of the Companies Act 2013 to receive monies from the Anchor Escrow Account(s) and the ASBA Accounts on the Designated Date
Public Offer Account Bank	The banks with whom the Public Offer Account is opened for collection of Bid Amounts from Anchor Escrow Account and ASBA Account on the Designated Date
QIB Category	The portion of the Offer, being at least 75% of the Net Offer or [●] Equity Shares to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Investor Selling Shareholder, in consultation with the BRLMs)
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be Allotted and which shall be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	Account(s) opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Refund Bank(s)	The bank(s) with whom the Refund Account(s) have will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 14, 2012, issued by SEBI
Registrar Agreement	The agreement dated February 7, 2017 entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer	Link Intime India Private Limited
Retail Category	The portion of the Offer, being not more than 10% of the Net Offer or [●] Equity Shares, available for allocation to Retail Individual Investors, which shall not be less than the minimum Bid lot, subject to availability in the Retail Category
Retail Individual Investors/ RIIs	Bidders other than Eligible Employees Bidding in the Employee Reservation Portion, whose Bid Amount for Equity Shares in the Offer is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs bidding in the QIB category and Non-Institutional Investors bidding in the Non-Institutional category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage
Self Certified Syndicate Banks or SCSBs	The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI ( <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> ) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agreement	The agreement dated [●], entered into among the Selling Shareholders, our Company and a share escrow agent in connection with the transfer of the respective portion of Equity Shares offered by each Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees

<b>Term</b>	<b>Description</b>
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	The agreement dated [●], entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to the Registered Brokers at the Broker Centers)
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being [●]
Syndicate or members of the Syndicate	Collectively, the BRLMs and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The agreement dated [●], entered among our Company, the Selling Shareholders and the Underwriters, to be entered into on or after the Pricing Date
Working Day(s)	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai, India are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Day” shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

#### **Conventional and General Terms and Abbreviations**

<b>Term</b>	<b>Description</b>
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AIF(s)	Alternative Investment Funds
AS 18	Accounting Standard 18 issued by the Institute of Chartered Accountants of India
Boiler Act	The Indian Boilers Act, 1923
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	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, read with the rules, regulations, clarifications and modifications thereunder
Companies Act 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from June 7, 2016, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant’s identity number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization

<b>Term</b>	<b>Description</b>
ECA	Essential Commodities Act, 1955
EPA	Environment Protection Act, 1986
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
Euro	Euro, the official single currency of the participating member states of the European Economic and Monetary Union of the Treaty establishing the European Community
Factories Act	Factories Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FII(s)	Foreign Institutional Investors as defined under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 2000, registered with the SEBI under applicable laws in India and deemed as FPIs under the SEBI FPI Regulations
Financial Year/Fiscal/ Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration 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 Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI	The Government of India
GST	Goods and services tax
Hazardous Waste Rules	Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016
HUF(s)	Hindu Undivided Family(ies)
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015
ICAI	Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961
IND (AS) / Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
IPDMS	Integrated Pharmaceutical Database Management System
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
IRDA Investment Regulations	Insurance Regulatory and Development Authority (Investment) Regulations, 2000
IT	Information Technology
Legal Metrology Act	Legal Metrology Act, 2009
MCA	The Ministry of Corporate Affairs, GoI
Mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPPA	National Pharmaceutical Pricing Authority
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI	Non-Resident Indian as defined under the FEMA Regulations
NSDL	National Securities Depository Limited

<b>Term</b>	<b>Description</b>
NSE	The National Stock Exchange of India Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act, 1933
RoC or Registrar of Companies	The Registrar of Companies, Gujarat
Rule 144A	Rule 144A under the U.S. Securities Act, 1933
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
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 ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI SBEB Regulations	The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
STT	Securities Transaction Tax
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	Trademarks Act, 1999
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act, 1933	U.S. Securities Act of 1933, as amended
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

### Industry Related Terms

<b>Term</b>	<b>Description</b>
ABPMs	Ambulatory Blood Pressure Monitoring
AHT	Anti-hypertensives
API	Active Pharmaceutical Ingredients
ARBs	Angiotensin Receptor Blockers
BMW Rules	Biomedical Waste Management Rules, 2016
CDSCO	Central Drugs Standard Control Organization of India
CGM	Continuous Glucose Monitoring
Class 1 towns	Towns and cities in India with a population between 100,000 and one million
DCA	Drugs and Cosmetics Act, 1940
DMRA	Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954
DPCO	Drugs Pricing Control Order, 2013
DC Rules	Drugs and Cosmetics Rules, 1945
DGCI	Drugs Controller General of India

<b>Term</b>	<b>Description</b>
Drugs Control Act	Drugs Control Act, 1950
FSSA	Food Safety and Standards Act, 2006
FSSR	Food Safety and Standards Rules, 2011
FSSAI	Food Safety and Standards Authority of India
GMP	Good Manufacturing Practices
IMS	IMS Health Information and Consulting Services India Private Limited
IPM	Indian Pharmaceutical Market
KOLs	Key Opinion Leaders
Metro Cities	Cities in India with a population of over one million
NCDs	Non-Communicable Diseases
NDPS Act	Narcotics Drugs and Psychotropic Substances Act, 1985
NDPS Rules	Narcotics Drugs and Psychotropic Substances Rules, 1985
NEIIP	North East Industrial and Investment Promotion Policy, 2007
OTC	Over the Counter Drugs
PCOS	Polycystic Ovarian Syndrome
Registered Medical Practitioners	Consulting Physicians, Specialists and Super Specialists
Regulation of Controlled Substances Order	The Narcotics Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013
Sales Promotion Act	Sales Promotion Employees (Conditions of Service) Act, 1976
SMSRC	Strategic Marketing Solutions and Research Centre
SSA	Secondary Sales Audit; conducted by IMS, which comprises of secondary sales from authorized pharmaceuticals stockists to retailers
TSA	Total Sales Audit; conducted by IMS, which comprises of secondary sales from authorized pharmaceuticals stockists to retailers and sales from sub-stockists, doctors and hospitals, but does not include the sales to institutions and tenders
UCPMP	Uniform Code of Pharmaceutical Marketing Practices
USFDA	United States Food and Drug Administration
WDV	Written Down Value Method
WPI	Wholesale Price Index

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act 1956, as superseded and substituted by notified provisions of the Companies Act 2013 (together the “**Companies Act**”), the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”), the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India.

### **Financial Data**

Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated consolidated financial information and restated standalone financial information as of and for the six months period ended September 30, 2016 and for the Fiscals ended March 31, 2016, 2015, 2014, 2013 and 2012 and the respective notes, schedules and annexures thereto, prepared in accordance with the Generally Accepted Accounting Principles in India (the “**Indian GAAP**”) and the Companies Act and restated in accordance with the SEBI ICDR Regulations and included elsewhere in this Draft Red Herring Prospectus.

Certain data included in this Draft Red Herring Prospectus in relation to certain operating metrics, financial and other business related information not otherwise included in the restated financial information has been reviewed and verified by IMS Health Information and Consulting Services India Private Limited (“**IMS**”).

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between the Indian GAAP, the International Financial Reporting Standards (the “**IFRS**”) and the Generally Accepted Accounting Principles in the United States of America (the “**U.S. GAAP**”). Accordingly, the degree to which the financial information 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. Any reliance by persons not familiar with Indian accounting practices, the Indian GAAP, the Companies Act and the SEBI ICDR Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of the IFRS or the U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those under the U.S. GAAP or the IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

On February 16, 2015, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Rules, 2015 (“**IAS Rules**”) for the purpose of enacting changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide that the financial information of the companies to which they apply shall be prepared and audited in accordance with the IND (AS), although any company may voluntarily implement IND (AS) for the accounting period beginning from April 1, 2015. In terms of the IAS Rules, our Company is required to prepare its financial statements in accordance with IND (AS) for periods beginning on or after April 1, 2017. Accordingly, our financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements.

We have not made any attempt to quantify or identify the impact of the differences between Indian GAAP and IND (AS) as applied to our financial information and it is urged that you consult your own advisors regarding the impact of difference, if any, on financial data included in this Draft Red Herring Prospectus. However, we have included certain principal differences between Indian GAAP and IND (AS) that may have a material effect on our financial statements. Potential investors should consult their own advisers for an understanding of the principal differences between the existing Indian GAAP and the IND (AS), and how these differences might affect the financial statements appearing in this document. See “**Risk Factors – Our Company will be required to prepare financial statements under IND (AS). The transition to IND (AS) in India is very recent and there is no clarity on the effect of such transition on our Company.**” on page 32.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column

or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

## Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from various industry publications and sources, such as ‘*Indian Pharmaceutical Market*’ dated April, 2016 issued by IMS and the Strategic Marketing Solutions and Research Centre or derived from publicly available information including from the websites of the Ministry of External Affairs, Government of India. Industry publications generally state that the information contained in such publications has been obtained from sources generally believed to be reliable, but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the BRLMs, or any of our or their respective affiliates or advisors, and none of these parties makes any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon 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 market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 16.

## Currency and Units of Presentation

All references to “**Rupees**” or “**₹**” or “**Rs.**” are to Indian Rupees, the official currency of the Republic of India. All references to “**US\$**”, “**U.S. Dollar**”, “**USD**” or “**U.S. Dollars**” are to United States Dollars, the official currency of the United States of America. All reference to “**Eur**” or “**€**” is to Euro, the official currency of the European Union. All reference to “**GBP**” is to the Great Britain Pound, the official currency of Great Britain.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents ‘10 lakhs’ or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

## Exchange Rates

This Draft Red Herring Prospectus may contain conversions of certain 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 certain currencies used in this Draft Red Herring Prospectus into Indian Rupees for the periods indicated are provided below.

Currency	Exchange rate as on September 30, 2016	Exchange rate as on March 31, 2016	Exchange rate as on March 31, 2015	Exchange rate as on March 28, 2014*	Exchange rate as on March 28, 2013**	Exchange rate as on March 30, 2012***
1 USD	66.66	66.33	62.59	60.09	54.39	51.16
1 GBP	86.42	95.20	92.76	99.73	82.27	82.86
1 Eur	74.75	75.09	67.51	82.58	69.54	68.34

Source: RBI Reference Rate (for USD, GBP and Eur)

\* Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.

\*\* Exchange rate as on March 28, 2013, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a Sunday, Saturday and public holiday respectively.

\*\*\* Exchange rate as on March 30, 2012, as RBI Reference Rate is not available for March 31, 2012, being a Sunday.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements include statements which can generally be identified by words or phrases such as “*aim*”, “*anticipate*”, “*believe*”, “*expect*”, “*estimate*”, “*intend*”, “*likely to*”, “*objective*”, “*plan*”, “*propose*”, “*will continue*”, “*seek to*”, “*will pursue*” or other words or phrases of similar import.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that would cause actual results to differ materially include, including, but not limited to:

- Any disruptions in production at, or shutdown of, our manufacturing facility;
- The manufacturing facilities of our third party manufacturers ceasing to be available to us at terms acceptable to us, or if we experience problems with, or interruptions at such facilities;
- Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs;
- Any quality control problems at our manufacturing facility or those of our third party manufacturers which could damage our reputation and expose us to litigation or other liabilities;
- If our top mother brand groups or products in our key therapeutic areas do not perform as expected;
- A decrease in the number of our marketing representatives or termination of our sales arrangements;
- Our inability to successfully integrate recently acquired businesses;
- Our inability to effectively market our products due to stricter norms in India for companies doing business in the pharmaceuticals industry; and
- Failure to comply with applicable regulations prescribed by central and state governments and regulatory agencies in India or failure to obtain or renew any licenses and permits.

For a further discussion of factors that could cause our actual results to differ, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 16, 101 and 242, respectively. 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 be materially be different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

Neither our Company, nor the Selling Shareholders, nor the Syndicate, 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 regulatory requirements, our Company, the Selling Shareholders and the BRLMs will ensure that investors in India are informed of material developments until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Offer.

## SECTION II - RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with “**Our Business**”, “**Industry Overview**” and “**Management’s Discussions and Analysis of Financial Condition and Results of Operations**” on pages 101, 88 and 242, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. See “**Forward-Looking Statements**” on page 15.*

*Unless otherwise stated, all financial information of our Company used in this section has been derived from the Restated Consolidated Financial Statements.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.*

### **Internal Risk Factors**

#### **Risks Relating to our Business**

- 1. Any disruption in production at, or shutdown of, our manufacturing facility could adversely affect our business, results of operations and financial condition.**

We own and operate one manufacturing facility in Guwahati, Assam (the “**Assam Facility**”). For Fiscal 2016 and the six months ended September 30, 2016, products manufactured at the Assam Facility, contributed to 51.56% and 50.06% of our revenues, respectively, with an additional 28.16% and 30.16%, for the same periods, contributed by products manufactured through the manufacturing facility of our erstwhile partnership firm, M/s Sozin Flora Pharma (“**Sozin**”). Our Company was a partner in Sozin up to August 31, 2016, and pursuant to our retirement, we transitioned certain products manufactured at the Sozin manufacturing facility to our Assam Facility.

In the event that there are any disruptions at our Assam Facility due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, or any significant social, political or economic disturbances, our ability to manufacture certain products may be adversely affected. Disruptions in our manufacturing activities could delay production or require us to shut down our manufacturing facility. We may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our Assam Facility to cease, or limit, production until the disputes concerning such approvals are resolved. As regulatory approvals for manufacturing drugs are site specific, we may be unable to transfer manufacturing activities to another location immediately. Further, while we have not experienced any strikes or labour unrest at the Assam Facility, or otherwise, in the past, we cannot assure you that we will not experience work disruptions in the future due to disputes or other problems with our work force. Any labour unrest may hinder our normal operating activities and lead to disruptions in our operations, which could adversely affect our business, results of operations, financial condition and cash flows.

- 2. We rely on certain third party manufacturers for manufacturing some of our products. In the event the manufacturing facilities of our third party manufacturers cease to be available to us at terms acceptable to us, or we experience problems with, or interruptions at such facilities, our business, results of operations and financial condition may be adversely affected.***

We rely on certain third party manufacturers for manufacturing some of our products and currently use approximately 20 third party manufacturers. For Fiscal 2016 and the six month period ended September 30, 2016, products manufactured through third party manufacturing arrangements contributed to 20.28% and 19.78% of our total revenues, respectively. In the event that there are any delays or disruptions in the manufacturing facilities of such third party manufacturers, our ability to deliver certain products may be affected. Any of our third party manufacturers' failure to adhere to contractually agreed timelines, whether due to their inability to comply with, or obtain, regulatory approvals, or otherwise, may result in delays and disruptions to our supplies, increased costs, delayed payments for our products and damage to our reputation leading to an adverse effect on our results of operations.

Further, our contracts with contractor manufacturers are typically short term agreements for a period of one year. Our manufacturing contracts may expire and we may not be able to renew such contracts at terms acceptable to us. While our third party manufacturers typically indemnify us for losses caused due to their negligent acts, such manufacturers may not have adequate financial resources to meet their indemnity obligations to us under their respective manufacturing agreements. In the event these third party manufacturing facilities cease to be available to us at terms acceptable to us or we experience problems with, or interruptions in, such services or facilities, and we are unable to find other facilities to provide similar manufacturing capacity on comparable terms and on a timely basis, our operations may be disrupted and our results of operations and financial condition may be adversely affected.

- 3. Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.***

Raw materials, including packaging materials, are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in government policies and regulatory sanctions. We purchase active pharmaceutical ingredients (“APIs”) and other materials such as excipients and primary and secondary packaging materials from third party suppliers. For Fiscal 2016, we sourced 57.79% of our APIs, 77.44% of our excipients and 78.26% of our packaging materials from our top five suppliers in each category.

We do not have any long term contracts with our suppliers. Prices are negotiated for each purchase order and we generally have more than one supplier for each raw material. We seek to source our materials from reputed suppliers and typically seek quotations from multiple suppliers. However, our suppliers may be unable to provide us with a sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products.

We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Any increase in raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to customers in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

- 4. Any quality control problems at our manufacturing facility or those of our third party manufacturers may damage our reputation and expose us to litigation or other liabilities, which could adversely affect our results of operations and financial condition.***

Manufacturers of pharmaceutical products in India are subject to significant regulatory scrutiny. We own and operate our Assam Facility and use third party manufacturers for the manufacture of some of our products. We, and our third party manufacturers, must register, and manufacture products in these facilities, in accordance with the good manufacturing practices (“GMP”) stipulated by the state level food and drug administrations, the Drugs Controller General of India (“DCGI”), Central Drugs Standard Control Organization of India (“CDSCO”) and other regulatory agencies.

Further, we are liable for the quality of our products for the entire duration of the shelf life of the product whether manufactured by us, or our third party manufacturers. 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. For example, in October 2015, we recalled certain sachets of our Zeegut P brand, which did not adhere to applicable quality standards. Any such quality control, or related issues, which affect our products, including the requirement to recall such products, may have an adverse impact on our reputation, business and results of operations. Further, disputes over non-conformity of our products with applicable quality standards or specifications are generally referred to government approved independent testing laboratories. If any such independent laboratory confirms that our products do not conform to the prescribed or agreed standards and specifications, we may have to bear the expenses of recalling, replacing and testing such products.

We also face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. A successful product liability claim may require us to pay substantial sums and may adversely affect our results of operations and financial condition.

Additionally, the use of third party manufacturers is subject to certain risks, such as our inability to continuously monitor the quality, safety and manufacturing processes at such third party manufacturing facilities. While we have stipulated quality assurance and quality control standards for our third party manufacturers, we cannot assure you that we will be able to maintain high quality standards in respect of the products that such third party manufacturers provide us. Although our agreements with third party manufacturers typically contain provisions which would indemnify us for the costs, expenses and damages in the event of a recall of a particular drug due to its failure to retain its potency during its shelf life, we cannot assure you that our third party manufacturers will have adequate financial resources to meet their indemnity obligations to us, which could adversely affect our business, results of operations and financial condition.

**5. *We derive a significant portion of our revenue from the sale of products in certain therapeutic areas and our top mother brand groups account for a significant portion of our total revenue. Our business, results of operations and financial condition may be adversely affected if any of our top mother brand groups or products in our key therapeutic areas do not perform as expected.***

We generate a significant portion of our revenue from operations from the sale of products in certain therapeutic areas, such as cardiovascular, anti-diabetics, vitamins and gastro-intestinal. Sale of products in cardiovascular, anti-diabetics, vitamins and gastro-intestinal therapeutic areas contributed 33.1%, 27.5%, 15.6% and 11.2%, respectively, towards our revenues in the IPM, for Fiscal 2016 (*Source: IMS TSA MAT, March 2016*) and 32.6%, 28.8%, 14.9% and 10.0%, respectively, for six months ended September 30, 2016 (*Source: IMS TSA, for six months ended September 30, 2016*). Further, we are dependent on our top 10 mother brand groups, by revenue, which together generated 76.0% of our revenues in the IPM for Fiscal 2016 (*Source: IMS TSA MAT, March 2016*).

Any adverse developments with respect to our products in these therapeutic areas, and our failure to successfully introduce new products in other therapeutic areas to compensate for any losses in these therapeutic areas, could have an adverse effect on our business, results of operations and financial condition. In the event of any breakthroughs in the development of alternative drugs or substitutes for these mother brand groups or in these therapeutic areas, our products may become obsolete or be substituted by such alternatives. Our revenues from our top mother brand groups may decline as a result of increased competition, regulatory action, pricing pressures or fluctuations in the demand for, or supply of, our products.

Further, we derived 75.7% of revenues in the IPM in Fiscal 2016, from sale of our products in metro cities and class 1 towns in India (*Source: IMS analysis, TSA MAT, March 2016*). Any decrease in demand for our products in metro cities and class 1 towns in India, whether due to a shift in demand, change in pathology incidences or patterns or due to a shift in doctor prescription behavior, which is not offset by an increase in demand for our products in other regions in India, may result in a decrease in our revenues. Our failure to effectively react to such situations or to successfully introduce new products in these therapeutic areas or catering to such geographic areas, may adversely affect our business, results of operations and financial condition.

**6. *We rely on our marketing representatives and distributors for the sale and distribution of our products. A decrease in the number of our marketing representatives or termination of our sales arrangements may adversely affect our business, results of operations and financial condition.***

We rely on our marketing representatives to sell our products. We employed 1,310, 1,422 and 1,499 medical representatives as of September 30, 2016, March 31, 2016 and March 31, 2015, respectively. While we have grown the number of our marketing representatives from 893 as of March 31, 2012 to 1,422 as of March 31, 2016; the number of our marketing representatives as of September 30, 2016 has dropped to 1,310 due to rationalization of our sales initiatives, reflecting our increasing focus on metro cities and tier 1 towns. Our marketing representatives interact with doctors to promote our product portfolio and also visit pharmacies and distributors to ensure that our brands are adequately stocked. We cannot assure you that attrition rates for our employees, particularly our marketing representatives, will not increase. A significant increase in our employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and doctor relationships, and an increase in recruitment and training costs, thereby adversely affecting our business, results of operations and financial condition. We cannot assure you that we will be able to find or hire personnel with the necessary experience or expertise. In the event that we are unable to hire people with the necessary knowledge or the necessary expertise, our business may be severely disrupted, financial condition and results of operations may be adversely affected.

Further, we do not have exclusive arrangements with our distributors, which allows them to engage with our competitors. We also compete for distributors with other leading pharmaceutical companies that may have greater brand recognition and financial resources, and a broader product portfolio than we do. If our competitors provide greater incentives to our distributors, our distributors may choose to promote the products of our competitors instead of our products. Our dependence on distributors to sell our products may subject us to a number of risks, including our inability to monitor:

- the amount of resources and time that our distributors may devote to the marketing of our products; and
- significant changes in a distributors' business strategy that may adversely affect their willingness or ability to fulfill their obligations under any arrangement with us.

If we are unable to maintain and grow our domestic sales and distribution network, we may be unable to effectively sell our products, adversely affecting our business, results of operations and financial condition.

**7. *Our efforts at integrating acquired businesses may not yield timely or effective results, which may affect our financial condition and results of operations.***

In addition to growth through our internal efforts, we intend to rely upon strategic acquisitions to provide us with access to new formulations businesses, products and markets both in therapeutic areas served by our existing business, as well as in new areas. Effective July 1, 2016, we acquired registered and unregistered trademarks, from Amay Pharmaceuticals Private Limited ("**Amay Pharma**", previously Aprica Pharmaceuticals Private Limited). We also acquired 100.00% of the outstanding shares of Aprica Healthcare Private Limited ("**Aprica Health**"). In November, 2016, we acquired 61.48% of the outstanding equity shares of Kinedex Healthcare Private Limited ("**Kinedex**") and an additional 14.00% of the outstanding equity shares in December 2016, to take our aggregate shareholding in Kinedex to 75.48%. We acquired equity interest in Kinedex in order to add products catering to mobility related disorders in the musculoskeletal therapeutic area to our portfolio.

These strategic acquisitions may require that our management develop expertise in new areas, manage new business relationships and attract new types of customers. We may also experience disputes in relation to such acquisitions. For example, Amay Pharma and two of its directors have initiated a suit against our Company and others, alleging non-payment of consideration for our acquisition of trademarks from Amay Pharma. For details please see "**Outstanding Litigation and Material Developments – Other Material Outstanding Litigation Involving our Company**" on page 269. Such strategic acquisitions, and any disputes we may experience, may require significant attention from our management, and the diversion of our management's attention and resources could have an adverse effect on our ability to manage our business.

We may also experience difficulties in integrating acquisitions into our existing business and operations. Our failure to derive anticipated synergies could affect our business, financial condition and results of operations. Future acquisitions may also expose us to potential risks, including risks associated with the integration of new

operations, services and personnel, unforeseen or hidden liabilities, the diversion of resources from our existing businesses and technologies, our inability to generate sufficient revenue to offset the costs of acquisitions, and potential loss of, or harm to, relationships with employees, suppliers or customers, any of which could significantly disrupt our ability to manage our business and adversely affect our financial condition and results of operations.

**8. *Stricter norms in India for companies doing business in the pharmaceuticals industry could affect our ability to effectively market our products, which may have an adverse effect on our business, results of operations and financial condition.***

In December 2014, the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers of the Government of India announced details of the Uniform Code of Pharmaceutical Marketing Practices (“UCPMP”), which became effective across India from January 1, 2015. The UCPMP is a voluntary code which, among other things, provides detailed guidelines about promotional materials, conduct of medical representatives, physician samples, gifts and relationships with healthcare professionals. For example, under the UCPMP, pharmaceutical companies may not supply or offer any gifts, pecuniary advantages or benefits in kind to persons qualified to prescribe or supply drugs. 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 made mandatory in the future and we may be required to spend a considerable amount of time and resources to conform to the requirements of the UCPMP.

Further, pursuant to a notification dated October 8, 2016, the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 were amended to require that doctors in India are required to provide prescriptions to patients in terms of generic pharmaceutical names instead of particular brand or trade names of medicines. Our business relies, in part, on doctors, including specialists and super specialists, who prescribe our products identified by their brand names, particularly in our chosen therapeutic areas. There has been an increase in the number of doctors prescribing our products from 24,606 (constituting 9.3% of total doctors in metro cities and class 1 towns in India) as of March 31, 2012 to 49,476 (constituting 16.0% of total doctors in metro cities and class 1 towns in India) as of March 31, 2016. (*Source: IMS analysis, TSA MAT, March 2016*). In the event doctors, including specialists and super specialists, are unable to or are restricted from prescribing our brands, the demand for, and volume of sales of, our products may decrease, which may have an adverse effect on our business, results of operations and financial condition.

**9. *We have received letters from the Medical Council of India and certain state medical councils in connection with anonymous complaints, which allege that we have provided benefits to several doctors. In the event any of the allegations are found to be true and in violation of applicable regulations and statutes, our reputation, business and results of operations may be adversely affected.***

The UCPMP, among other things, seeks to prohibit pharmaceutical companies from providing any gifts, pecuniary advantages or benefits in kind to medical practitioners registered with the Medical Council of India and other state or regional medical councils. We have received letters from the Medical Council of India, Delhi Medical Council, Punjab Medical Council, Maharashtra Medical Council and the Rajasthan Medical Council in connection with an anonymous complaint made to the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers, Government of India. The anonymous complaint alleges that we have provided benefits to various doctors, which include payments for travel expenses and other gifts, receipt of which by the relevant doctors, may be deemed to be a violation of the code of medical ethics issued by Medical Council of India. While we have responded to, and will continue to, respond to such notices clarifying our position and providing relevant information, in the event that any of the engagement initiatives we undertake with medical practitioners is viewed as being unethical, our reputation may be adversely affected, which could in turn adversely affect our results of operations and financial condition.

Further, while no action has been taken against us by any regulatory or governmental agency as on the date of this Draft Red Herring Prospectus, we cannot assure you that action will not be taken against us in the future. In the event any of the allegations are upheld in the course of any of proceedings or to be in violation of applicable regulations and statutes, and if any governmental or regulatory action is taken against us, our reputation, business and results of operations may be adversely affected. Please see “*Outstanding Litigation and Material Developments – Pending action by statutory or regulatory authorities against our Company*” on page 268 for further details.

**10. *The Indian pharmaceutical market is subject to extensive regulation and any failure to comply with the applicable regulations prescribed by central and state governments and regulatory agencies in India or failure to obtain or renew any licenses and permits, could adversely affect our business, results of operations and financial condition.***

We operate in a highly regulated industry and our operations are subject to extensive regulation governing the Indian pharmaceutical market. Regulatory authorities must approve our products before we can market them. Applicable regulations have become increasingly stringent, a trend which may continue in the future. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business license, imposition of fines and criminal sanctions in those jurisdictions. For example, in 2016 the Government of India issued certain notifications prohibiting the manufacture, sale and distribution of fixed dose combination drugs. Pursuant to writ petitions, filed by certain pharmaceutical companies, including our Company, the High Court of Delhi on December 1, 2016 quashed such notifications. An appeal against such order of the High Court of Delhi has been filed before the Supreme Court of India. In the event that the Supreme Court reinstates the notifications prohibiting the sale of fixed dose combination drugs, our business, results of operations and financial condition may be adversely affected. See “*Outstanding Litigation and Other Material Developments*” on page 268.

Further, we have ongoing obligations to regulatory authorities, such as the CDSCO, state level food and drug administrations, the DCGI and the central narcotics commissioner, both before and after a product’s commercial release. Regulatory agencies may at any time inspect our Assam Facility or those of our third party manufacturers and the quality of our products. If any inspection or quality assessment results in observations or sanctions, the relevant regulator may amend or withdraw our existing approvals to manufacture and market our products, which could adversely affect our business, financial condition and results of operations. If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for the manufacturing and 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 or impose fines upon us.

In India, the approval process for introducing a new product is complex, lengthy and expensive. If we fail to obtain or renew such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations and financial condition could be adversely affected. For further details, see “*Key Regulations and Policies in India*” on page 120 and “*Government and other Approvals*” on page 275.

**11. *Criminal proceedings have been initiated against our Promoters and any conviction as a result of such proceedings may affect our business, reputation and results of operations.***

A first information report dated June 7, 2014 was filed by a former employee of our Company against Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah, Mr. Inderjeet Singh Negi, Mr. Rajendrakumar Rambhai Patel and Mr. Kaushal Kamlesh Shah, our Promoters, alleging grievous bodily injury and threat to life under Sections 323, 506(2) and 114 of the Indian Penal Code. For further details, see “*Outstanding Litigation and Material Developments*” on page 268. As on the date of this Draft Red Herring Prospectus, no notice or summons have been received in this regard. Any conviction involving our Promoters for the alleged offences may lead to negative publicity and affect our business, reputation and results of operations.

**12. *Reforms in the health care industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the pricing and demand for our products.***

In India, pharmaceutical prices are subject to regulation and the Government has been actively reviewing prices for pharmaceuticals and margins offered to trade. The existence of price controls can limit the revenues we earn from our products. India enacted the National Pharmaceuticals Pricing Policy in 2012, which lays down the principles for pricing essential drugs. 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 DPCO 2013 governs the price control mechanism for formulations listed in the National List of Essential Medicines. Under the DPCO 2013, the price of scheduled drugs is determined on the basis of the average market price of the relevant drug, arrived at by considering the prices charged by all companies that have a market share of equal to or more than 1.0% of the total market turnover on the basis of moving annual turnover of the drug.

The DPCO 2013 was amended in 2016 and the Drugs (Price Control) Amendment Order, 2016 fixed or revised ceiling prices of certain formulations under the DPCO. The NPPA may also notify the ceiling price for additional formulations under the DPCO or some or all of the remaining formulations listed in the National List of Essential Medicines. The DPCO 2013 also regulates the margin that can be offered to the trade channels including the retailers. 22 of our 144 brands extensions, which contributed to 14.35% and 12.04% of our revenues in Fiscal 2016, and six months ended September 30, 2016, respectively, presently fall within the list of scheduled formulations whose prices are regulated by the DPCO 2013.

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, noncompliance with the price notification issued by NPPA, could also attract prosecution of the officers of the company under the Essential Commodities Act, 1955 including imprisonment for a term of up to seven years and shall also be liable to pay a 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. We have, in the past received, and may continue to receive in the future, show cause notices from the NPPA in relation to alleged overcharging of prices of certain drug formulations. For details, see “*Outstanding Litigation and Material Developments*” on page 268.

Further, if our ability to freely set prices for our products is restricted by government regulation, healthcare legislation and pressure from third parties, our revenues and our profits may be reduced. While we cannot predict the nature of the measures that may be adopted by governmental organizations or their effect on our business and revenues, the announcement or adoption of such proposals may affect our result of operations.

**13. Any reduction in or termination of tax incentives we enjoy may affect our business, results of operations and financial condition.**

We benefit from certain tax regulations and incentives that accord favorable treatment to our manufacturing facility. For example, the North East Industrial and Investment Promotion Policy, 2007 (“*NEIIP*”) is applicable to our Assam Facility, pursuant to which, our Company is eligible to avail of certain tax incentives including income tax and excise duty exemption for a period of 10 years (until Fiscal 2024 and 2025, respectively), in addition to certain capital investment and trade subsidies. For details regarding our tax incentives and applicable periods, see “*Statement of Tax Benefits*” on page 84.

The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and adversely affect our business results of operations and financial condition.

**14. There are outstanding proceedings involving our Company, and certain of our Subsidiaries, Promoters and our Directors and any adverse outcome in any of these proceedings may have an adverse effect on our business, results of operations and financial condition.**

There are outstanding legal proceedings involving our Company, our Subsidiaries, our Promoters and our Directors, that are incidental to our business and operations. These proceedings are pending at different levels of adjudication before various courts, tribunals, quasi-judicial authorities and appellate tribunals. For further details of material legal proceedings involving our Company, our Subsidiaries, our Promoters and our Directors, see “*Outstanding Litigation and Material Developments*” on page 268. An overview of the proceedings against our Company, Subsidiaries, Promoters and Directors as of the date of this Draft Red Herring Prospectus is provided below:

**I. Litigation against our Company**

<i>(in ₹ million)</i>			
S. No.	Nature of litigation	Number of cases against the Company	Approximate amount involved
1.	Civil proceedings <sup>1</sup>	5	53.50
2.	Action initiated by statutory / regulatory authority	2	Not ascertainable
3.	Taxation proceedings	2	3.02

<sup>1</sup>This involves a common proceeding by Amay Pharma against our Company and Aprica Health.

## II. Litigation by our Company

(in ₹ million)

S. No.	Nature of litigation	Number of cases by the Company	Approximate amount involved
1.	Criminal proceedings	4	1.84
2.	Civil proceedings	2	31.07

## III. Litigation against our Subsidiaries

(in ₹ million except where otherwise stated)

S. No.	Nature of litigation	Number of cases against the Subsidiary	Approximate amount involved
<i>Proceedings against ETPL</i>			
1.	Taxation proceedings	1	5.38
<i>Proceedings against Kinedex</i>			
1.	Taxation proceedings	8	9,472 (in ₹)
<i>Proceedings against Aprica Health</i>			
1.	Civil proceedings*	1	52.80

\*This involves a common proceeding by Amay Pharma against our Company and Aprica Health.

## IV. Litigation by our Subsidiaries

(in ₹ million)

S. No.	Nature of litigation	Number of cases by the Subsidiary	Approximate amount involved
<i>Proceedings by Kinedex</i>			
1.	Civil proceedings	1	Not ascertainable

## V. Litigation against our Promoters and Directors

(in ₹ million)

S. No.	Nature of litigation	Number of cases against the Promoters and Directors	Approximate amount involved
<i>Proceedings against our Promoters</i>			
<i>Proceedings against Mr. Amit Indubhushan Bakshi</i>			
1.	Criminal proceedings*	1	Not ascertainable
2.	Taxation proceedings	1	Not ascertainable
<i>Proceedings against Mr. Himanshu Jayantbhai Shah</i>			
1.	Criminal proceedings*	1	Not ascertainable
<i>Proceedings against Mr. Inderjeet Singh Negi</i>			
1.	Criminal proceedings*	1	Not ascertainable
<i>Proceedings against Mr. Rajendrakumar Rambhai Patel</i>			
1.	Criminal proceedings*	1	Not ascertainable
<i>Proceedings against Mr. Kaushal Kamlesh Shah</i>			
1.	Criminal proceedings*	1	Not ascertainable
<i>Proceedings against our Directors (not including Promoters)</i>			
<i>Proceedings against Mr. Shardul Suresh Shroff</i>			
1.	Taxation proceedings	1	0.27

\* This involves a common criminal proceeding against our Promoters, Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah, Mr. Inderjeet Singh Negi, Mr. Rajendrakumar Rambhai Patel and Mr. Kaushal Kamlesh Shah.

The amounts claimed in these legal proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in the applicable laws or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that these legal proceedings will be decided in favor of our Company, our Subsidiaries, our Promoters or our Directors, as the case may be, or that no further liability will arise out of these proceedings. Further, such legal proceedings could divert management time and attention and consume financial resources.

Any adverse outcome in any of these proceedings may adversely affect our profitability, reputation, business, results of operations and financial condition.

**15. *If we do not successfully commercialize our products under development, or if the products that we commercialize do not perform as expected, our business, results of operations and financial condition may be adversely affected.***

Our success depends significantly on our ability to commercialize our new pharmaceutical products under development. 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 developmental studies that the products are safe and effective for use on 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.

**16. *This Draft Red Herring Prospectus includes information relating to the pharmaceutical industry and our operations, products and therapeutic areas that is sourced from IMS, which may follow a different methodology for determining sales revenues from the manner in which sales revenues are recognized in our financial statements.***

In this Draft Red Herring Prospectus, we have included certain sales, market share and other financial information relating to the pharmaceutical industry and our operations, products and therapeutic areas that is sourced from IMS, a healthcare information and consulting service provider. Please see “**Industry Overview**” and “**Our Business**” on pages 88 and 101, respectively. IMS computes revenues for the sales of pharmaceutical products based on their research on sales of products in certain pharmaceutical markets and in relation to specific geographic areas. The methodology for computation of revenues by IMS, including for our products, is different from the methodology we adopt for the recognition of revenue from the sales of our products under Indian GAAP, reflected in the Restated Financial Statements included in this Draft Red Herring Prospectus. Accordingly, the sales, market share and other financial data sourced to IMS may not accurately reflect our revenues, results of operations and financial results for the products/therapeutic areas covered.

**17. *We require a number of approvals, licenses, registrations and permits to operate our business and the failure to obtain or renew these licenses in a timely manner, or at all, may have an adverse effect on our business, results of operations and financial condition.***

Our business operations require us to obtain and renew, from time to time, certain approvals, licenses, registrations and permits. While we have obtained a number of required approvals for our operations, certain approvals for which we have submitted applications are currently pending. For instance, our Company has made an application seeking renewal of the consent to operate under the Air Act and the Water Act which is due to expire on March 31, 2017, for which we were required to make an application in November 2016 seeking renewal. We cannot assure you that we will be able to obtain approvals in respect of such applications, or any application made by us in the future. If we fail to obtain such registrations and licenses or renewals, in a timely manner, we may not then be able to carry on certain operations of our business, which may have an adverse effect on our business, financial condition and results of operations.

**18. *We may not be able to implement our business strategies or sustain and manage our growth, which may adversely affect our business, results of operations and financial condition.***

In recent years, we have experienced significant growth. Our net revenue from operations grew at a CAGR of 21.5% between Fiscals 2012 and 2016. Our growth strategy includes expanding our existing business and product portfolio in specific therapeutic areas. We cannot assure you that our growth strategies will be successful or that we will be able to continue to expand further or diversify our product portfolio.

Our ability to sustain and manage our growth depends significantly upon our ability to manage key issues such as selecting, recruiting, training and retaining marketing representatives, growing the number of doctors prescribing our products and the number of prescriptions for our products, maintaining effective risk management policies, continuing to offer products which are relevant to our consumers, developing and maintaining our manufacturing facility and ensuring a high standard of product quality. Our failure to do any of the preceding could adversely affect our business, results of operations and financial condition.

**19. *Compliance with, and changes in, safety, health and environmental laws and various labor, workplace and related laws and regulations including terms of approvals granted to us, may increase our compliance costs and as such adversely affect our business, prospects, results of operations and financial condition.***

We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges; on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, laws in India limit the amount of hazardous and pollutant discharge that our manufacturing facility may release into the air and water. The discharge of substances that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. Any of the foregoing could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our Assam Facility, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. Our business is also subject to, among other things, the receipt of all required licenses, permits and authorizations including local land use permits, manufacturing permits, building and zoning permits, and environmental, health and safety permits. There is a 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.

**20. *We appoint contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although we do not engage these laborers directly, we may be held responsible for any wage payments to be made to such laborers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse effect on our results of operations, cash flows and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract laborers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations, cash flows and financial condition.

**21. *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.***

The Indian pharmaceutical industry is a highly competitive market with several major pharmaceutical companies present, and therefore it is challenging to improve market share and profitability. Our products face intense competition from products commercialized by our competitors in all of our therapeutic areas. We compete with local companies in India as well as multi-national corporations. If our competitors gain significant market share at our expense, particularly in the therapeutic areas in which we are focused such as cardiovascular, anti-diabetics, neurology, gastrointestinal, vitamins, minerals and nutrients, 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.

Our business faces competition from manufacturers of patented brand products who do not require any significant regulatory approvals or face 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. We also operate in a rapidly consolidating industry. The strength of combined companies, which may have greater financial, manufacturing, marketing or other resources, could affect our competitive position in all of our business areas. Pricing pressure could also arise due to the consolidation in trade channels and the formation of large buying groups. 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.

**22. *If any of our products cause, or are perceived to cause, severe side effects, our reputation, revenues and profitability could be adversely affected.***

Our products may cause severe side effects as a result of a number of factors, many of which may be outside our control. These factors, which may become evident only when they are introduced into the marketplace, include potential side effects not revealed in clinical testing, unusual but severe side effects in isolated cases, defective products not detected by our quality management system or misuse of our products by consumers. Our products may also be perceived to cause severe side effects when a conclusive determination as to the cause of the severe side effects is not obtained or is unobtainable. In addition, our products may be perceived to cause severe side effects if other pharmaceutical companies' products containing the same or similar APIs, raw materials or delivery technologies as our products cause or are perceived to have caused severe side effects, or if one or more regulators, determines that products containing the same or similar pharmaceutical ingredients as our products could cause or lead to severe side effects.

If our products cause, or are perceived to cause, severe side effects, we may face a number of consequences, including:

- injury or death of patients (whether during clinical trials undertaken by us or after such products are introduced into the market);
- a severe decrease in the demand for, and sales of, the relevant products;
- the recall or withdrawal of the relevant products;
- withdrawal or cancellation of regulatory approvals for the relevant products or the relevant production facility;
- damage to the brand name of our products and our reputation; and
- exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions.

As a result of these consequences, our reputation, revenues and profitability may be adversely affected.

**23. *Our inability to accurately forecast demand for our products, may have an adverse effect on our business, results of operations and financial condition.***

We project demand for our products based on rolling projections, our understanding of doctor prescriptions for our products, anticipated customer spending and distributor inventory levels. If we overestimate demand, we may purchase more raw materials and manufacture more products than required. If we underestimate demand, we may manufacture fewer quantities of products than required, which could result in the loss of business. If we under stock one or more of our products, we may not be able to obtain additional units in a timely manner, which could also adversely affect our goodwill and results of operations. In addition, if our products do not achieve widespread consumer acceptance, physician prescribing patterns do not change to include our products, or our customers change their procurement preferences, we may be required to take significant inventory markdowns, or may not be able to sell the products at all, which would affect our business, results of operations and financial condition. Each of our products has a shelf life of a specified number of years and our inability to sell our products prior to their expiry may lead to losses. As such, our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

**24. *Some of our historical corporate secretarial records relating to certain transfers of our Equity Shares are not traceable.***

The share transfer deeds executed in relation to transfer of Equity Shares between our Promoters during the period from August 2007 until August 2011 are not available in our corporate records and the delivery instruction slip for transfer of equity shares to one of our Promoters is not available. Accordingly, for information in this regard, contained in this Draft Red Herring Prospectus, we have relied on our Company's statutory register of members and register of share transfers as well as the relevant bank statements. We cannot assure you that these documents 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.

**25. *Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations and financial condition.***

Our principal types of coverage include burglary insurance and standard fire and special perils policy, which cover our Assam Facility and warehouses, money insurance policy, motor insurance policy, boiler and pressure plant insurance policy, machinery insurance policy, electronic equipment insurance policy, marine cargo policy, directors' and officers' management liability. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further details on our insurance arrangements, see "***Our Business – Insurance***" on page 118.

**26. *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 are also engaged in various activities 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 making claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition.

**27. *Our inability to protect or use our intellectual property rights may adversely affect our business, results of operation and financial condition.***

We, along with our Subsidiaries have 126 trademarks registered as on the date of this Draft Red Herring Prospectus, in relation to the brand names of our products. For details, see "***Government and Other Approvals***" on page 275. Our brand names and trademarks are significant to our business and operations. We believe that several of the brand names of our products have significant brand recognition in their respective therapeutic areas. The use of our brand names or logos by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations.

Further, we, along with our Subsidiaries have applied to register more than 150 trademarks, as of January 15, 2017, certain of which have either been objected to or opposed by certain third parties, including the applications for Olmin, Atorsave, LN Bloc and Marzon brand names, which are included in our list of 'top ten' mother brand groups, in terms of revenues in the IPM for Fiscal 2016 (*Source: IMS TSA MAT, March 2016*). In addition, certain of our trademarks acquired from Aprica Pharma, including in relation to the Apriglim and Atorica brand names, have also been objected to by certain third parties. In the event the Registrar of Trademarks rejects our applications for registration of these or other trademarks, our business, results of operation and financial condition would be adversely affected.

Obtaining, protecting and defending intellectual property rights can be time consuming and expensive, and may require us to incur substantial costs, including the diversion of the time and resources of management and technical personnel. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

***28. If we inadvertently infringe on the intellectual property rights of others, our business and results of operations may be adversely affected.***

We operate in an industry characterized by extensive patent litigation. While we primarily manufacture and commercialize products that utilize pharmaceuticals that are generic in nature, i.e., pharmaceuticals that are not protected by patents in India, we may inadvertently infringe on patents of others in the manufacture of our products. 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 and divert our management's attention. The occurrence of any of these risks could adversely affect our business, financial condition and results of operations.

Further, our Company is also involved in four proceedings which have been initiated against us alleging infringement of trademarks and passing off, including in relation to our Olmin and Alerfix brand names. In the event we are subject to an unfavorable ruling with respect to such litigation, we would incur significant liability, as well as require us to cease using the affected trademarks. In the ordinary course of business, our Company has and may continue to receive notices from third parties alleging trademark infringement which may result in the initiation of legal proceedings before the courts. In the event we receive an unfavourable order with respect to any of our brands, we may be required to discontinue the use of such brand names which may affect our business and results of operations. For further details please see "*Outstanding Litigation and Material Developments*" on page 268.

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

Our industry is continually changing due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products and significant price competition. If our pharmaceutical products and technologies become obsolete due to the discovery of new drugs or other factors, our business and results of operations could be adversely affected. Although we strive to maintain and upgrade our technologies, facilities and machinery consistent with current national and international standards, the technologies, facilities and machinery we currently use may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facility could be significant, which could adversely affect our business, results of operations and financial condition. Any failure on our part to effectively address such situations, innovate and keep up with technological advancements or to successfully introduce new products in these therapeutic areas, could adversely affect our business, results of operations, financial condition and cash flows.

***30. A significant disruption to our distribution network or any disruption of civil infrastructure, transport or logistic services, may create delays in deliveries of products distributed by us.***

We rely on various forms of transportation, such as roadways and railways to receive raw materials required for our products and to deliver our finished products to our customers. Unexpected delays in those deliveries, including due to delays in obtaining customs clearance for raw materials imported by us, or increases in transportation costs, could significantly decrease our ability to make sales and earn profits. Manufacturing delays or unexpected demand for our products may also require us to use faster, but more expensive, transportation methods, which could adversely affect our gross margins. In addition, labor shortages or labor disagreements in the transportation or logistics industries or long-term disruptions to the national and international transportation infrastructure that lead to delays or interruptions of deliveries could materially adversely affect our business.

Further, we cannot assure you that we will be able to secure sufficient transport capacity for these purposes. A significant disruption to our distribution network or any disruption of civil infrastructure could lead to a failure by us to provide products distributed by us in a timely manner, which would adversely affect our business and results of operations.

**31. Significant disruptions of information technology systems or breaches of data security could adversely affect our business.**

Our business is dependent upon increasingly complex and interdependent information technology systems, including internet-based systems, to support business processes as well as internal and external communications. For instance, we have implemented an ERP system to handle purchase of goods, services, inventory, supply chain management, invoicing, accounting, payments, collections, reconciliation, taxation, regulatory compliance, human resources management and other business functions. We have also implemented a sales personnel management system which has the capability to record data at the headquarter level as well as in relation to each employee, including presenting analysis and historical trends. The size and complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. We have experienced certain minor disruptions to our information technology systems due to power supply interruptions in the past and we cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons.

**32. We are dependent on a number of key personnel, including our senior management, and the loss of, or our inability to attract or retain, such persons could adversely affect our business, results of operations and financial condition.**

Our performance depends largely on the efforts and abilities of our senior management, other key personnel and the performance and productivity of our operational managers. We believe that the inputs and experience of our senior management, in particular, the expertise, experience and services of our Managing Director and other Executive Directors and other Key Managerial Personnel are valuable for the development of business and operations and the strategic directions taken by our Company. For details in relation to the experience of our Key Managerial Personnel, see “*Our Management*” on page 132.

We cannot assure you, however, that these individuals or any other member of our senior management team will not leave us or join a competitor. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business and our results of operations.

**33. Reliance has been placed on declarations and affidavits furnished by certain of our Directors, Promoters and Key Managerial Personnel for details of their profiles included in this Draft Red Herring Prospectus.**

Certain of our Directors, Promoters and Key Managerial Personnel, namely, Mr. Amit Indubhushan Bakshi (Promoter and Chairman and Managing Director), Mr. Himanshu Jayantbhai Shah (Promoter and Executive Director), Dr. Kirit Nanubhai Shelat and Mr. Rajiv Gulati (Independent Directors); Mr. Rajendra Rambhai Patel and Mr. Kaushal Kamlesh Shah (Promoters and Key Managerial Personnel); and Mr. Sachin Shah (Key Managerial Personnel) have been unable to trace copies of certain documents pertaining to their educational qualifications, prior professional experience and previous employment. Accordingly, reliance has been placed on declarations, undertakings and affidavits furnished by these Directors, Promoters and Key Managerial Personnel to disclose details of their educational qualifications, prior professional experience and previous employment in this Draft Red Herring Prospectus and we have not been able to independently verify these details. Therefore, we cannot assure you that all information relating to the educational and professional background of certain of our Directors, Promoters and Key Managerial Personnel included in the sections “*Our Promoters, Promoter Group and Group Companies*” and “*Our Management*” on pages 147 and 132 respectively, as may be applicable, is complete, true and accurate.

**34. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements and capital expenditures.**

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements and our capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on

factors that our Board and shareholders deem relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future. For details of dividend paid by our Company in the past, see “*Dividend Policy*” on page 152.

**35. *We have experienced negative cash flows in relation to our investing activities and financing activities in the last five Fiscals and for the six months ended September 30, 2016. Any negative cash flows in the future would adversely affect our results of operations and financial condition.***

We had a negative cash flow from investing activities of ₹ 1,050.92 million, ₹ 439.13 million, ₹ 921.33 million, ₹ 827.43 million, ₹ 356.69 million and ₹ 194.51 million, on a consolidated basis, for the six months period ended September 30, 2016, Fiscals 2016, 2015, 2014, 2013 and 2012, respectively. Further, we had a negative cash flow from financing activities of ₹ 172.41 million, ₹ 836.98 million, ₹ 23.04 million, ₹ 31.19 million and ₹ 96.69 million, on a consolidated basis, for the six months period ended September 30, 2016, Fiscals 2016, 2014, 2013 and 2012, respectively. If we experience any negative cash flows in the future, this could adversely affect our results of operations and financial condition. For further details, see “*Financial Information – Annexure III – Summary Statement of Restated Consolidated Cash Flow*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources- Cash Flows*” on pages 209 and 256, respectively.

**36. *Our Promoters will continue to retain control over our Company after completion of the Offer, which will allow them to influence the outcome of matters submitted for approval of our shareholders.***

Our Promoters currently own 59.18% of our Equity Shares. Following the completion of the Offer, our Promoters will continue to hold 55.93% of our post-Offer Equity Share capital. As a result, they will have the ability to influence matters requiring shareholders approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders’ meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. We cannot assure you that our Promoters will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

**37. *Some of the properties used by our Company including our Corporate Office are occupied by our Company on lease basis. Any termination of the lease(s) or our failure to renew the same in a favorable, timely manner, or at all, could adversely affect our activities.***

Currently, certain of the properties used by our Company, including our Corporate Office are on lease basis. Termination of leases or other relevant agreements in connection with premises which are not owned by us, or our failure to renew the same, on favorable conditions and in a timely manner, or at all, could require us to vacate such premises at short notice, and could adversely affect our business and financial condition. We cannot assure you that we will be able to renew any such leases when the term of the original lease expires, on similar terms or terms reasonable for us or that such leases will not be prematurely terminated (including for reasons that may be beyond our control).

Further, the Ahmedabad Urban Development Authority has stipulated that our Company is required to use the premises at which our Registered Office is located for the purpose of a nursing home. Although we have paid the requisite fee in order to obtain a change of use certificate, if we are deemed to be non-compliant with the terms stipulated by the Ahmedabad Urban Development Authority our Company may be required to pay a penalty.

**38. *Certain of our Promoters, Directors and key managerial personnel have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits.***

Certain of our Promoters, Directors and key managerial personnel may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors and Promoters and key managerial personnel may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. Further, certain of our key managerial personnel may also be regarded as interested to the extent of employee stock options which may be granted to them from time to time pursuant to the Eris ESOP. We cannot assure you that our Promoters, Directors and our key management personnel, if they are also our shareholders, will exercise their

rights as shareholders to the benefit and best interest of our Company. For further details, see “*Capital Structure*”, “*Our Promoters, Promoter Group and Group Companies*” and “*Our Management*” on pages 68, 147 and 132, respectively.

**39. *Grants of stock options under our employee stock option plan may result in a charge to our profit and loss account and, to that extent, adversely affect our business, financial condition, results of operations and prospects.***

As on the date of this Draft Red Herring Prospectus, 391,599 stock options are remaining to be granted to eligible employees under the Eris ESOP. Under Indian GAAP, the grant of employee stock options results in a charge to our Company’s profit and loss account equal to the intrinsic value (which will amortize over the vesting period of these stock options) based on the difference between the fair value of our Equity Shares determined at the date of grant and the exercise price. In addition to the effect on the profit and loss account, the exercise of vested stock options will dilute the interests of Equity Shareholders (as in the case of any issuance of Equity Shares).

For more information on Eris ESOP, see “*Capital Structure – Employee Stock Option Scheme*” on page 70.

**40. *Our Company will not receive any proceeds from the Offer.***

The Offer comprises of an offer for sale of up to 28,875,000 Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to Selling Shareholders and we will not receive any such proceeds.

#### ***External Risk Factors***

##### ***Risks Related to India***

**41. *There is uncertainty on the impact of currency demonetization in India on our business.***

The Reserve Bank of India, or RBI, and the Ministry of Finance of the GoI withdrew the legal tender status of ₹ 500 and ₹ 1,000 currency notes pursuant to notification dated November 8, 2016. The short-term impact of these developments has been, among other things, a decrease in liquidity of cash in India. There is uncertainty on the long-term impact of this action. The RBI has also established, and continues to refine, a process for holders of affected banknotes to tender such notes for equivalent value credited into the holders’ bank accounts. The short- and long-term effects of demonetization on the Indian economy and our business are uncertain and we cannot accurately predict its effect on our business, results of operations and financial condition.

**42. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors’ reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the

areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**43. *Our Company will be required to prepare financial statements under IND (AS). The transition to IND (AS) in India is very recent and there is no clarity on the effect of such transition on our Company.***

India has decided to adopt the “Convergence of its existing standards with IFRS” and not the IFRS. These “IFRS based or synchronized Accounting Standards” are referred to in India as the Indian Accounting Standards (“**IND (AS)**”). The Ministry of Corporate Affairs, Government of India, has through a notification dated February 16, 2015, set out the IND (AS) and the timelines for their implementation. Pursuant to the notification, IND (AS) is mandatorily applicable to companies (except banking companies, insurance companies and non-banking financial companies) effective from (i) the accounting periods beginning on or after April 1, 2016 (with comparatives for the period ending March 31, 2016 or thereafter), for companies with net worth of ₹ 5,000 million or more; and (ii) the accounting periods beginning on or after April 1, 2017 (with comparatives for the period ending March 31, 2017 or thereafter) for listed or to-be-listed companies (i.e. whose equity or debt securities are listed or are in the process of being listed on any stock exchange in or outside India) with net worth less than ₹ 5,000 million and unlisted companies with net worth between ₹ 2,500 million and ₹ 5,000 million. These requirements would also apply to any holding, subsidiary, joint venture or associate companies of such aforementioned companies. Accordingly, our Company is required to prepare their financial statements in accordance with IND (AS) for periods beginning on or after April 1, 2017. Given that IND (AS) is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements. Further, our Restated Financial Statements have been prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI Regulations. These statements have not been drawn up in accordance with IND (AS) and they may be affected if IND (AS) were applied to them.

We cannot assure you that the adoption of IND (AS) will not affect our reported results of operations or cash flows. Further, we may be required to retroactively apply IND (AS) to our historical financial statements, subject to certain exemptions, which may require us to restate financial statements after March 31, 2016, once included. In addition, our management may also have to divert its time and other resources for the successful and timely implementation of IND (AS). Any failure to successfully adopt IND (AS) may have an adverse effect on the trading price of our Equity Shares or may lead to regulatory action and other legal consequences. Moreover, our transition to IND (AS) reporting may be hampered by increasing competition and increased costs for the relatively small number of IND (AS)-experienced accounting personnel available as more Indian companies begin to prepare IND (AS) financial statements. Any of these factors relating to the use of IND (AS) may adversely affect our financial condition, results of operations and cash flows.

We have not attempted to quantify the effect of IND (AS) on the financial information included in this Draft Red Herring Prospectus, nor have we provided a reconciliation of our financial statements to those under IND (AS). For details on the significant differences between Indian GAAP and IND (AS), see “*Summary of Significant Differences between Indian GAAP and IND (AS)*” on page 262.

**44. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**45. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and 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, including the instances mentioned below, 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.

- the Companies Act 2013 contains significant changes to Indian company law, including in relation to issuance of capital, related party transactions, corporate governance, audits, shareholder class actions and restrictions on the number of layers of subsidiaries. Among other things, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports. Although in terms of such requirements, we were required to undertake such spends on corporate social responsibility initiatives during Fiscals 2015 and 2016, we have been unable to meet such requirement on account of our inability to identify suitable opportunities in keeping with the identified objectives under the Companies Act, 2013, as has been disclosed our annual reports for the Fiscals 2015 and 2016; and
- the Government of India has issued the Income Computation and Disclosure Standards (“**ICDS**”) that will be applied in computing taxable income and payment of income taxes thereon, applicable with effect from the assessment period for Fiscal 2017. ICDS shall apply to all taxpayers following an accrual system of accounting for the purpose of computation of income under the heads of “profits and gains of business or profession” and “income from other sources”. Such specific standards for computation of income taxes in India are relatively new, and the impact of the ICDS on our results of operations and financial condition is uncertain.
- the General Anti Avoidance Rules (“**GAAR**”) are proposed to be effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- The Government of India has proposed a comprehensive national goods and services tax (“**GST**”) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (101 Amendment) Act 2016, which received Presidential assent on September 8, 2016, enables the Government of India and state governments to introduce GST. 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 the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the effect of such proposed legislations on our business. In addition, 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 or 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 affect the viability of our current business or restrict our ability to grow our business in the future.

**46. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.**

Under 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 valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's or central government's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

**47. *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 capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India.

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.

**48. *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.

***Risks Related to the Offer***

**49. *The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares shall be determined by our Company and the Investor Selling Shareholder in consultation with the BRLMs through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

**50. *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.

**51. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company and the Investor Selling Shareholder in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under “*Basis for Offer Price*” on page 80 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Offer Price.

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

After the completion of the Offer, our Promoters will continue to own a majority of our outstanding 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 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, 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 68, we cannot assure you that our Promoters will not dispose of, pledge or encumber their Equity Shares in the future.

**53. *Holder of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

**54. *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 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.

**Prominent Notes:**

- Initial public offering of up to 28,875,000 Equity Shares of face value of ₹ 1 each of our Company, for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million through an Offer for Sale by the Selling Shareholders. The Offer includes an Employee Reservation Portion reservation of up to [●] Equity Shares aggregating up to ₹ [●] million (which shall not exceed 5% of the post-Offer Equity Share capital of our Company) and a Net Offer to the public of up to [●] Equity Shares. The Offer and the Net Offer shall constitute 21% and [●]%, respectively of the post-Offer paid up Equity Share capital of our Company.
- Our standalone net worth as on September 30, 2016 and March 31, 2016, as per our Restated Standalone Financial Statements included in this Draft Red Herring Prospectus is ₹ 4,322.69 million and ₹ 3,057.29 million, respectively. See “*Financial Statements*” on page 153.
- Our consolidated net worth as on September 30, 2016 and March 31, 2016, as per our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus is ₹ 4,292.74 million and ₹ 2,996.23 million, respectively. See “*Financial Statements*” on page 153.
- The net asset value per Equity Share as on September 30, 2016 and March 31, 2016, as per our Restated Standalone Financial Statements included in this Draft Red Herring Prospectus is ₹ 31.44 and ₹ 22.23, respectively, and as per our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus is ₹ 31.22 and ₹ 21.79, respectively. See “*Financial Statements*” on page 153.
- The average cost of acquisition per Equity Share by our Promoters as on the date of this Draft Red Herring Prospectus is:

Name of Promoter	Average cost of acquisition per Equity Share (₹)*
Mr. Amit Indubhushan Bakshi	6.60
Mr. Himanshu Jayantbhai Shah	Negligible
Mr. Inderjeet Singh Negi	Negligible
Mr. Rajendrakumar Rambhai Patel	Negligible
Mr. Kaushal Kamlesh Shah	Negligible

\*As certified by Khandhar Mehta & Shah, Chartered Accountants by their certificate dated February 3, 2017.

- The average cost of acquisition per Equity Share by our Selling Shareholders (other than Promoters) as on the date of this Draft Red Herring Prospectus is:

Name of the Selling Shareholder (other than Promoters)	Average cost of acquisition per Equity Share (₹)*
Botticelli	87.27
Mr. Bhikhabhai Chimanlal Shah	Negligible
Mr. Rakeshbhai Bhikhabhai Shah	Negligible
Mr. Hetal Rasiklal Shah	Negligible

\*As certified by Khandhar Mehta & Shah, Chartered Accountants by their certificate dated February 3, 2017.

- Other than the change in name of our Company from ‘Eris Lifesciences Private Limited’ to ‘Eris Lifesciences Limited’ on February 2, 2017 on account of conversion from a private to a public company, there has been no change of name of our Company at any time during the last three years immediately preceding the date of filing Draft Red Herring Prospectus. For details of changes in our Memorandum of Association, see “*History and Certain Corporate Matters*” on page 125.
- There has been no financing arrangement whereby our Promoter Group, our Directors, or any of their respective relatives, have financed the purchase by any other person of securities of our Company, other than in the ordinary course of the business of the financing entity, during the six months preceding the date of this Draft Red Herring Prospectus.

- Except as stated in “*Financial Statements – Restated Standalone Financial Statements – Annexure V - Note 14: Summary of Restated Standalone Long-Term Loans and Advances*” on page 177, there have been no transactions between our Company and Subsidiaries during the last Fiscal, i.e. Fiscal 2016.
- Investors may contact the BRLMs that have submitted the due diligence certificate to SEBI, for any complaints pertaining to the Offer.

## SECTION III – INTRODUCTION

### SUMMARY OF INDUSTRY

The information in this section should be read in conjunction with the sections “Risk Factors”, “Industry Overview” and “Our Business” on pages 16, 88 and 101, respectively.

#### The Global Pharmaceuticals Industry

The table below sets out the top 20 international pharmaceuticals markets, as per IMS, as of calendar years 2010 and 2015 and projections for calendar year 2020, in local currency terms:

Rank	2010	Sales (LC\$ bn)	2015	Sales (LC\$ bn)	2020	Sales (LC\$ bn)
1	USA	319.5	USA	434.3	USA	612.3
2	Japan	76.0	China (+1)	110.7	China (+1)	153.9
3	China	56.8	Japan (-1)	89.1	Japan (-1)	91.9
4	Germany	35.9	Germany	43.4	Germany	50.8
5	France	32.8	France	32.7	Brazil (+5)	36.6
6	Italy	22.7	Italy	27.8	UK (+2)	36.1
7	Spain	18.9	UK (+1)	26.7	France (-2)	33.7
8	UK	18.9	Brazil (+2)	24.3	Italy (-2)	33.8
9	Canada	17.3	Spain (-2)	20.9	India (+4)	27.9
10	Brazil	13.5	Canada (-1)	19.1	Spain (-3)	23.7
11	South Korea	10.8	Venezuela (+3)	16.3	Canada (-2)	23.1
12	Australia	9.5	India (+1)	15.9	South Korea (-1)	15.6
13	India	8.6	South Korea (-2)	12.2	Russia (+3)	15.2
14	Venezuela	8.1	Russia (+2)	11.3	Australia (-2)	14.0
15	Mexico	7.4	Australia (-3)	11.0	Turkey (+7)	13.0
16	Russia	6.2	Mexico (-1)	8.9	Mexico (-1)	12.2
17	Poland	5.5	Argentina (+6)	6.7	Saudi Arabia (+9)	8.3
18	Netherlands	5.3	Turkey (+4)	6.6	Poland (-1)	7.8
19	Belgium	5.2	Poland (-2)	6.4	Argentina (+4)	7.3
20	Greece	5.0	Saudi Arabia (+8)	6.1	Switzerland (+1)	6.2

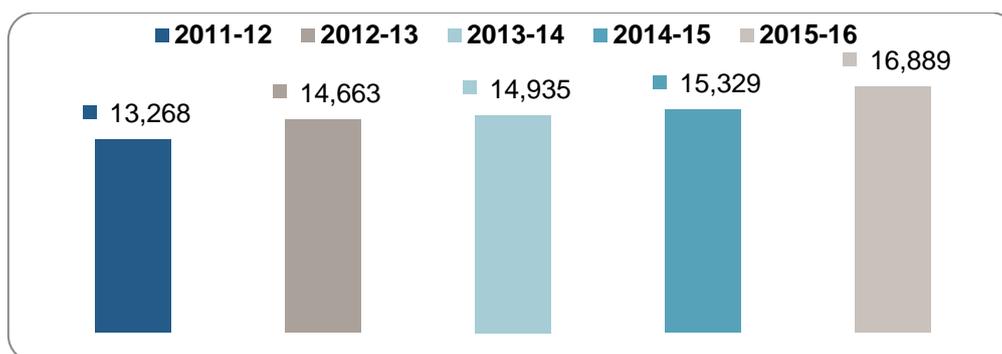
\*LC\$ refers to local currency

Source : IMS Prognosis Global 2016-2020

The global pharmaceuticals market is estimated to grow at a CAGR of 5.6% between calendar years 2015 and 2020 (Source: IMS Prognosis Global 2016-2020). IMS has identified 21 ‘pharmerging’ markets, including China, India, Brazil and Russia, based on macroeconomic metrics and pharmaceuticals market forecasts. India is one of the largest contributors to the global pharmaceuticals market growth and is ranked third among the ‘pharmerging’ markets in terms of pharmaceuticals sales. According to IMS, pharmaceutical sales in ‘pharmerging’ markets are expected to grow at a CAGR of approximately 7.6% between calendar years 2015 and 2020, which is higher than major developed countries and rest of the world, which are forecasted to grow at a CAGR of approximately 5.5% and 2.6%, respectively, between the same periods. ‘Pharmerging’ markets are expected to increase their share in the global pharmaceuticals market sales growth from 25.1% in calendar year 2016 to 30.5% in calendar year 2020 (Source: IMS Prognosis Global 2016-2020).

#### The Indian Pharmaceuticals Markets (“IPM”)

India is one of the largest pharmaceuticals markets in the world. Between Fiscals 2012 and 2016, the IPM revenues grew at a CAGR of 12.2% to reach ₹1,046.33 billion (Source: IMS total sales audit (“TSA”) moving annual turnover (“MAT”), March 2016; IMS TSA includes sales from authorized pharmaceuticals stockists to retailers and sales from sub-stockists, doctors and hospitals, but does not include the sales to institutions and tenders), driven by favorable demographic and macro-economic trends, the rising prevalence of chronic diseases, increasing insurance spending and the under-penetration of medical infrastructure and talent. In addition to a large domestic formulations market, India has also emerged as a hub for exporting finished formulations, APIs and excipients to several countries globally. The table below illustrates the growth in India’s pharmaceutical exports between Fiscals 2012 and 2016:



Source: Pharmexil Annual Reports, 2014-15 and 2015-16

## Overview of the Indian Pharmaceuticals Market

The IPM can be classified into acute and chronic categories. The acute category of the IPM comprises therapies intended for diseases of short duration and recent onset, including anti-infectives, gastro intestinal medication, vitamins and gynecology. The chronic category includes therapies intended for non-communicable diseases that are prolonged in duration. Some examples of chronic diseases include heart disease, diabetes, cancer and arthritis. The IPM is the 13<sup>th</sup> largest market globally in terms of value and third largest market globally in terms of volume (Source: Ministry of External Affairs, Government of India - [http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices\\_landing/347/1](http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices_landing/347/1)).

### Key Characteristics of the IPM

The IPM is characterized by the following key factors:

- **Large out of pocket spend and low per capita health expenditure:** In 2014, India ranked 64<sup>th</sup> globally out of 218 countries, in terms of out of pocket expenditure, as a percentage of private expenditure on health. In 2014, per capita expenditure on health in India was US\$ 75, as against US\$ 420 in China, US\$ 99 in Indonesia, and US\$ 127 in Sri Lanka. (Source: World Bank, <http://wdi.worldbank.org/table/2.15>)
- **Branded generics:** Branded generics (off-patent drugs with a trade name) dominate the IPM, contributing to approximately 98% of retail sales in Fiscal 2016 (Source: IMS TSA MAT, March 2016). In Fiscal 2016, the IPM had 32,706 brands across all therapeutic areas and the top 300 brands accounted for 30.5% of the sales in the IPM. The top 100 brands accounted for 30.7% of the overall sales in the chronic category and for 21.1% of the overall sales in the acute category for Fiscal 2016. (Source: IMS TSA MAT, March 2016).
- **Prescriptions led:** A large portion of the IPM is prescription led, with the prescriber base comprising consulting physicians, specialists and super specialists (“Registered Medical Practitioners”). Hospitals and over the counter drugs (“OTC”) account for a smaller portion of the IPM. A growth in the number of Registered Medical Practitioners combined with other drivers including a rise in the patient population, increasing affordability, and improving medical infrastructure and diagnostics has led to a growth in the number of prescriptions. (Source: IMS). The table below illustrates prescription share and value per prescription across doctor categories, in the IPM:

Specialty	value per prescription in ₹	
	IPM Prescription Share	IPM Value per Prescription
Diabetologists / Endocrinologists	1.1%	1,350.0
Cardiologists	2.4%	990.0
Gastroenterologists	1.1%	860.0
Neurologists/ Neurosurgeons	1.6%	820.0
Nephrologists / Urologists	1.0%	630.0
Others*	38.3%	280.0
Consulting Physicians	8.3%	560.0
Gynaecologists	7.7%	350.0

General Physicians (MBBS)	12.0%	200.0
General Physicians (Non MBBS)	26.5%	120.0
	<b>100.0%</b>	<b>300.0</b>

\*Others includes: dentists, pediatricians, general surgeons, chest specialists, ENT specialists, ophthalmologists, oncologists, psychiatrists, orthopedics and dermatologists.

Source: IMS Analysis, IMS TSA and Medical Audit MAT, September 2016

- **Rising prevalence of chronic diseases:** Rising demand for drugs that treat chronic illness, driven by a growing incidence of lifestyle disorders has led to an increase in the share of the chronic category in the IPM from 30.5% in Fiscal 2012 to 33.4% in Fiscal 2016 (Source: IMS TSA MAT, March 2016).
- **Metro Cities and class 1 towns:** According to IMS, Metro Cities and Class 1 towns in India accounted for 64.5% of the IPM revenues in Fiscal 2016. The contribution of metro cities and class 1 towns to revenues for Fiscal 2016 from the chronic category of the IPM were higher, at 70.9%, as compared to acute category, at 61.2%. Further, the chronic category has grown at a faster pace in Metro Cities and Class 1 towns at 14.0% and 14.9%, respectively between Fiscals 2012 and 2016 while growth in the acute category in metro cities and class 1 towns has been 11.7% and 9.8%, respectively, for the same period. (Source: IMS TSA and Town Class MAT, March 2016).

The table below illustrates the revenue contribution of metro cities and class 1 towns to the IPM, broken down by certain key therapeutic areas:

Therapeutic Area	Revenues in ₹million			
	IPM		IPM Revenue % from metro cities and class 1 towns	
	Fiscal 2016	Six months ended September 30, 2016	Fiscal 2016	Six months ended September 30, 2016
Cardiovascular	121,485.9	67,095.6	69.6%	70.3%
Anti-diabetics	85,200.8	48,929.2	72.0%	73.1%
Vitamins	80,478.4	46,492.9	63.4%	63.9%
Gastroenterology	112,142.3	64,666.7	59.2%	60.2%

Source: IMS Analysis; IMS TSA and Town Class MAT, March 2016; IMS TSA for six months ended September 30, 2016

- **Domestic companies dominate market share:** Domestic companies accounted for a majority of the revenues in the IPM, with a share of 77.7% of revenues, for Fiscal 2016, compared to 74.9%, for Fiscal 2012 (Source: IMS TSA MAT, March 2016). Multi-national corporations had a lower share of the IPM, partly due to branded generics dominating the IPM accounting for approximately 98% of retail sales in Fiscal 2016 (Source: IMS TSA MAT, March 2016).
- **Fragmented supplier base:** The IPM is characterized by fragmentation in the supplier base, which consisted of 493 companies, in Fiscal 2016. However, the top 10 companies and the top 25 companies accounted for 42.6% and 70.7% of the IPM, respectively for Fiscal 2016. (Source: IMS TSA MAT, March 2016).

### Growth drivers for the IPM

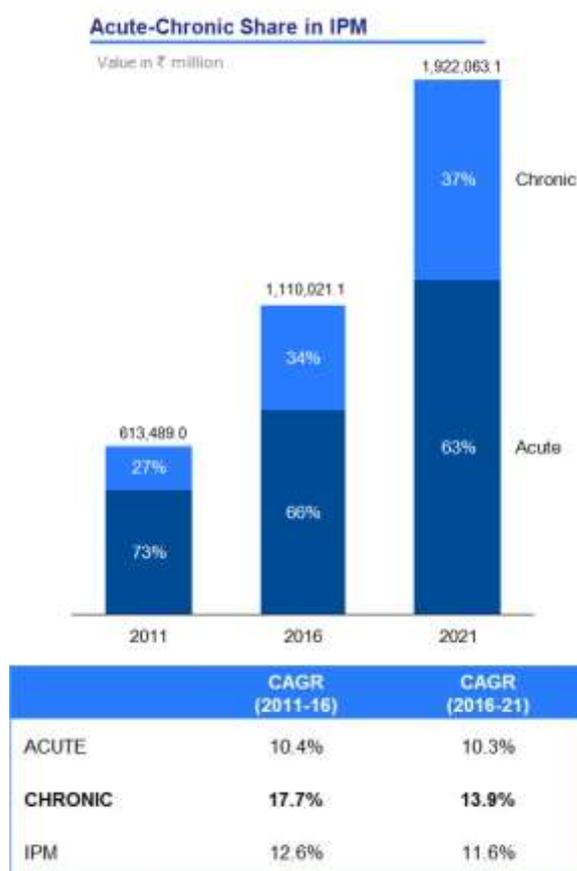
The IPM is expected to grow at a CAGR of 11.6% between calendar years 2016 and 2021 (Source: IMS Prognosis, 2016). The table below illustrates the growth drivers in the IPM, across contribution of volume growth, price growth and new introductions:

IPM	Revenue Growth (year on year)	Volume Growth (year on year)	Price Growth (year on year)	New Introductions Growth (year on year)
Fiscal 2014	10.3%	2.2%	1.7%	6.4%
Fiscal 2015	13.4%	5.6%	1.7%	6.1%
Fiscal 2016	14.4%	5.8%	3.6%	5.0%

(Source: IMS TSA MAT, March 2016)

The underlying growth in the IPM is expected to be a function of several factors, including:

- **Favorable demographics and macro-economic developments:** Overall healthcare spending in India is expected to rise due to a high real GDP growth rate, improving GDP per capita, rising affordability, improving healthcare infrastructure the increasing awareness of diseases and therapies, and a greater penetration of diagnostics. India also has a large population of an estimated 1.3 billion people, as of July, 2016 with an estimated 77.1 million people over the age of 65. (Source: CIA World Fact Book (India)). Increasing life expectancy levels imply a larger addressable market for the IPM.
- **Rising prevalence of chronic diseases:** An increase in lifestyle disorders has increased the prevalence of chronic diseases, and consequently, has raised the share of the chronic category in the IPM from 30.5% in Fiscal 2012 to 33.4% in Fiscal 2016 (Source: IMS TSA MAT, March 2016). The chronic category is expected to grow at a CAGR of 13.9% between calendar years 2016 and 2020. (Source: IMS Prognosis, 2016). The tables below illustrate the relative share of the acute and chronic categories in the IPM together with estimated growth rates:



Source: IMS TSA MAT, March 2011 and March 2016; IMS Prognosis, 2016

- **Medical talent including specialists and super specialists:** To ensure availability of specialist doctors at the secondary and tertiary levels, the Indian Finance Minister in his union budget speech for Fiscal 2018 has announced the creation of additional 5,000 post-graduate seats every year. The number of post graduate medical seats presently available in India is approximately 27,000 (Source: Medical Council of India).

**Progression of super-speciality courses in India:**

	2011 <sup>1</sup>	2014 <sup>2</sup>	2017 <sup>3</sup>
<b>Cardiology</b>	236	269	315
<b>Endocrinology</b>	42	55	78
<b>Neurology</b>	139	172	219
<b>Gastroenterology</b>	85	102	118
<b>Nephrology</b>	72	95	120

- (1) *National Health Profile 2011, Central Bureau of Health Intelligence*
- (2) *National Health Profile 2015, Central Bureau of Health Intelligence*
- (3) *Medical Council of India website as on February 2, 2017*

Since India continues to remain a prescriptions led market, registered medical practitioners play an important role. Most retail drugs are sold through prescriptions from specialists and super specialists, who accounted for 61.6% of all prescriptions in IPM for Fiscal 2016 (*Source: IMS Medical Audit MAT, March 2016*). A growing contribution of specialty therapies is expected to further enhance the importance of specialists and super specialists in the pharmaceuticals value chain.

## SUMMARY OF BUSINESS

The following information should be read together with the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the sections titled “**Risk Factors**”, “**Our Business**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and “**Financial Statements**” on pages 16, 101, 242 and 153 respectively.

### Overview

We develop, manufacture and commercialize branded pharmaceutical products in select therapeutic areas within the chronic and acute categories of the IPM, such as: cardiovascular; anti-diabetics; vitamins; gastroenterology; and anti-infectives. Our focus has been on developing products in the chronic and acute category which are linked to lifestyle related disorders. The chronic category of the IPM contributed 64.2% of our revenues in Fiscal 2016 (Source: IMS TSA MAT, March 2016) and 65.4% of our revenues for the six months ended September 30, 2016 (Source: IMS TSA, for six months ended September 30, 2016). We were ranked 21<sup>st</sup> out of 353 domestic and multinational companies present in the chronic category of the IPM, in terms of revenues for Fiscal 2016 (Source: IMS TSA MAT, March 2016). We were the fastest growing company, in the chronic category, among the top 25 companies in terms of revenues, with revenue growth at CAGR of 33.9%, between Fiscals 2012 and 2016 (Source: IMS TSA MAT, March, 2016). We generated 35.8% in Fiscal 2016 (Source: IMS TSA MAT, March 2016) and 34.6% for the six months ended September 30, 2016, of our revenues from the acute category of the IPM (Source: IMS TSA, for six months ended September 30, 2016). Our revenues from the acute category grew at a CAGR of 20.1% between Fiscals 2012 and 2016 (Source: IMS TSA MAT, March, 2016).

Our product portfolio comprised of 56 mother brand groups as of March 31, 2016 (Source: IMS TSA MAT, March 2016) and September 30, 2016 (Source: IMS TSA, for six months ended September 30, 2016), not including our acquisitions. Our product portfolio is primarily focused on therapeutic areas which require the intervention of specialists and super specialists such as cardiologists, diabetologists, endocrinologists and gastroenterologists. Sales in metro cities and class 1 towns, together accounted for 75.7% of our revenues in Fiscal 2016 (Source: IMS Town Class MAT, March 2016) and 77.6% for the six months ended September 30, 2016, as a majority of specialists and super specialists are based in these metro cities and class 1 towns (Source: IMS Town Class, for six months ended September 30, 2016). Between Fiscals 2012 and 2016, there has been an increase in the number of doctors prescribing our products from 24,606 (constituting 9.3% of doctors in metro cities and class 1 towns in India) to 49,476 (constituting 16.0% of doctors in metro cities and class 1 towns in India) and also increase our share in prescriptions from 0.9% to 1.2% over the same period (Source: IMS Medical Audit and Town Class MAT, March 2016).

Our products in the chronic category of the IPM cater primarily to the following therapeutic areas:

- **cardiovascular**: as of March 31, 2016, we had a portfolio of 39 brands in the cardiovascular therapeutic area, including 30 brands in the hypertension subgroup; 19 of our cardiovascular brands were ranked in the top 10 in their respective subgroup of the IPM in terms of revenues, for Fiscal 2016; we had revenues of ₹2,341.2 million and were ranked 18<sup>th</sup> in terms of revenues from the cardiovascular therapeutic area, in Fiscal 2016; between Fiscals 2012 and 2016 our revenues grew at a CAGR of 33.2%; and we were ranked second in terms of growth during this period, among the top 25 companies in the cardiovascular therapeutic area of the IPM; (Source: IMS TSA MAT, March 2016);
- **anti-diabetics**: as of March 31, 2016, we have a portfolio of 19 brands in the anti-diabetics therapeutic area, of which eight brands were ranked in the top 10 in their respective subgroup of the IPM, in terms of revenues for Fiscal 2016; we had revenues of ₹1,943.6 million and were ranked 11<sup>th</sup> in terms of revenues from the anti-diabetics therapeutic area, in Fiscal 2016; between Fiscals 2012 and 2016 our revenues grew at a CAGR of 37.1%; and we were ranked second in terms of growth during this period, among the top 25 companies in the anti-diabetics therapeutic area of the IPM; (Source: IMS TSA MAT, March 2016); and
- **others**: our revenues from other therapeutic areas in the chronic category, namely neurology, chronic respiratory and chronic pain (analgesics), were ₹254.4 million for Fiscal 2016. (Source: IMS TSA MAT, March 2016).

We have grown our product portfolio in the acute category of the IPM, catering primarily to the following therapeutic areas:

- **vitamins:** we have grown to become the sixth largest company in cholecalciferol oral solids (including combinations) subgroup, in terms of revenues with a market share of 5.0% in Fiscal 2016; and we have the largest brand in Vitamin D and mecobalamin subgroup, in terms of revenues, with a market share of 29.4% in Fiscal 2016 (*Source: IMS*); our revenues from the vitamins therapeutic area were ₹1,104.7 million for Fiscal 2016, with growth at a CAGR of 19.3%, between Fiscals 2012 and 2016; (*Source: IMS TSA MAT, March 2016*);
- **gastroenterology:** as of March 31, 2016, we had a portfolio of 31 brands in the gastro-intestinal therapeutic area, of which five brands were ranked in the top 10 in their respective subgroup of the IPM, in terms of revenues for Fiscal 2016; our revenues from the gastroenterology therapeutic area were ₹794.4 million for Fiscal 2016, with growth at a CAGR of 17.2%, between Fiscals 2012 and 2016; (*Source: IMS TSA MAT, March 2016*);
- **anti-infectives:** our revenues from the anti-infectives therapeutic area were ₹207.9 million for Fiscal 2016, with a CAGR of 30.6% between Fiscals 2012 and 2016; (*Source: IMS TSA MAT, March 2016*);
- **gynaecology:** we have developed our portfolio of products in the gynaecology therapeutic area with a focus on products catering to women's health; our revenues from the gynaecology therapeutic area were ₹97.2 million for Fiscal 2016, with a CAGR of 43.3% between Fiscals 2012 and 2016; (*Source: IMS TSA MAT, March 2016*); and
- **others:** our revenues from other therapeutic areas in the acute category, namely acute respiratory, acute pain (analgesics), hepatoprotectives, hormones, hematology, dermatology, anti-obesity products and products for injury healing, were ₹326.7 million for Fiscal 2016 (*Source: IMS TSA MAT, March 2016*).

Effective July 1, 2016, we acquired trademarks in relation to 40 brands, from Amay Pharma, previously known as Aprica Pharmaceuticals Private Limited) for an aggregate consideration of ₹328.70 million, in order to grow our product portfolio in the cardiovascular and anti-diabetics therapeutic areas. Amay Pharma's revenues, from the brands acquired by us were ₹158.1 million for Fiscal 2016 (*Source: IMS TSA MAT, March 2016*). Further, on November 23, 2016, we entered into a share purchase agreement to acquire 61.48% equity shares of Kinedex from its existing shareholders, and on December 12, 2016, we entered into a share purchase and shareholders' agreement to acquire an additional 14.00% equity shares of Kinedex, taking our aggregate shareholding in Kinedex to 75.48%, for an aggregate consideration of ₹771.79 million. Kinedex primarily focuses on products catering to mobility related disorders in the musculoskeletal therapeutic area. Kinedex's revenues were ₹425.7 million for the six months ended September 30, 2016 (*Source: IMS TSA, for six months ended September 30, 2016*).

We own and operate a manufacturing facility in Guwahati, Assam. We also outsource the manufacturing of certain of our products, and currently use approximately 20 third party manufacturers. We have developed capabilities in the commercialization of pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and regulatory aspects. We have strong sales, marketing and distribution capabilities in India with seven sales divisions focused on developing and growing our engagement with specialists and super specialists. Our sales divisions are also responsible for our commercialization and marketing strategy. Our sales team comprised of 1,310 marketing representatives, as of September 30, 2016.

Our Promoters have an average experience of over a decade in the pharmaceuticals industry. In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations, and has substantial experience in pharmaceutical sales and marketing. We believe that the knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow our business. Our Company received the 'Competitive Strategy Leadership' award for 2013, from Frost & Sullivan and our Promoter, Chairman and Managing Director, Mr. Amit Indubhushan Bakshi, has been recognized as the 'Entrepreneur of the Year, 2013' by Ernst & Young.

For Fiscals 2016, 2015 and 2014, our net revenue from operations was ₹5,970.21 million, ₹5,455.58 million and ₹5,088.22 million, respectively. For the six month period ended September 30, 2016, our net revenue from operations was ₹3,707.97 million. Our net revenue from operations grew at a CAGR of 21.50% between Fiscals 2012 and 2016. For Fiscals 2016, 2015 and 2014, our restated profit after tax attributable to shareholders was ₹1,335.70 million, ₹892.34 million and ₹707.94 million, respectively. For the six month period ended September 30, 2016, our restated profit after tax attributable to shareholders was ₹1,296.52 million. Our restated profit after

tax attributable to shareholders has grown at a CAGR of 37.89% between Fiscals 2012 and 2016, demonstrating our focus on sustainable profit growth over such period.

## **Our Strengths**

### ***Focus on branded prescription based pharmaceutical products catering to lifestyle related disorders***

Our focus has been on developing, manufacturing and marketing products which are linked to lifestyle related disorders, that are chronic in nature, and to a target population which primarily consults specialists and super-specialists. We develop, manufacture and commercialize branded prescription based pharmaceuticals products in select chronic and acute therapeutic areas, such as: cardiovascular; anti-diabetics; vitamins; gastroenterology; anti-infectives; and gynaecology. In Fiscal 2016, we generated 64.2% (*Source: IMS TSA MAT, March 2016*), and for the six months ended September 30, 2016 we generated 65.4% (*Source: IMS TSA, for six months ended September 30, 2016*), of our revenues from the chronic category of the IPM. The chronic category accounted for 33.4% of the IPM in Fiscal 2016 compared to 30.5% of the IPM in Fiscal 2012, representing growth at a CAGR of 14.8% (*Source: IMS TSA MAT, March 2016*).

In Fiscal 2016, we generated 35.8% (*Source: IMS TSA MAT, March 2016*), and for the six months ended September 30, 2016 we generated 34.6% (*Source: IMS TSA, for six months ended September 30, 2016*), of our revenues from the acute category of the IPM. Our revenues from the acute category of the IPM grew at a CAGR of 20.1% between Fiscals 2012 and 2016 (*Source: IMS TSA MAT, March 2016*). We have identified, developed and are marketing products in the acute category which are connected to lifestyle disorders, and are required to be prescribed over an extended period, or are complementary to our existing chronic portfolio in terms of doctors prescribing our products. For further details on our ranking in therapeutic areas within the chronic and acute categories of the IPM, see “*Industry Overview – Competitive Landscape*” on page 95.

### ***One of the fastest growing companies in certain high growth therapeutic areas with a portfolio of complementary products***

Our growth in revenues, at a CAGR of 28.0%, between Fiscals 2012 and 2016 has outperformed overall IPM growth, at a CAGR of 12.2%, during the same period. In the chronic category of the IPM, we were the fastest growing company, among the top 25 companies in terms of revenues, with revenue growth at CAGR of 33.9%, between Fiscals 2012 and 2016. We were ranked 21<sup>st</sup> out of the 353 domestic and multinational companies in the chronic category of the IPM, in terms of revenues, for Fiscal 2016, compared to 30<sup>th</sup> in Fiscal 2012, and our market share by revenue in the chronic category increased from 0.7% in Fiscal 2012 to 1.3% in Fiscal 2016. (*Source: IMS TSA MAT, March 2016*).

In the chronic category, products in the cardiovascular and anti-diabetics therapeutic areas accounted for 60.6% of our revenues in Fiscal 2016 (*Source: IMS TSA MAT, March 2016*) and 61.5% for the six months ended September 30, 2016 (*Source: IMS TSA, for six months ended September 30, 2016*). In the cardiovascular therapeutic area of the IPM, we were ranked 18<sup>th</sup> in terms of revenues in Fiscal 2016, and second in terms of revenue growth among the top 25 companies between Fiscals 2012 and 2016 (*Source: IMS TSA MAT, March 2016*). To supplement our cardiovascular products, we also introduced chlortalidone in combination with contemporary angiotensin receptor blockers (“**ARBs**”), telmisartan and olmesartan, in 2012. Further, in the anti-diabetics therapeutic area of the IPM, we were ranked 11<sup>th</sup> in terms of revenues in Fiscal 2016, and second in terms of revenue growth between Fiscals 2012 and 2016 among the top 25 companies (*Source: IMS TSA MAT, March 2016*). Further, effective July 1, 2016, we acquired trademarks in relation to 40 brands, from Amay Pharma in order to further grow our product portfolio in the cardiovascular and anti-diabetics therapeutic areas.

In the acute category, products in the vitamins and gastroenterology therapeutic areas accounted for 26.9% of our revenues in Fiscal 2016 (*Source: IMS TSA MAT, March 2016*) and 24.9% for the six months ended September 30, 2016 (*Source: IMS TSA, for six months ended September 30, 2016*). We have extended our cardiovascular and anti-diabetics product portfolio by selecting therapeutic areas which are lifestyle related disorders, are underpenetrated, or have the potential to drive cross linkages with our existing portfolio and coverage at the doctor level. For example, considering the therapeutic relevance of cholecalciferol (Vitamin D) in lipid metabolism, diabetes and hypertension, we launched our Vitamin D brand, Tayo 60K, in 2011. Further, we acquired 75.48% equity interest (61.48% in November 2016 and an additional 14.00% in December 2016) in Kinedex, which primarily focuses on products catering to mobility related disorders in the musculoskeletal therapeutic area in the acute category of the IPM.

### Portfolio of high volume and leading brands

A significant proportion of our revenues is derived from mother brand groups which are among top 10 in their respective subgroups. The table below provides an overview of our revenues, market share and prescription ranking of our top 10 mother brand groups:

Revenue in ₹million; CAGR between Fiscals 2012 and 2016

Mother Brand Group	Therapeutic Area	Revenue			Market share		Prescription rank		
		Fiscal 2012	Fiscal 2016	CAGR	Six months ended September 30, 2016	Fiscal 2012	Fiscal 2016	Fiscal 2012	Fiscal 2016
Glimisave	Anti-diabetics	450.9	1,422.5	33.3%	812.6	3.5%	5.3%	2	3
Eritel	Cardiovascular	228.3	915.0	41.5%	508.8	3.3%	5.2%	4	4
Rabonik	Gastroenterology	293.7	591.3	19.1%	287.5	4.8%	5.2%	11	10
Tayo	Vitamins	173.9	553.5	33.6%	265.6	5.3%	5.5%	9	5
Remylin	Vitamins	293.1	493.6	13.9%	275.4	6.8%	6.6%	22	5
Olmin	Cardiovascular	81.4	406.2	49.4%	238.1	3.1%	6.4%	6	3
Atorsave	Cardiovascular	207.5	352.1	14.1%	171.6	2.3%	3.2%	6	5
LN Bloc	Cardiovascular	0.0	270.4	NA	169.8	NA	11.5%	NA	2
Crevast	Cardiovascular	75.4	191.9	26.3%	108.0	2.6%	2.4%	7	6
Marzon	Anti-infectives	30.8	174.3	54.2%	91.5	4.2%	20.3%	14	2
<b>Top 10 Mother Brand Group Total</b>		<b>1,835.10</b>	<b>5,371.01</b>	<b>30.8%</b>	<b>2,928.8</b>				

Source: IMS TSA and Medical Audit MAT, March 2016; IMS TSA, for six months ended September 30, 2016

In Fiscal 2016, we derived a higher proportion of our revenues from our top 10 and top 25 mother brand groups, as compared to the average of the top 25 players in the IPM, as set-out in the table below:

For Fiscal 2016

	Top 10 Mother Brand Groups Revenue Contribution	Top 25 Mother Brand Groups Revenue Contribution
Our Company	76.0%	94.4%
Average of Top 25 Companies in IPM	49.9%	71.4%

Source: IMS TSA MAT, March 2016

Further, we derived almost all of our revenues from products in the growth and mature phases of the lifecycle of the representative pharmaceutical molecules, as classified by SMSRC:

Lifecycle of Pharmaceutical Molecules	Our Company	IPM
Growth*	73.1%	30.1%
Mature*	25.1%	39.9%
Decline*	1.8%	29.6%

\*Growth, mature and decline phases refer to rate of growth in prescriptions of pharmaceutical molecules (all molecules taken together) at a CAGR of 8%, minus 1% and minus 5%, respectively, for the relevant period.

Source: SMSRC, based on data for MAT ending October 31, 2016.

We believe that a greater proportion of our products being in the growth lifecycle of the representative pharmaceutical molecules, as compared to the IPM, gives us a significant advantage as we seek to grow the prescriptions for our products.

### Focus on metro cities and class 1 towns in India which have higher incidence of lifestyle disorders and concentration of specialists and super specialists

Our product portfolio primarily focuses on therapeutic areas which have a higher incidence in metro cities and class 1 towns, and which rely on prescriptions by specialists and super specialists, who are concentrated in these regions. According to the Report of the Working Group on Disease Burden for the 12<sup>th</sup> Five Year Plan, there is a greater prevalence of lifestyle related disorders in urban and semi urban areas compared to rural areas. The table below illustrates the contribution of metro cities and class 1 towns in Fiscal 2016 to the IPM, broken down by category:

CAGR between Fiscals 2012 and 2016

Category	IPM Revenue % from metro cities and class 1 towns	IPM CAGR Revenue from Metros	IPM CAGR Revenue from Class 1 Towns	IPM Revenue % from metro cities and class 1 towns
	Fiscal 2016			Six months ended September 30, 2016
Chronic	70.9%	14.0%	14.9%	72.0%
Acute	61.2%	11.7%	9.8%	62.1%
<b>IPM Total</b>	<b>64.4%</b>	<b>12.6%</b>	<b>11.3%</b>	<b>65.4%</b>

Source: IMS Town Class MAT, March 2016; and IMS Town Class, for six months ended September 30, 2016.

We focus on sale of our products in metro cities and class 1 towns, with 75.7% of our revenues coming from these areas for Fiscal 2016 (Source: IMS analysis, Town Class MAT, March 2016) and 77.6% for six months ended September 30, 2016 (Source: IMS analysis, Town Class, for six months ended September 30, 2016). The table below demonstrates the revenue contribution of metro cities and class 1 towns for our key therapeutic areas:

Therapeutic Area	Revenues/ MAT in ₹ million							
	Our Company Revenues		Our Company Revenue % from metro cities and class 1 towns		IPM		IPM Revenue % from metro cities and class 1 towns	
	Fiscal 2016	Six months ended September 30, 2016	Fiscal 2016	Six months ended September 30, 2016	Fiscal 2016	Six months ended September 30, 2016	Fiscal 2016	Six months ended September 30, 2016
Cardiovascular	2,341.2	1,315.3	73.9%	75.1%	121,485.9	67,095.6	69.6%	70.3%
Anti-diabetics	1,943.6	1,163.0	73.5%	75.7%	85,200.8	48,929.2	72.0%	73.1%
Vitamins	1,104.7	599.9	81.6%	81.9%	80,478.4	46,492.9	63.4%	63.9%
Gastroenterology	794.4	403.6	77.0%	78.8%	112,142.3	64,666.7	59.2%	60.2%

Source: IMS TSA and Town Class MAT, March 2016; and IMS TSA and Town Class, for six months ended September 30, 2016

Further, as of September 30, 2016, approximately 87% of diabetologists/ endocrinologists, 89% of cardiologists and 89% of gastroenterologists, were located in metro cities and class 1 towns (among the top 780 cities and towns in India). Cardiologists, diabetologists/ endocrinologists and consulting physicians together comprised of only 11.8% of the total doctor population in India, as of September 30, 2016, however they contributed to 54.5% of the prescriptions for anti-diabetics and cardiovascular therapeutic areas. Further, super specialists, specialists and general physicians contributed to 38.3%, 23.2% and 38.5% of the total prescriptions for the IPM, respectively, as compared to 52.9%, 43.5% and 3.6% of total prescriptions for our mother brand groups, respectively. (Source: IMS TSA, Medical Audit and Town Class, MAT September, 2016).

#### Multi-faceted product selection and engagement model leading to growth in prescription for our products

Our multi-faceted product selection and engagement model comprises of identifying and addressing diagnostic gaps, therapeutic gaps and patient compliance gaps.

- **Diagnostics gap:** We believe that a combination of diagnostics with commercialization and marketing enhances the quality of diagnosis and prognosis. We have undertaken certain initiatives to support doctors, which we believe have helped increase the prescription rates of our products. For example:
  - i. **Hypertension:** ‘ambulatory blood pressure monitoring’ (“**ABPM**”) is a key tool in diagnosing and monitoring hypertension, which records the overall profile of a patient’s blood pressure over the course of a day; we launched an “ABPM on call” initiative which included providing insights and accessibility of ABPM to doctors and patients; through ABPM on call, we had supported approximately 14,800 patients and 2,600 doctors, as of September 30, 2016; and
  - ii. **Diabetes:** we believe continuous glucose monitoring (“**CGM**”) is important for diabetes treatment decisions; we have launched an initiative ‘Tendia CGM On Call’, which includes actively engaging with doctors with requirements for CGM for their patients; our trained executives install CGM

devices on the patients which monitor glucose levels for three to six days; post monitoring, we collect data for the relevant doctor.

- *Therapeutic gap*: We seek to identify and address therapeutic gaps in the IPM, where we believe that the clinical benefits of certain products and therapies are not tapped up to their potential. For example:
  - i. *Vitamin D*: tapping the therapeutic relevance of cholecalciferol (Vitamin D) in lipid metabolism, diabetes and hypertension, we launched our Vitamin D brand, Tayo 60K, in chewable form in 2011; and
  - ii. *Hypertension*: we focused on the concept of managing hypertension with an aspect of preventing vital organ damage along with blood pressure reduction, and introduced Cilnidipine, a newer generation anti hypertensive molecule that reduces adverse effects on the kidneys, in 2012.
- *Patient compliance gap*: Patient compliance forms an important part of our marketing initiatives. Our initiatives include technology driven delivery systems, including:
  - i. *Metformin*: in order to address patient compliance gaps, we have introduced a smaller form of our Glimisave M brand tablets; and
  - ii. *Rabeprazole*: we launched our ‘MacRabonik’ brand in 2014, which consists of a delayed dual release of rabeprazole, in order to address compliance gaps with dual dosage requirements of proton pump inhibitors.

Between Fiscals 2012 and 2016, there has been an increase in the number of doctors prescribing our products from 24,606 (constituting 9.3% of total doctors in metro cities and class 1 towns in India) as of March 31, 2012 to 49,476 (constituting 16.0% of total doctors in metro cities and class 1 towns in India) as of March 31, 2016 and also increase our share in prescriptions in the IPM, from 0.9% in Fiscal 2012 to 1.2% in Fiscal 2016 (*Source: IMS Medical Audit MAT, March 2016*). We believe our product selection and doctor-patient engagement model has helped us achieve significant growth in our product prescriptions, as demonstrated by the prescription rankings of our top 10 mother brand groups between Fiscals 2012 and 2016. For details, see “*Industry Overview – Overview of the Indian Pharmaceuticals Market – Key Characteristics of the IPM*” on page 89.

### ***Strong sales, marketing and distribution capabilities***

We believe we have strong sales, marketing and distribution capabilities. Since our Company’s incorporation in 2007, we have created seven sales divisions, aligned with our key therapeutic areas and have focused on developing and growing our engagement with specialists and super specialists. These sales divisions are responsible for developing brand specific marketing strategies and engaging with doctors on a regular basis. Our medical representatives cover doctors across India, with primary focus in metro cities and class 1 towns. We also use a sales force management system, which captures data at the headquarters and employee levels, to make our sales staff more productive.

Our marketing team utilizes a variety of marketing techniques and programs to promote our products, including promotional materials, speaker programs, industry publications, advertising and other media. The integration of our information technology systems with our sales and distribution infrastructure enables us to standardize our processes, reduce cost, enhance productivity, improve workflow and communications and improve our risk control mechanisms.

### **Our Strategy**

#### ***Consolidate our position in therapeutic areas in which we have significant presence***

We intend to continue to grow the scale of our products and brands in our existing therapeutic areas through a mix of initiatives which include:

- targeting new categories within our existing therapeutic areas, for example, strengthening our position in the anti-diabetes therapeutic area by launching new products in the insulin and ‘glucagon-like peptide-1’ (GLP1) categories;

- continuing to expand our network of key opinion leaders (“KOLs”, being doctors who influence other doctors’ medical practices, including prescriptions) in existing therapeutic areas and increase our coverage of specialists to drive growth in prescriptions;
- continuing to execute on our doctor-patient engagement model by leveraging diagnostics and technology to aid better outcomes and enhance patient compliance;
- enhancing our product lifecycle management by identifying clinical benefits and commercializing new extensions or combinations; and
- enhancing the productivity and efficiency of our sales and marketing personnel through training, technology and exploiting synergies between divisions.

***Target and enhance our presence in large and high-growth therapeutic areas***

In addition to consolidating presence in our existing brands and therapeutic areas, we also intend to focus our efforts on pursuing opportunities in therapeutic areas where we believe we can grow our presence, such as, chronic neurological pain, dermatology and gynaecology.

Our strategy for expansion in existing and new therapeutic areas includes extending our focus to target lifestyle disorders and the chronic category (to target products that have to be prescribed over an extended period of time as opposed to one time incidence related medication), identifying gaps in existing interventions, analyzing patient compliance, and working with KOLs, doctors and patients through active engagement to develop, manufacture and market new indications which fulfill an unmet need or are clinically differentiated. For example, in IPM:

- *Neurology*: neurology is the ninth largest therapeutic area with revenues of ₹63,199.6 million for Fiscal 2016, growing at CAGR of 12.5% between Fiscals 2012 and 2016; for Fiscal 2016, our revenues from the neurology therapeutic area were ₹162.5 million, with growth at a CAGR of 20.0% between Fiscals 2012 and 2016; (*Source: IMS TSA MAT, March 2016*); we intend to further grow our presence in this therapeutic area, with a focus on the management of chronic neuropathic pain;
- *Dermatology*: dermatology is the eighth largest therapeutic area, with revenues of ₹68,910.7 million for Fiscal 2016 and has been growing at a CAGR of 17.3% between Fiscals 2012 and 2016 (*Source: IMS TSA MAT, March 2016*); we intend to launch products with a focus on the cosmeceuticals subgroup within the dermatology therapeutic area;
- *Gynaecology*: gynecology therapeutic area has revenues of ₹51,569.5 million for Fiscal 2016, growing at a CAGR of 9.5% between Fiscals 2012 and 2016 (*Source: IMS TSA MAT, March 2016*); we have identified female infertility and endocrine disorders as opportunities for expansion within the gynaecology therapeutic area; and
- *Osteoarthritis and musculoskeletal*: Osteoarthritis and musculoskeletal therapeutic areas had combined revenues of ₹10,165.3 million for Fiscal 2016, collectively growing at a CAGR of 11.2% between Fiscals 2012 and 2016 (*Source: IMS TSA MAT, March 2016*); in 2016, we acquired 75.48% of the outstanding equity shares of Kinedex, which primarily focuses on products catering to mobility related disorders in the musculoskeletal therapeutic area and intend to grow our presence in this therapeutic area.

We also intend to expand our capabilities in products with niche capabilities such as controlled release, modified release and injectable products.

***Explore in-licensing and co-development opportunities to leverage our sales, marketing and distribution and manufacturing infrastructure***

We intend to leverage our existing sales, marketing and distribution infrastructure to explore licensing opportunities. We believe that our therapeutic focus and alignment of divisions and sales teams along therapeutic areas positions us as a partner of choice for pharmaceutical companies looking to utilize our distribution channel for marketing their products in India. We intend to explore in-licensing and co-development opportunities. For instance, in December 2016, we have entered into a distribution agreement with India Medtronic Private Limited for the distribution, marketing and promotion of the ‘i-Port Advance’ injection port which requires less injections than standard insulin delivery methods.

***Target future patent expiries in India***

We intend to utilize our research and development efforts to target select products which are currently under patent protection. Our strategy will be to launch branded prescription generics of these products on the expiry of the relevant patent in India particularly within the therapeutic areas in which we have a significant presence. Patents in relation to six products (sitagliptin, vildagliptin, linagliptin, insulin aspart protamine crystalline recombinant, ticagrelor and liraglutide recombinant) in the cardiovascular and anti-diabetics therapeutic areas, currently under patent in India, are expected to expire by Fiscal 2024, and their combined market size in Fiscal 2016 was ₹19,795.8 million (*Source: IMS TSA MAT, March 2016*). We believe that our strategy of engaging with specialist doctors, and our leadership position in these therapeutic areas allows us to be well positioned to market these cardiovascular and anti-diabetics products.

***Enhance our product line and expand our capabilities through strategic acquisitions***

In addition to organic growth, we also intend to continue to explore asset and brand acquisitions and joint ventures. For instance, effective July 1, 2016, we acquired trademarks in relation to 40 brands, from Amay Pharma in the cardiovascular and anti-diabetics therapeutic areas. Further we acquired 75.48% of the outstanding equity shares of Kinedex, a company focusing on products catering to mobility related disorders in the musculoskeletal therapeutic area, by way of two transactions, in November 2016 and December 2016, respectively. Where appropriate and advantageous for our business, we intend to selectively pursue opportunities that will:

- consolidate our market position and enhance our financial position;
- develop operating leverage for key therapeutic areas by unlocking potential efficiency and synergy benefits;
- strengthen or expand our product portfolio within existing therapeutic areas including cardiovascular and anti-diabetics;
- enhance our depth of experience, knowledge-base and know-how; and
- increase our sales, marketing and distribution network, customers and geographical reach.

## SUMMARY FINANCIAL INFORMATION

### SUMMARY STATEMENT OF RESTATED STANDALONE ASSETS AND LIABILITIES

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>I. EQUITY AND LIABILITIES :</b>						
<b>(1) Shareholders' Funds</b>						
(a) Share capital	137.50	1.38	1.38	1.38	1.38	1.38
(b) Reserves and surplus	4,185.19	3,055.91	2,676.11	1,843.58	1,188.31	530.35
<b>(2) Non current liabilities</b>						
(a) Long-term borrowings	-	-	5.00	-	0.37	3.81
(b) Deferred tax liabilities (net)	-	-	-	-	-	0.95
(c) Other long-term liabilities	25.37	24.85	13.37	10.73	16.20	22.00
(d) Long-term provisions	207.15	230.98	199.88	170.21	152.33	89.17
<b>(3) Current liabilities</b>						
(a) Trade payables						
Due to micro and small enterprises	-	-	-	-	-	-
Due to others	594.64	278.94	360.97	326.45	191.38	155.43
(b) Other current liabilities	102.47	253.84	76.57	141.58	65.31	34.48
(c) Short-term provisions	251.72	175.30	205.50	181.90	124.31	120.33
<b>Total</b>	<b>5,504.04</b>	<b>4,021.20</b>	<b>3,538.78</b>	<b>2,675.83</b>	<b>1,739.59</b>	<b>957.90</b>
<b>II. ASSETS :</b>						
<b>(1) Non current assets</b>						
(a) Fixed assets						
(i) Tangible assets	606.94	640.96	605.78	631.97	148.24	105.80
(ii) Intangible assets	377.37	6.95	6.90	6.57	0.79	0.55
(b) Non current investments	101.05	625.95	1,130.50	306.40	115.52	56.68
(c) Deferred tax assets (net)	49.19	54.14	32.92	1.97	2.62	-
(d) Long-term loans and advances	442.59	323.04	176.64	183.64	137.71	93.75
(e) Other non-current asset	24.00	-	-	-	-	-
<b>(2) Current assets</b>						
(a) Current investments	2,522.81	1,437.33	692.40	669.64	465.00	134.52
(b) Inventories	514.95	494.58	538.33	454.85	519.68	239.61
(c) Trade receivables	524.73	253.62	236.21	223.09	165.96	144.07
(d) Cash and cash equivalents	76.40	85.29	49.12	59.02	35.16	88.63
(e) Short-term loans and advances	222.25	96.98	67.71	138.68	148.91	94.29
(f) Other current assets	41.76	2.36	2.27	-	-	-
<b>Total</b>	<b>5,504.04</b>	<b>4,021.20</b>	<b>3,538.78</b>	<b>2,675.83</b>	<b>1,739.59</b>	<b>957.90</b>

SUMMARY STATEMENT OF RESTATED STANDALONE PROFIT AND LOSS

(₹ in Million)

Particulars	Six Months ended	Year ended	Year ended	Year ended	Year ended	Year ended
	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>1 REVENUE:</b>						
Revenue from operations (gross)	3,779.01	6,232.42	5,569.16	5,204.62	4,170.19	2,858.17
Less: Excise duty	(105.39)	(177.59)	(89.30)	-	-	-
<b>Revenue from operations (net)</b>	<b>3,673.62</b>	<b>6,054.83</b>	<b>5,479.86</b>	<b>5,204.62</b>	<b>4,170.19</b>	<b>2,858.17</b>
<b>2 EXPENSES:</b>						
(a) Cost of materials consumed	211.43	381.47	317.27	-	-	-
(b) Purchases of stock-in-trade	358.87	750.78	825.43	1,162.41	1,271.19	705.61
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	78.30	21.40	(55.48)	116.34	(289.05)	(84.92)
(d) Employee benefits expense	623.00	1,223.56	1,237.53	878.53	653.01	416.39
(e) Other expenses	980.89	1,974.50	2,016.59	2,163.89	1,618.43	1,207.54
<b>Total</b>	<b>2,252.49</b>	<b>4,351.71</b>	<b>4,341.34</b>	<b>4,321.17</b>	<b>3,253.58</b>	<b>2,244.62</b>
<b>3 Restated Earnings before interest, tax, depreciation and amortisation (EBITDA) (1-2)</b>	<b>1,421.13</b>	<b>1,703.12</b>	<b>1,138.52</b>	<b>883.45</b>	<b>916.61</b>	<b>613.55</b>
4 Finance costs	0.43	1.20	0.06	0.37	2.66	3.87
5 Depreciation and amortisation expense	106.66	195.49	146.66	37.45	23.10	19.39
6 Other income	130.82	32.83	34.28	43.60	14.10	27.30
<b>7 Restated Profit before tax (3-4-5+6)</b>	<b>1,444.86</b>	<b>1,539.26</b>	<b>1,026.08</b>	<b>889.23</b>	<b>904.95</b>	<b>617.59</b>
<b>8 TAX EXPENSE</b>						
(a) Current tax expense	294.04	313.07	223.73	233.31	250.56	186.35
(b) (Less): MAT credit	(119.54)	(132.30)	-	-	-	-
(c) Net current tax expense	174.50	180.77	223.73	233.31	250.56	186.35
(d) Deferred tax charge / (credit)	4.95	(21.22)	(30.90)	0.65	(3.57)	(1.68)
<b>Net tax expense</b>	<b>179.45</b>	<b>159.55</b>	<b>192.83</b>	<b>233.96</b>	<b>246.99</b>	<b>184.67</b>
<b>9 Restated Profit after tax (7-8)</b>	<b>1,265.41</b>	<b>1,379.71</b>	<b>833.25</b>	<b>655.27</b>	<b>657.96</b>	<b>432.92</b>

**SUMMARY STATEMENT OF RESTATED STANDALONE CASH FLOWS**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b><u>A. Cash flow from operating activities</u></b>						
Profit before tax	1,444.86	1,539.26	1,026.08	889.23	904.95	617.59
Adjustments for:						
Depreciation and amortisation expense	106.66	195.49	146.66	37.45	23.10	19.39
Preliminary expenditure written off	-	-	0.26	0.26	0.32	0.32
(Profit)/Loss on sale of fixed assets	1.74	0.55	(0.17)	0.66	5.62	-
Finance costs	0.43	1.20	0.06	0.37	2.66	3.87
Interest Income	(2.61)	(3.29)	(0.18)	(1.10)	(2.37)	(11.04)
Provision for diminution in Investment	-	13.49	-	-	-	-
Debts written off	-	-	-	-	34.58	-
Dividend income	(0.18)	(0.30)	-	(0.18)	(9.52)	(3.76)
Diminution in value of Investment	3.97	-	-	-	-	-
Net gain on sale of investments	(114.45)	(29.07)	(33.15)	(42.32)	(2.17)	-
<b>Operating profit before working capital changes</b>	<b>1,440.42</b>	<b>1,717.33</b>	<b>1,139.56</b>	<b>884.37</b>	<b>957.17</b>	<b>626.37</b>
Changes in working capital:						
Adjustments for (increase) / decrease in operating assets:						
Trade receivables	(271.11)	(17.41)	(13.12)	(57.13)	(21.89)	(70.77)
Inventories	(20.37)	43.75	(83.48)	64.83	(280.07)	(77.39)
Loans & advances and other assets	(131.92)	(41.12)	66.89	(2.06)	(102.08)	(33.65)
Adjustments for increase / (decrease) in operating liabilities:						
Trade payable, liabilities and provisions	334.85	(60.48)	43.86	269.20	165.54	23.84
<b>Cash generated from operations</b>	<b>1,351.87</b>	<b>1,642.07</b>	<b>1,153.71</b>	<b>1,159.21</b>	<b>718.67</b>	<b>468.40</b>
Net income tax paid	(230.76)	(315.54)	(230.05)	(262.33)	(314.60)	(174.67)
<b>Net cash flow from operating activities (A)</b>	<b>1,121.11</b>	<b>1,326.53</b>	<b>923.66</b>	<b>896.88</b>	<b>404.07</b>	<b>293.73</b>
<b><u>B. Cash flow from investing activities</u></b>						
Purchase of Fixed assets	(445.99)	(232.16)	(130.73)	(517.25)	(72.43)	(59.95)
Purchase of long-term investments	(0.10)	(44.60)	(486.34)	(190.93)	(58.83)	(29.53)
Sale of long-term investments	-	-	-	0.05	-	-
Purchase of short-term Investment (Net)	(514.99)	(180.23)	(327.36)	(162.32)	(328.31)	(82.74)
Bank balances not considered as cash and cash equivalents- Deposits Matured / (Placed)	(0.01)	(0.48)	(0.05)	22.40	38.90	(58.26)
Interest Received	2.69	3.02	0.18	1.10	2.36	11.04
Proceeds from sale of fixed asset	0.27	0.29	0.75	0.40	1.32	-
Dividend income	0.18	0.30	-	0.18	9.52	3.76
<b>Net cash used in investing activities (B)</b>	<b>(957.95)</b>	<b>(453.86)</b>	<b>(943.55)</b>	<b>(846.37)</b>	<b>(407.47)</b>	<b>(215.68)</b>
<b><u>C. Cash flow from financing activities</u></b>						
Repayment of long-term borrowings	(2.50)	(5.00)	-	(3.88)	(8.51)	(7.99)
Proceeds from long-term borrowings	-	-	10.00	-	-	-
Finance costs	(0.43)	(1.20)	(0.06)	(0.37)	(2.66)	(3.87)
Interim dividend paid / Dividend distribution tax	(169.13)	(830.78)	-	-	-	(56.24)
<b>Net cash flow from / (used in) financing activities ( C )</b>	<b>(172.06)</b>	<b>(836.98)</b>	<b>9.94</b>	<b>(4.25)</b>	<b>(11.17)</b>	<b>(68.10)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(8.90)</b>	<b>35.69</b>	<b>(9.95)</b>	<b>46.26</b>	<b>(14.57)</b>	<b>9.95</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>84.76</b>	<b>49.07</b>	<b>59.02</b>	<b>12.76</b>	<b>27.33</b>	<b>17.38</b>
<b>Cash and cash equivalents at end of the period {Refer note-19 (a) }</b>	<b>75.86</b>	<b>84.76</b>	<b>49.07</b>	<b>59.02</b>	<b>12.76</b>	<b>27.33</b>

SUMMARY STATEMENT OF RESTATED CONSOLIDATED ASSETS AND LIABILITIES

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>I. EQUITY AND LIABILITIES</b>						
<b>(1) Shareholders' Funds</b>						
(a) Share capital	137.50	1.38	1.38	1.38	1.38	1.38
(b) Reserves and surplus	4,155.24	2,994.85	2,659.06	1,767.44	1,059.50	477.52
<b>(2) Minority Interest</b>						
	-	32.01	39.24	43.55	47.48	50.08
<b>(3) Non current liabilities</b>						
(a) Long-term borrowings	-	-	5.00	-	5.63	25.75
(b) Deferred tax liabilities (net)	-	-	-	-	-	0.95
(c) Other long-term liabilities	25.47	24.85	13.37	10.73	16.20	22.00
(d) Long-term provisions	207.20	230.98	199.87	170.21	152.33	89.17
<b>(4) Current liabilities</b>						
(a) Trade payables	-	-	-	-	-	-
Due to micro and small enterprises	-	-	-	-	-	-
Due to others	608.35	245.67	367.11	373.83	220.17	180.92
(b) Other current liabilities	105.41	266.23	77.41	147.66	90.02	50.95
(c) Short-term provisions	251.72	177.62	210.41	191.19	125.34	120.95
<b>Total</b>	<b>5,490.89</b>	<b>3,973.59</b>	<b>3,572.85</b>	<b>2,705.99</b>	<b>1,718.05</b>	<b>1,019.67</b>
<b>II. ASSETS :</b>						
<b>(1) Non current assets</b>						
(a) Fixed assets						
(i) Tangible assets	610.43	706.70	674.99	710.51	235.17	198.23
(ii) Intangible assets	377.37	6.96	6.90	6.58	0.82	0.64
(b) Goodwill on Consolidation	-	-	35.53	32.16	32.84	32.97
(c) Non current investments	100.97	625.97	972.77	170.02	0.07	0.06
(d) Deferred tax assets (net)	53.41	57.42	33.09	2.14	2.62	0.79
(e) Long-term loans and advances	443.79	354.13	214.79	229.80	182.98	93.78
(f) Other non current assets	24.00	-	-	-	-	-
<b>(2) Current assets</b>						
(a) Current investments	2,522.80	1,274.45	692.40	669.64	465.00	134.52
(b) Inventories	507.46	476.22	576.05	448.11	431.98	225.71
(c) Trade receivables	561.39	253.69	236.66	223.40	165.96	144.46
(d) Cash and cash equivalents	97.41	96.94	57.21	72.85	48.97	93.26
(e) Short-term loans and advances	150.10	117.92	69.36	140.78	151.64	95.25
(f) Other current assets	41.76	3.19	3.10	-	-	-
<b>Total</b>	<b>5,490.89</b>	<b>3,973.59</b>	<b>3,572.85</b>	<b>2,705.99</b>	<b>1,718.05</b>	<b>1,019.67</b>

SUMMARY STATEMENT OF RESTATED CONSOLIDATED PROFIT AND LOSS

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>1 REVENUE:</b>						
Revenue from operations (gross)	3,813.36	6,147.80	5,544.88	5,088.22	3,930.64	2,739.40
Less: Excise duty	(105.39)	(177.59)	(89.30)	-	-	-
<b>Revenue from operations (net)</b>	<b>3,707.97</b>	<b>5,970.21</b>	<b>5,455.58</b>	<b>5,088.22</b>	<b>3,930.64</b>	<b>2,739.40</b>
<b>2 EXPENSES:</b>						
(a) Cost of materials consumed	262.25	582.30	442.07	276.61	433.55	161.75
(b) Purchases of stock-in-trade	220.14	317.13	606.39	669.49	517.53	381.40
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	60.12	77.56	(106.20)	41.18	(213.80)	(48.14)
(d) Employee benefits expense	666.76	1,246.67	1,256.30	905.43	673.05	429.71
(e) Other expenses	1,027.77	2,031.07	2,042.49	2,206.32	1,661.44	1,229.85
<b>Total</b>	<b>2,237.04</b>	<b>4,254.73</b>	<b>4,241.05</b>	<b>4,099.03</b>	<b>3,071.77</b>	<b>2,154.57</b>
<b>3 Restated Earnings before interest, tax, depreciation and amortisation (EBITDA)(1-2)</b>	<b>1,470.93</b>	<b>1,715.48</b>	<b>1,214.53</b>	<b>989.19</b>	<b>858.87</b>	<b>584.83</b>
4 Finance costs	0.78	1.20	0.18	2.46	7.12	10.96
5 Depreciation and amortisation expense	109.65	203.56	155.14	47.68	34.85	32.11
6 Other income	132.69	33.72	34.94	44.20	14.49	13.09
<b>7 Restated Profit before tax (3-4- 5+6)</b>	<b>1,493.19</b>	<b>1,544.44</b>	<b>1,094.15</b>	<b>983.25</b>	<b>831.39</b>	<b>554.85</b>
<b>8 TAX EXPENSE</b>						
(a) Current tax expense	306.76	352.50	232.45	273.65	250.56	186.69
(b) (Less): MAT credit	(119.54)	(132.30)	-	-	-	-
(c) Net current tax expense	187.22	220.20	232.45	273.65	250.56	186.69
(d) Deferred tax (credit) / charge	4.01	(24.34)	(30.89)	0.48	(3.57)	(2.47)
<b>Net tax expense</b>	<b>191.23</b>	<b>195.86</b>	<b>201.56</b>	<b>274.13</b>	<b>246.99</b>	<b>184.22</b>
<b>9 Restated Profit after tax before share of profit of minority interest (7-8)</b>	<b>1,301.96</b>	<b>1,348.58</b>	<b>892.59</b>	<b>709.12</b>	<b>584.40</b>	<b>370.63</b>
10 Less : Share of profit attributable to Minority Interest	5.44	12.88	0.25	1.18	2.42	1.20
<b>11 Restated Profit attributable to the shareholders of the company (9- 10)</b>	<b>1,296.52</b>	<b>1,335.70</b>	<b>892.34</b>	<b>707.94</b>	<b>581.98</b>	<b>369.43</b>

**SUMMARY STATEMENT OF RESTATED CONSOLIDATED CASH FLOW**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b><u>A. Cash flow from operating activities</u></b>						
Profit before tax	1,493.19	1,544.44	1,094.15	983.25	831.39	554.85
Adjustments for:						
Depreciation and amortisation expense	109.65	203.56	155.14	47.68	34.85	32.11
Preliminary expenditure written off	-	-	0.26	0.27	0.32	0.33
(Profit)/Loss on sale of fixed assets	1.74	0.56	(0.13)	0.66	5.62	-
Finance costs	0.78	1.20	0.18	2.46	7.12	10.96
Interest Income	(4.07)	(4.18)	(0.84)	(1.70)	(2.76)	(9.01)
Impairment of goodwill on consolidation	-	27.41	-	-	0.96	-
Debts written off	-	-	-	-	34.58	-
Profit on disposal of investment in subsidiary	(13.92)	-	-	-	-	-
Diminution in value of Investment	3.97	-	-	-	-	-
Dividend income	(0.18)	(0.30)	-	(0.18)	(9.52)	(3.76)
Net gain on sale of investments	(114.45)	(29.07)	(33.15)	(42.32)	(2.07)	(0.32)
<b>Operating profit before working capital changes</b>	<b>1,476.71</b>	<b>1,743.62</b>	<b>1,215.61</b>	<b>990.12</b>	<b>900.49</b>	<b>585.16</b>
Changes in working capital:						
Adjustments for (increase) / decrease in operating assets:						
Trade receivables	(307.70)	(17.03)	(13.26)	(57.44)	(21.50)	(0.02)
Inventories	(31.24)	99.83	(127.94)	(16.13)	(206.27)	(41.89)
Loans & advances and other assets	(33.33)	(64.50)	65.83	4.28	(102.87)	(28.78)
Adjustments for increase / (decrease) in operating liabilities:						
Trade payable, liabilities and provisions	368.35	(100.35)	(5.26)	276.55	170.14	(37.27)
<b>Cash generated from operations</b>	<b>1,472.79</b>	<b>1,661.57</b>	<b>1,134.98</b>	<b>1,197.38</b>	<b>739.99</b>	<b>477.20</b>
Net income tax paid	(241.26)	(346.78)	(234.41)	(301.14)	(359.84)	(176.02)
<b>Net cash flow from operating activities (A)</b>	<b>1,231.53</b>	<b>1,314.79</b>	<b>900.57</b>	<b>896.24</b>	<b>380.15</b>	<b>301.18</b>
<b><u>B. Cash flow from investing activities</u></b>						
Purchase of Fixed assets	(450.37)	(236.41)	(130.84)	(519.33)	(78.43)	(66.39)
Purchase of long-term investments	-	(25.95)	(465.00)	(170.00)	-	-
Sale of long-term investments	-	-	-	0.05	-	0.05
Purchase of short-term Investment (Net)	(612.89)	(180.23)	(327.36)	(162.32)	(328.41)	(82.42)
Bank balances not considered as cash and cash equivalents-Deposits Matured / (Placed)	7.73	(1.05)	(0.55)	21.89	36.56	(58.52)
Interest Received	4.15	3.91	0.84	1.70	2.75	9.01
Proceeds from sale of fixed assets	0.28	0.30	1.58	0.40	1.32	-
Dividend income	0.18	0.30	-	0.18	9.52	3.76
<b>Net cash used in investing activities (B)</b>	<b>(1,050.92)</b>	<b>(439.13)</b>	<b>(921.33)</b>	<b>(827.43)</b>	<b>(356.69)</b>	<b>(194.51)</b>
<b><u>C. Cash flow from financing activities</u></b>						
Repayment of long-term borrowings	(2.50)	(5.00)	(5.25)	(20.58)	(24.07)	(27.41)
Proceeds from long-term borrowings	-	-	10.00	-	-	-
Finance costs	(0.78)	(1.20)	(0.18)	(2.46)	(7.12)	(10.96)
Interim dividend paid/ Dividend distribution tax	(169.13)	(830.78)	-	-	-	(58.32)
<b>Net cash flow from / (used in) financing activities ( C )</b>	<b>(172.41)</b>	<b>(836.98)</b>	<b>4.57</b>	<b>(23.04)</b>	<b>(31.19)</b>	<b>(96.69)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>8.20</b>	<b>38.68</b>	<b>(16.19)</b>	<b>45.77</b>	<b>(7.73)</b>	<b>9.98</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>88.67</b>	<b>49.99</b>	<b>66.18</b>	<b>20.41</b>	<b>28.14</b>	<b>18.16</b>
<b>Cash and cash equivalents at end of the period{Refer note-19 (a) }</b>	<b>96.87</b>	<b>88.67</b>	<b>49.99</b>	<b>66.18</b>	<b>20.41</b>	<b>28.14</b>

## THE OFFER

The following table summarizes details of the Offer:

<b>Offer*</b>	<b>Up to 28,875,000 Equity Shares aggregating up to ₹ [●] million</b>
<i>Of which</i>	
<b>Employee Reservation Portion<sup>#</sup></b>	<b>[●] Equity Shares</b>
<i>Accordingly,</i>	
<b>The Net Offer</b>	<b>Up to [●] Equity Shares</b>
<i>Of which</i>	
<b>QIB Category of [●] Equity Shares<sup>##</sup></b>	<b>At least [●] Equity Shares</b>
<i>Of which:</i>	
<b>Anchor Investor Portion</b>	<b>[●] Equity Shares</b>
<b>Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)</b>	<b>[●] Equity Shares</b>
<i>Of which:</i>	
<b>- Available for allocation to Mutual Funds only</b>	<b>[●] Equity Shares</b>
<b>- Balance for all QIBs including Mutual Funds</b>	<b>[●] Equity Shares</b>
<b>Non-Institutional Category</b>	<b>Not more than [●] Equity Shares</b>
<b>Retail Category</b>	<b>Not more than [●] Equity Shares</b>
<b>Equity Shares outstanding prior to and after the Offer</b>	<b>137,500,000 Equity Shares</b>
<b>Use of proceeds of the Offer</b>	For details, see “ <i>Objects of the Offer</i> ” on page 79

\* The Offer has been authorised by a resolution by our Board of Directors dated February 2, 2017. Each of the Selling Shareholders have specifically confirmed and authorized their respective participation in the Offer for Sale. For details see “**Other Regulatory and Statutory Disclosures**” on page 278.

# Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount does not exceed ₹ 500,000 and should note that while filling the “SCSB/Payment Details” block in the Bid cum Application Form, Eligible Employees must mention the Bid Amount. For further details, see “- Notes” below.

## Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 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 Equity Shares are allocated to Anchor Investors in the Offer. In case of under-subscription in the Anchor Investor Portion, the remaining Equity Shares will be added to the QIB Category. For more information, see “**Offer Procedure**” on page 299.

Notes:

1. Pursuant to Rule 19(2)(b)(iii) of the SCRR, the Net Offer is being made for at least 10% of the post-Offer paid-up Equity Share capital of our Company.
2. The Equity Shares being offered by the Selling Shareholders are eligible to be offered for sale in accordance with Regulation 26(6) of the SEBI ICDR Regulations. For more information, see “**Capital Structure**” on page 68.
3. Our Company will not receive any proceeds from the Offer.

4. Allocation to all categories, except Anchor Investors, if any and Retail Individual Bidders, shall be made on a proportionate basis. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For details, see “*Offer Procedure*” on page 299.
5. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or a combination of categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. However, under-subscription, if any, in the QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories.
6. The Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000 up to ₹ 500,000. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer to the public.

For details, including in relation to grounds for rejection of Bids, refer to “*Offer Structure*” and “*Offer Procedure*” on page 292 and 299, respectively. For details of the terms of the Offer, see “*Terms of the Offer*” on page 296.

## GENERAL INFORMATION

Our Company was incorporated as ‘Eris Lifescience Private Limited’ on January 25, 2007, as a private limited company under the Companies Act, 1956, at Ahmedabad, with a certificate of incorporation granted by the RoC. Pursuant to a resolution of our shareholders dated February 5, 2007, the name of our Company was changed to “Eris Lifesciences Private Limited” and a fresh certificate of incorporation was issued by the RoC on February 9, 2007. Pursuant to conversion of our Company to a public limited company and as approved by our shareholders through a resolution dated January 31, 2017, our name was changed to Eris Lifesciences Limited and the RoC issued a fresh certificate of incorporation on February 2, 2017. For further details of changes in name and Registered and Corporate Office of our Company, see “*History and Certain Corporate Matters*” on page 125.

**Registration Number:** 049867

**Corporate Identification Number:** U24232GJ2007PTC049867

### Registered Office:

21, New York Tower – A  
Near Muktidham Temple, Thaltej Cross Road  
Thaltej, Ahmedabad 380 054  
Gujarat, India  
**Tel:** +91 79 48903474  
**Fax:** +91 79 48903474  
**Website:** www.eris.co.in

### Corporate Office:

7<sup>th</sup> Floor, Commerce House IV  
Beside Shell Petrol Pump  
100 Feet Road, Prahladnagar, Ahmedabad 380 015  
Gujarat, India  
**Tel:** +91 79 3045 1111  
**Fax:** +91 79 3017 9404

### Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Gujarat, located at the following address:

### Registrar of Companies, Gujarat

RoC Bhawan, Opposite Rupal Park  
Near Ankur Bus Stand, Naranpur, Ahmedabad 380 013  
Gujarat, India  
**Tel:** +91 79 2743 7597, 2743 8531  
**Fax:** +91 79 2743 8371

### Board of Directors

The following table sets out the details regarding our Board as on the date of filing of this Draft Red Herring Prospectus:

Name and Designation	Age (years)	DIN	Address
<b>Mr. Amit Indubhushan Bakshi</b> <i>Designation:</i> Chairman and Managing Director	42	01250925	01 Amrakadam Co-operative Housing Society, Opposite Sukan Flats, Ramdevnagar, Satellite, Ahmedabad 380 015, Gujarat, India
<b>Mr. Himanshu Jayantbhai Shah</b> <i>Designation:</i> Executive Director	40	01301025	A-504, Dhananjay Tower, Near 100 Feet Road Satellite, Ahmedabad 380 015, Gujarat, India

Name and Designation	Age (years)	DIN	Address
<b>Mr. Inderjeet Singh Negi</b> <i>Designation:</i> Executive Director	45	01255388	B/51, Riviera Elegance, Corporate Road, Prahladnagar, Satellite, Ahmedabad 380 015, Gujarat, India
<b>Mr. Rajiv Gulati</b> <i>Designation:</i> Independent Director	59	06820663	B 4/1201, World Spa West, National Highway 8, Gurgaon 122 001, Haryana, India
<b>Ms. Vijaya Sampath</b> <i>Designation:</i> Independent Director	63	00641110	Flat 403, Block 14, Heritage City, Mehrauli Gurgaon 122 002, Haryana, India
<b>Dr. Kirit Nanubhai Shelat</b> <i>Designation:</i> Independent Director	71	00190619	6, Manikmal Society, Surdhara Circle, Thaltej, Ahmedabad 380 059, Gujarat, India
<b>Mr. Shardul Suresh Shroff</b> <i>Designation:</i> Independent Director	61	00009379	S 270, Greater Kailash, Part II, New Delhi 110 048, India
<b>Mr. Sanjiv Dwarkanath Kaul*</b> <i>Designation:</i> Nominee Director	59	01550413	22 Siris Road, DLF Qutab Enclave, Phase – III, Gurgaon – 122 002, Haryana, India

\* As the SHA and Part B of the Articles of Association will automatically terminate upon commencement of listing and trading of our Equity Shares, Mr. Sanjiv Dwarkanath Kaul may resign as our Director prior to filing of the Red Herring Prospectus with the RoC.

For brief profiles and further details in respect of our Directors, see “**Our Management**” on page 132.

#### **Chief Financial Officer**

Mr. Sachin Shah is the Chief Financial Officer of our Company. His contact details are as follows:

##### **Mr. Sachin Shah**

7<sup>th</sup> Floor, Commerce House IV  
Beside Shell Petrol Pump  
100 Feet Road, Prahladnagar, Ahmedabad 380 015  
Gujarat, India  
**Tel:** +91 79304 51105  
**E-mail:** sachin@erislifesciences.com

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

Mr. Milind Talegaonkar is the Company Secretary and Compliance Officer our Company. His contact details are as follows:

##### **Mr. Milind Talegaonkar**

7<sup>th</sup> Floor, Commerce House IV  
Beside Shell Petrol Pump  
100 Feet Road, Prahladnagar, Ahmedabad 380 015  
Gujarat, India  
**Tel:** +91 79 3045 1182  
**Fax:** +91 79 3017 9404  
**E-mail:** complianceofficer@erislifesciences.com

Investors can contact the Company Secretary and Compliance Officer, the Registrar to the Offer in case of any pre-Offer or post-Offer 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 or non-receipt of funds by electronic mode etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs or the Registrar to Offer, in the manner provided below.

All grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid-cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

### Book Running Lead Managers

<p><b>Axis Capital Limited</b> 1<sup>st</sup> Floor, Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai 400 025, Maharashtra, India <b>Tel:</b> +91 22 4325 2183 <b>Fax:</b> +91 22 4325 3000 <b>Email:</b> eris.ipo@axiscap.in <b>Investor Grievance E-mail:</b> complaints@axiscap.in <b>Website:</b> www.axiscapital.co.in <b>Contact Person:</b> Mr. Lohit Sharma <b>SEBI Registration No:</b> INM000012029</p>	<p><b>Citigroup Global Markets India Private Limited</b> 1202, 12<sup>th</sup> Floor, First International Financial Center G-Block C54 &amp; 55, Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India <b>Tel:</b> +91 22 6175 9999 <b>Fax:</b> +91 22 6175 9961 <b>Email:</b> erislifesciences.ipo@citi.com <b>Investor Grievance E-mail:</b> investors.cgmb@citi.com <b>Website:</b> www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm <b>Contact Person:</b> Mr. Ashish Guneta <b>SEBI Registration No:</b> INM000010718</p>	<p><b>Credit Suisse Securities (India) Private Limited</b> 9<sup>th</sup> Floor, Ceejay House, Dr. Annie Besant Road, Shivsagar Estate, Worli, Mumbai 400 018, Maharashtra, India <b>Tel:</b> +91 22 6777 3777 <b>Fax:</b> +91 22 6777 3820 <b>Email:</b> list.projectapollo@credit-suisse.com <b>Investor Grievance E-mail:</b> list.igcellmerbnkg@credit-suisse.com <b>Website:</b> www.credit-suisse.com/in/IPO/ <b>Contact Person:</b> Mr. Abhay Agarwal <b>SEBI Registration No:</b> INM000011161</p>
--	---	--

### Statement of inter-se allocation of responsibilities among the Book Running Lead Managers

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

S. No.	Activity	Responsibility	Co-ordinator
1.	Pre-Offer due diligence of our Company's operations/ management/ business plans/ legal. Drafting and designing of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same and drafting and approval of all statutory advertisements	Axis, Credit Suisse, Citi	Axis
2.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments.	Axis, Credit Suisse, Citi	Axis
3.	Appointment of Banker(s) to the Offer and printer	Axis, Credit Suisse, Citi	Citi
4.	Appointment of advertising agency including co-ordination for agreements to appoint the ad agency and filing of media compliance report to SEBI.	Axis, Credit Suisse, Citi	Credit Suisse
5.	Appointment of Registrar to the Offer including co-ordination for agreements to appoint the Registrar to the Offer	Axis, Credit Suisse, Citi	Citi
6.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (1) above including corporate advertisement, brochure	Axis, Credit Suisse, Citi	Credit Suisse

<b>S. No.</b>	<b>Activity</b>	<b>Responsibility</b>	<b>Co-ordinator</b>
7.	International institutional marketing including co-ordination for research briefing, allocation of investors for meetings and finalize roadshow schedules, preparation and finalisation of the road-show presentation and frequently asked questions.	Axis, Credit Suisse, Citi	Credit Suisse
8.	Domestic institutional marketing including banks/ mutual funds and allocation of investors for meetings and finalizing road show schedules	Axis, Credit Suisse, Citi	Axis
9.	Non-Institutional marketing of the Offer and retail marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>• Formulating marketing strategies;</li> <li>• Preparation of publicity budget, finalizing media and public relations strategy.</li> <li>• Finalizing centres for holding conferences for brokers</li> <li>• Finalizing collection centres; and</li> <li>• Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material.</li> </ul>	Axis, Credit Suisse, Citi	Axis
10.	Coordination with Stock Exchanges for book building process, filing of letters including software, bidding terminals, mock trading and anchor investor intimation, and payment of 1% security deposit to the designated stock exchange	Axis, Credit Suisse, Citi	Citi
11.	Pricing and managing the book	Axis, Credit Suisse, Citi	Citi
12.	<p>Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc.</p> <p>Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and co-ordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.</p> <p>Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance(No. 2) Act, 2004</p> <p>Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI</p>	Axis, Credit Suisse, Citi	Citi

### **Syndicate Members**

[•]

### **Legal Counsel to the Company and the Investor Selling Shareholder as to Indian Law**

#### **Shardul Amarchand Mangaldas & Co**

Amarchand Towers

216, Okhla Industrial Estate Phase – III

New Delhi 110 020, India

**Tel:** +91 11 4159 0700

**Fax:** +91 11 2692 4900

### **Legal Counsel to the BRLMs as to Indian Law**

**Khaitan & Co**  
One Indiabulls Centre  
13<sup>th</sup> Floor, Tower 1  
841 Senapati Bapat Marg  
Mumbai 400 013  
Maharashtra, India  
**Tel:** +91 22 6636 5000  
**Fax:** +91 22 6636 5050

**International Legal Counsel to the BRLMs**

**Sidley Austin LLP**  
Level 31  
Six Battery Road  
Singapore 049909  
**Tel:** +65 6230 3900  
**Fax:** +65 6230 3939

**Registrar to the Offer**

**Link Intime India Private Limited**  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg Bhandup (West)  
Mumbai 400 078  
Maharashtra, India  
**Tel:** +91 22 6171 5400  
**Fax:** +91 22 2596 0329  
**E-mail:** eris.ipo@linkintime.co.in  
**Investor grievance e-mail:** eris.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Contact Person:** Ms. Shanti Gopalkrishnan  
**SEBI Registration No.:** INR000004058

**Escrow Bank**

[•]

**Public Account Offer Bank**

[•]

**Refund Bank**

[•]

**Self –Certified Syndicate Banks**

The list of SCSBs is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which a Bidder (other than an Anchor Investor), not bidding through Syndicate/ Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time.

**Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI

(<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).

### **Registered Brokers**

Bidders can submit Bid cum ASBA Forms in the Offer using the stock broker 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 BSE and the NSE at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) and [http://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively, 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 ASBA Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### **Collecting Registrar and Share Transfer Agents**

The list of the CRTAs eligible to accept ASBA Forms at the Collection Centres, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and [https://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Collection Centres, including details such as name and contact details, are provided on the websites of Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and [https://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

### **Auditors to our Company**

#### **Deloitte Haskins & Sells LLP**

19<sup>th</sup> Floor, Shapath-V, S.G Highway  
Ahmedabad 380 015, Gujarat, India

**Tel:** +91 79 6682 7300

**Fax:** +91 22 6682 7400

**E-mail:** [kraval@deloitte.com](mailto:kraval@deloitte.com)

**ICAI registration number:** 117366W/W-100018

*The renewal of the peer review certificate of our Statutory Auditors, Deloitte Haskins & Sells LLP, is currently under process.*

### **Bankers to our Company**

#### **HDFC Bank Limited**

FIG-OPS Department, Lodha

I Think Techno Campus, O-3 Level

Next to Kanjurmarg Railway Station, Kanjurmarg (East)

Mumbai 400 042, Maharashtra, India

**Tel:** +91 22 3075 2928

**Fax:** +91 22 2579 9801

**E-mail:** [uday.dixit@hdfcbank.com](mailto:uday.dixit@hdfcbank.com)

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

**Contact Person:** Mr. Uday Dixit

#### **Axis Bank Limited**

Business Square Building, Ground Floor  
Near Krishna Baugh Char Rasta, Maninagar  
Ahmedabad 380 008, Gujarat, India  
**Tel:** +91 79 4026 0400/ 4026 0411  
**Fax:** +91 79 4026 0450  
**E-mail:** maninagar.branchhead@axisbank.com, maninagar.operationshead@axisbank.com  
**Website:** www.axisbank.com  
**Contact Person:** Mr. Jimmy Parekh and Mrs. Prasanna Ramdas

**IDBI Bank Limited**

1, 2 Sigma Icon, Opposite Medilink Hospital  
Near Shyamal Cross Road, Satellite  
Ahmedabad 380 015, Gujarat, India  
**Tel:** +91 79 6190 5601/02/03  
**Fax:** +91 79 6190 5612  
**E-mail:** ibkl000179@idbi.co.in  
**Website:** www.idbi.com  
**Contact Person:** Mr. Rakesh M. Singh

**Grading of the Offer**

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

**Appraising Entity**

The Offer being an Offer for Sale, the objects of the Offer have not been appraised.

**Monitoring Agency**

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency for the Offer.

**Expert**

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

Our Company has received consent from the Auditor, Deloitte Haskins & Sells, Chartered Accountants, to include its name in this Draft Red Herring Prospectus as required under Section 26(1)(a)(v) of the Companies Act 2013 and as an “expert” as defined under Section 2 (38) read with Section 26(5) of the Companies Act 2013 to the extent and in their capacity as the statutory auditor of our Company and in respect of their examination reports dated February 2, 2017 on the Restated Financial Statements, and for the statement of tax benefits, dated January 31, 2017 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term “expert” and consent thereof does not represent an “expert” or consent within the meaning under the U.S. Securities Act, 1933.

**Credit Rating**

As the Offer is of Equity Shares, credit rating is not required.

**Trustees**

As the Offer is of Equity Shares, the appointment of trustees not required.

**Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our Company and the Investor Selling Shareholder, in consultation with the BRLMs, and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of a Hindi national daily newspaper and [●] editions of [●] (a widely circulated Gujarati newspaper, Gujarati being the regional language

in the place where our Registered and Corporate Office is located), at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company and the Investor Selling Shareholder, in consultation with the BRLMs after the Bid/Offer Closing Date.

**All Investors (except Anchor Investors) can participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

**In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. For further details on method and process of Bidding, see “Offer Structure” on page 292.**

Investors should note the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

### **Illustration of Book Building Process and the Price Discovery Process**

*(Investors should note that the following is solely for the purpose of illustration and is not specific to this Offer, and does not illustrate bidding by Anchor Investors)*

Bidders can Bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an 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 bid period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

<b>Bid Quantity</b>	<b>Bid Price (Rs.)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
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., ₹ 22 in the above example. Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, will finalise the Offer Price at or below such cut-off, i.e., at or below ₹ 22. All bids at or above the Offer Price and cut-off price are valid bids and are considered for allocation in the respective categories.

### **Underwriting Agreement**

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

*(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)*

*(₹ in million)*

Name, address, telephone, fax and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalized after the pricing and actual allocation and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

## CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus, is set forth below.

	Particulars	Aggregate nominal value (in ₹)	Aggregate value at Offer Price (in ₹)
A)	<b>AUTHORISED SHARE CAPITAL*</b> 300,000,000 Equity Shares of ₹ 1 each	300,000,000	-
B)	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b> 137,500,000 Equity Shares of ₹ 1 each	137,500,000	-
C)	<b>OFFER</b> Offer of up to 28,875,000 Equity Shares aggregating up to ₹ [●] million**	28,875,000	[●]
	<i>Of which</i>		
	Employee Reservation Portion of [●] Equity Shares	[●]	[●]
D)	Net Offer of up to [●] Equity Shares aggregating up to ₹ [●] million	[●]	[●]
	<i>Of which</i>		
	QIB Category of at least [●] Equity Shares#	[●]	[●]
	<i>Of which:</i>		
	Anchor Investor Portion of up to [●] Equity Shares	[●]	[●]
	Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●]	[●]
	<i>Of which:</i>		
	- [●] Equity Shares shall be available for allocation to Mutual Funds only	[●]	[●]
	- [●] Equity Shares shall be available for all QIBs including Mutual Funds	[●]	[●]
	Non-Institutional Category of not more than [●] Equity Shares	[●]	[●]
	Retail Category of not more than [●] Equity Shares	[●]	[●]
	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER</b> 137,500,000 Equity Shares of ₹ 1 each	137,500,000	-
E)	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer		Nil
	After the Offer		Nil

\* For details of the changes in the authorized share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 126.

\*\* The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on February 2, 2017. Each of the Selling Shareholders have specifically confirmed and authorized their respective participation in the Offer for Sale. For details see "Other Regulatory and Statutory Disclosures" on page 278.

# Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 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 Equity Shares are allocated to Anchor Investors in the Offer. In case of under-subscription in the Anchor Investor Portion, the remaining Equity Shares will be added to the QIB Category. For more information, see "Offer Procedure" on page 299.

### Notes to Capital Structure

#### 1. Share Capital History

The following table sets forth the history of the equity share capital of our Company.

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
January 25, 2007	10,000	10	10	Cash	Subscription to the MoA <sup>(1)</sup>	10,000	100,000

Date of allotment	Number of equity shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
March 31, 2009	100,000	10	N.A.	Bonus	Allotment of bonus shares in the ratio 10:1 <sup>(2)</sup>	110,000	1,100,000
August 21, 2010	27,500	10	10	Cash	Further Issue <sup>(3)</sup>	137,500	1,375,000
<b>Equity Shares issued in the two years preceding the date of this Draft Red Herring Prospectus</b>							
Pursuant to a shareholders' resolution dated September 5, 2016, each equity share of face value of ₹ 10 each was split into ten equity shares of ₹ 1 each, therefore 137,500 equity shares of ₹ 10 each was split into 1,375,000 equity shares of ₹ 1 each.							
September 6, 2016	136,125,000	1	N.A.	Bonus	Allotment of bonus shares in the ratio 99:1 <sup>(4)</sup>	137,500,000	137,500,000

- (1) Initial subscription to the MoA of 2,500 equity shares by Mr. Rakeshbhai Bhikhabhai Shah, 5,000 equity shares by Mr. Himanshu Jayantbhai Shah and 2,500 equity shares by Mr. Bhikhabhai Chimanlal Shah.
- (2) Allotment of 19,000 equity shares each to Mr. Bhikhabhai Chimanlal Shah and Mr. Rakeshbhai Bhikhabhai Shah, 6,000 equity shares to Mr. Kaushal Kamlesh Shah and Mr. Hetal Rasiklal Shah, 10,000 equity shares each to Mr. Rajendrakumar Rambhai Patel, Mr. Inderjeet Singh Negi and Mr. Himanshu Jayantbhai Shah and 20,000 equity shares to Mr. Amit Indubhushan Bakshi.
- (3) Allotment of 27,500 equity shares to Mr. Amit Indubhushan Bakshi.
- (4) Allotment of 54,409,410 Equity Shares to Mr. Amit Indubhushan Bakshi, 6,902,280 Equity Shares to Mr. Himanshu Jayantbhai Shah, 6,901,290 Equity Shares each to Mr. Inderjeet Singh Negi, 5,445,000 Equity Shares each to Mr. Hetal Rasiklal Shah and Mr. Kaushal Kamlesh Shah, 6,901,290 Equity Shares to Mr. Rajendrakumar Rambhai Patel, 12,304,710 Equity Shares to Mr. Bhikhabhai Chimanlal Shah, 15,695,460 Equity Shares to Mr. Rakeshbhai Bhikhabhai Shah and 22,120,560 Equity Shares to Botticelli, capitalized out of the free reserves of our Company.

## 2. Equity Shares issued for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash, since incorporation. However, our Company has allotted bonus shares on March 31, 2009 and September 6, 2016. For further details, see “– Notes to Capital Structure – Share Capital History” on page 68.

## 3. Issue of Equity Shares in the last one year

Except as set forth below our Company has not issued Equity Shares in one year immediately preceding the date of this Draft Red Herring Prospectus.

Date of allotment	Number of Equity Shares issued	Face value (₹)	Issue price (₹)	Names of allottees	Reasons for allotment and benefits accrued to our Company
September 6, 2016	136,125,000	1	N.A.	Allotment of 54,409,410 Equity Shares to Mr. Amit Indubhushan Bakshi, 6,902,280 Equity Shares to Mr. Himanshu Jayantbhai Shah, 6,901,290 Equity Shares each to Mr. Inderjeet Singh Negi, 5,445,000 Equity Shares each to Mr. Hetal Rasiklal Shah and Mr. Kaushal Kamlesh Shah, 6,901,290 Equity Shares to Mr. Rajendrakumar Rambhai Patel, 12,304,710 Equity Shares to Mr. Bhikhabhai Chimanlal Shah, 15,695,460 Equity Shares to Mr. Rakeshbhai Bhikhabhai Shah and 22,120,560 Equity Shares to Botticelli.	Bonus issue

Our Company has not issued any Equity Shares out of revaluation reserves since incorporation.

#### 4. Employee Stock Option Scheme

Pursuant to a resolution of our Board of Directors dated February 2, 2017 and shareholders' resolution dated February 3, 2017, our Company instituted an employee stock option plan, 'Eris Lifesciences Employee Stock Option Plan 2017' ("Eris ESOP"). Our Auditors have, pursuant to their certificate dated February 6, 2017 confirmed that the Eris Lifesciences Employee Stock Option Plan 2017 has been framed and implemented in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended. Under the Eris ESOP, an aggregate of 391,599 stock options may be granted to eligible employees, with each option being exercisable to receive one Equity Share. The exercise price per option, to be determined on the date of grant of options, shall not be less than the fair value of an Equity Share, calculated using the Black Scholes model. As on the date of this Draft Red Herring Prospectus, our Company has not granted any employee stock options under the Eris ESOP. Our Company may grant options under Eris ESOP prior to filing the Red Herring Prospectus with the RoC.

#### 5. History of Build up, Contribution and Lock-in of Promoters' Shareholding

##### (a) Build-up of Promoters' shareholding in our Company

As on the date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 81,373,000 Equity Shares, which constitutes 59.18% of the issued, subscribed and paid-up Equity Share capital of our Company. Of such Equity Shares, our Promoters are offering to sell an aggregate of up to 4,468,500 Equity Shares as part of the Offer for Sale, which constitutes 3.25% of our paid-up Equity Share Capital.

Set forth below is the build-up of the equity shareholding of our Promoters, since incorporation of our Company.

Date of allotment/ transfer*	Number of Equity Shares	Face value (₹)	Issue/ purchase/s elling price per equity share (₹)	Consideration	Nature of acquisition/ transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
<b>(A) Mr. Amit Indubhushan Bakshi</b>							
August 31, 2007*	2,000	10	10	Cash	Acquired from Mr. Himanshu Jayantbhai Shah	0.01	0.01
March 31, 2009	20,000	10	N.A.	N.A.	Bonus Issue	0.15	0.15
August 21, 2010	27,500	10	10	Cash	Further Issue	0.20	0.20
June 23, 2011*	3,025	10	10	Cash	Acquired from Mr. Bhikhabhai Chimanlal Shah	0.02	0.02
June 23, 2011*	3,025	10	10	Cash	Acquired from Mr. Rakeshbhai Bhikhabhai Shah	0.02	0.02
August 29, 2011	(4,029)	10	87,271.25	Cash	Transfer to Botticelli	0.03	0.03
September 14, 2015	3,438	10	105,439.21**	Cash	Acquired from Mr. Bhikhabhai Chimanlal Shah	0.03	0.03
Pursuant to a shareholders' resolution dated September 5, 2016, each equity share of face value of ₹ 10 each was split into ten equity shares of ₹ 1 each, therefore 54,959 equity shares of ₹ 10 each held by Mr. Amit Indubhushan Bakshi were split into 549,590 equity shares of ₹ 1 each, which is 0.40% of the pre and post-Offer Equity Share capital of the Company.							
September 6, 2016	54,409,410	1	N.A.	N.A.	Bonus Issue	39.57	39.57
<b>Total (A)</b>	<b>54,959,000</b>	<b>1</b>				<b>39.97</b>	<b>39.97</b>
<b>(B) Mr. Himanshu Jayantbhai Shah</b>							
January 25, 2007	5,000	10	10	Cash	Subscription to MoA	0.04	0.04

Date of allotment/transfer*	Number of Equity Shares	Face value (₹)	Issue/purchase/selling price per equity share (₹)	Consideration	Nature of acquisition/transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
August 31, 2007*	(2,000)	10	10	Cash	Transfer to Mr. Amit Indubhushan Bakshi	0.01	0.01
August 31, 2007*	(1,000)	10	10	Cash	Transfer to Mr. Rajendrakumar Rambhai Patel	0.01	0.01
August 31, 2007*	(1,000)	10	10	Cash	Transfer to Mr. Inderjeet Singh Negi	0.01	0.01
March 31, 2009	10,000	10	N.A.	N.A.	Bonus Issue	0.07	0.07
August 29, 2011	(4,028)	10	87,271.25	Cash	Transfer to Botticelli	0.03	0.03
Pursuant to a shareholders' resolution dated September 5, 2016, each equity share of face value of ₹ 10 each was split into ten equity shares of ₹ 1 each, therefore 6,972 equity shares of ₹ 10 each held by Mr. Himanshu Jayantbhai Shah were split into 69,720 Equity Shares of ₹ 1 each, which is 0.05% of the pre and post-Offer Equity Share capital of the Company.							
September 6, 2016	6,902,280	1	N.A.	N.A.	Bonus Issue	5.02	5.02
<b>Total (B)</b>	<b>6,972,000</b>	<b>1</b>				<b>5.07</b>	<b>5.07</b>
<b>(C) Mr. Inderjeet Singh Negi</b>							
August 31, 2007*	1,000	10	10	Cash	Acquired from Mr. Himanshu Jayantbhai Shah	0.01	0.01
March 31, 2009	10,000	10	N.A.	N.A.	Bonus Issue	0.07	0.07
August 29, 2011	(4,029)	10	87,271.25	Cash	Transferred to Botticelli	0.03	0.03
Pursuant to a shareholders' resolution dated September 5, 2016, each equity share of face value of ₹ 10 each was split into ten equity shares of ₹ 1 each, therefore 6,971 equity shares of ₹ 10 each held by Mr. Inderjeet Singh Negi were split into 69,710 Equity Shares of ₹ 1 each, which is 0.05% of the pre and post-Offer Equity Share capital of the Company.							
September 6, 2016	6,901,290	1	N.A.	N.A.	Bonus Issue	5.02	5.02
<b>Total (C)</b>	<b>6,971,000</b>	<b>1</b>				<b>5.07</b>	<b>5.07</b>
<b>(D) Mr. Kaushal Kamlesh Shah</b>							
August 31, 2007*	600	10	10	Cash	Acquired from Mr. Bhikhabhai Chimanlal Shah	Negligible	Negligible
March 31, 2009	6,000	10	N.A.	N.A.	Bonus Issue	0.04	0.04
August 29, 2011	(1,100)	10	87,271.25	Cash	Transfer to Botticelli	0.01	0.01
Pursuant to a shareholders' resolution dated September 5, 2016, each equity share of face value of ₹ 10 each was split into ten equity shares of ₹ 1 each, therefore 5,500 equity shares of ₹ 10 each held by Mr. Kaushal Kamlesh Shah were split into 55,000 Equity Shares of ₹ 1 each, which is 0.04% of the pre and post-Offer Equity Share capital of the Company.							
September 6, 2016	5,445,000	1	N.A.	N.A.	Bonus Issue	3.96	3.96
<b>Total (D)</b>	<b>5,500,000</b>	<b>1</b>				<b>4.00</b>	<b>4.00</b>
<b>(E) Mr. Rajendrakumar Rambhai Patel</b>							
August 31, 2007*	1,000	10	10	Cash	Acquired from Mr. Himanshu Jayantbhai Shah	0.01	0.01
March 31, 2009	10,000	10	N.A.	N.A.	Bonus Issue	0.07	0.07
August 29, 2011	(4,029)	10	87,271.25	Cash	Transferred to Botticelli	0.03	0.03
Pursuant to a shareholders' resolution dated September 5, 2016, each equity share of face value of ₹ 10 each was split into ten equity shares of ₹ 1 each, therefore 6,971 equity shares of ₹ 10 each held by Mr. Rajendrakumar Rambhai Patel were split into 69,710 Equity Shares of ₹ 1 each, which is 0.05% of the pre and post-Offer Equity Share capital of the Company.							

Date of allotment/ transfer*	Number of Equity Shares	Face value (₹)	Issue/ purchase/ selling price per equity share (₹)	Consideration	Nature of acquisition/ transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
September 6, 2016	6,901,290	1	N.A.	N.A.	Bonus Issue	5.02	5.02
<b>Total (E)</b>	<b>6,971,000</b>	<b>1</b>				<b>5.07</b>	<b>5.07</b>
<b>Grand Total (A+B+C+D+E)</b>	<b>81,373,000</b>	<b>1</b>				<b>59.18</b>	<b>59.18</b>

\* As per the statutory register of share transfers maintained by our Company, as share transfer forms pertaining to this transfer is not available with us.

\*\* We have been unable to trace the delivery instruction slip for this transfer and the acquisition price and consideration are based on the relevant bank statements.

Our Promoters have confirmed to the Company and the BRLMs that the acquisition of the Equity Shares forming part of the Promoters' Contribution have been financed from personal funds/internal accruals and no loans or financial assistance from any banks or financial institution has been availed by for this purpose. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

**(b) Shareholding of our Promoters and Promoter Group**

Set forth below is the shareholding of our Promoters as on the date of this Draft Red Herring Prospectus. Other than our Promoters, none of the other members of our Promoter Group hold Equity Shares in our Company.

Name of shareholder	Pre-Offer		Post-Offer*	
	Number of Equity Shares	Percentage of Equity Share capital (%)	Number of Equity Shares	Percentage of Equity Share capital (%)
<b>(A) Promoters</b>				
Mr. Amit Indubhushan Bakshi	54,959,000	39.97	54,271,500	39.47
Mr. Himanshu Jayantbhai Shah	6,972,000	5.07	6,284,500	4.57
Mr. Inderjeet Singh Negi	6,971,000	5.07	5,939,833	4.32
Mr. Kaushal Kamlesh Shah	5,500,000	4.00	4,468,833	3.25
Mr. Rajendrakumar Rambhai Patel	6,971,000	5.07	5,939,834	4.32
<b>Total</b>	<b>81,373,000</b>	<b>59.18</b>	<b>76,904,500</b>	<b>55.93</b>

\* Assuming that all the Equity Shares offered by the Promoters as part of the Offer for Sale are transferred pursuant to this Offer.

All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.

**(c) Details of Promoters' contribution and lock-in for three years**

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment ("Minimum Promoters' Contribution"). All Equity Shares held by our Promoters are eligible for inclusion in the Minimum Promoters' Contribution, in terms of Regulation 33 of the SEBI ICDR Regulations.

Set forth below are the details of the Equity Shares that will be locked up as Minimum Promoters' Contribution for a period of three years from the date of Allotment of Equity Shares in the Offer.

Name of the Promoter	No. of Equity Shares to be locked-in	Date of allotment/ acquisition	Allotment/ acquisition price	Nature of transaction	Face value (₹)	% of pre-Offer Equity Share capital	% of the fully diluted post- Offer Equity Share capital
Mr. Amit Indubhushan Bakshi	19,406,748	September 6, 2016	N.A.	Allotment of bonus shares	1	14.11	14.11

Name of the Promoter	No. of Equity Shares to be locked-in	Date of allotment/ acquisition	Allotment/ acquisition price	Nature of transaction	Face value (₹)	% of pre-Offer Equity Share capital	% of the fully diluted post- Offer Equity Share capital
Mr. Himanshu Jayantbhai Shah	2,247,251	September 6, 2016	N.A.	Allotment of bonus shares	1	1.63	1.63
Mr. Inderjeet Singh Negi	2,124,003	September 6, 2016	N.A.	Allotment of bonus shares	1	1.55	1.55
Mr. Rajendrakumar Rambhai Patel	2,124,004	September 6, 2016	N.A.	Allotment of bonus shares	1	1.55	1.55
Mr. Kaushal Kamlesh Shah	1,597,994	September 6, 2016	N.A.	Allotment of bonus shares	1	1.16	1.16
<b>Total</b>	<b>27,500,000</b>					<b>20.00</b>	<b>20.00</b>

For details on the build-up of the Equity Share capital held by our Promoters, see “- *Build-up of our Promoters’ shareholding in our Company*” on page 70.

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Minimum Promoters’ Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoters’ Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The minimum Promoters’ Contribution has been brought in to the extent of not less than the specified minimum lot and from persons identified as ‘promoters’ under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoters’ Contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard we confirm that:

- (i) the Equity Shares offered as part of the Minimum Promoters’ Contribution do not comprise Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and where revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Minimum Promoters’ Contribution;
- (ii) 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 price at which the Equity Shares are being offered to the public in the Offer;
- (iii) our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion of a partnership firm; and
- (iv) the Equity Shares held by our Promoters and offered as part of the Minimum Promoters’ Contribution are not subject to any pledge.

**(d) *Details of Equity Shares locked-in for one year***

In terms of Regulation 37 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital will be locked-in for a period of one year from the date of Allotment in the Offer, except (a) the Minimum Promoters’ Contribution which shall be locked in as above; (b) any Equity Shares held by the employees of our Company (who continue to be employees of our Company as on the date of Allotment) which may be allotted to them under the Eris ESOP prior to the Offer; and (c) Equity Shares which are successfully transferred as part of the Offer for Sale.

Any unsubscribed portion of the Equity Shares being offered by the Selling Shareholders in the Offer for Sale would also be locked in as required under the SEBI ICDR Regulations.

*(e) Lock-in of Equity Shares Allotted to Anchor Investors*

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

*(f) Other requirements in respect of lock-in*

Pursuant to Regulation 39 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in for one year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Minimum Promoters' Contribution for three years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters may be transferred between our Promoters and Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").

Further, in terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

## 6. Our shareholding pattern

Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)			No. of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI)=(VII) + (X) as a % of (A+B+C2))	Number of Locked in shares (XII)				Number of shares pledged or otherwise encumbered (XIII)	Number of equity shares held in dematerialized from (XIV)
								No. of Voting Rights		Total as a % of total voting rights			No.	As a % of total shares held (a)	No.	As a % of total shares held (b)		
								Class eg: X	Class eg: Y									
(A)	<b>Promoter &amp; Promoter Group</b>	5	81,373,000	0	0	81,373,000	59.18	81,373,000	-	81,373,000	59.18	0	59.18	0	0	0	0	81,373,000
(B)	<b>Public</b>	4	56,127,000	0	0	56,127,000	40.82	56,127,000	-	56,127,000	40.82	0	40.82	0	0	0	0	56,127,000
(C)	<b>Non Promoter-Non Public</b>	0	0	0	0	0	0	0	-	0	0	0	0	0	0	0	0	0
(1)	<b>Shares underlying Custodian/Depository Receipts</b>	0	0	0	0	0	0	0	-	0	0	0	0	0	0	0	0	0
(2)	<b>Shares held by Employee Trusts</b>	0	0	0	0	0	0	0	-	0	0	0	0	0	0	0	0	0
	<b>Total (A)+(B)+(C)</b>	9	137,500,000	0	0	137,500,000	100	137,500,000	-	137,500,000	100	0	100	0	0	0	0	137,500,000

7. The BRLMs and their respective associates do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company and/or our Subsidiaries, for which they may in the future receive customary compensation.

8. **Shareholding of our Directors and Key Managerial Personnel in our Company**

Set forth below is the shareholding of our Directors and Key Managerial Personnel in our Company, as on the date of this Draft Red Herring Prospectus.

Name	No. of Equity Shares	% of pre-Offer Equity Share capital
<b>Shareholding of Directors</b>		
Mr. Amit Indubhushan Bakshi	54,959,000	39.97
Mr. Himanshu Jayantbhai Shah	6,972,000	5.07
Mr. Inderjeet Singh Negi	6,971,000	5.07
<b>Shareholding of Key Managerial Personnel</b>		
Mr. Rajendrakumar Rambhai Patel	6,971,000	5.07
Mr. Kaushal Kamlesh Shah	5,500,000	4.00

9. As on the date of this Draft Red Herring Prospectus, our Company has nine Equity Shareholders.

10. **10 largest shareholders of our Company**

(a) Our Company has nine shareholders as on the date of this Draft Red Herring Prospectus and ten days prior to the date of this Draft Red Herring Prospectus and the number of Equity Shares held by them are as set forth below.

S. No.	Shareholder	Number of Equity Shares held	Percentage of Equity Share capital (%)
1.	Amit Indubhushan Bakshi	54,959,000	39.97
2.	Bhikhabhai Chimanlal Shah	12,429,000	9.04
3.	Rakeshbhai Bhikhabhai Shah	15,854,000	11.53
4.	Botticelli	22,344,000	16.25
5.	Himanshu Jayantbhai Shah	6,972,000	5.07
6.	Inderjeet Singh Negi	6,971,000	5.07
7.	Rajendrakumar Rambhai Patel	6,971,000	5.07
8.	Kaushal Kamlesh Shah	5,500,000	4.00
9.	Hetal Rasiklal Shah	5,500,000	4.00
	<b>Total</b>	<b>137,500,000</b>	<b>100.00</b>

(b) Our Company had nine equity shareholders two years prior to the date of this Draft Red Herring Prospectus (i.e., February 8, 2015), and the number of equity shares held by them are as set forth below.

S. No.	Shareholder	Number of equity shares (of face value of ₹ 10 each) held	Percentage of Equity Share capital (%)
1.	Amit Indubhushan Bakshi	51,521	37.47
2.	Bhikhabhai Chimanlal Shah	15,867	11.54
3.	Rakeshbhai Bhikhabhai Shah	15,854	11.53
4.	Botticelli	22,344	16.25
5.	Himanshu Jayantbhai Shah	6,972	5.07
6.	Inderjeet Singh Negi	6,971	5.07
7.	Rajendrakumar Rambhai Patel	6,971	5.07
8.	Kaushal Kamlesh Shah	5,500	4.00
9.	Hetal Rasiklal Shah	5,500	4.00
	<b>Total</b>	<b>137,500</b>	<b>100.00</b>

For details relating to the cost of acquisition of Equity Shares by our Promoters, see the “*Risk Factors – Prominent Notes*” on page 36.

11. Of the Offer of up to 28,875,000 Equity Shares, [●] Equity Shares (aggregating to not more than 5% of the post-Offer Equity Share capital of our Company), shall be reserved for allocation to Eligible Employees on a proportionate basis, subject to valid Bids being received at or above the Offer Price, less the Employee Discount. Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion. Bids by Eligible Employees can also be made in the Net Offer and such Bids shall not be treated as multiple Bids. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000 up to ₹ 500,000 each. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer to the public.
12. None of our Promoters, members of our Promoter Group or our Directors or their immediate relatives have sold or purchased, or financed the sale or purchase of, Equity Shares by any other person, other than in the normal course of business of the financing entity, during the six months immediately preceding the date of this Draft Red Herring Prospectus.
13. Our Company, the Selling Shareholders, our Promoters, members of our Promoter Group, our Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares being offered through this Offer from any person.
14. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholders, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid. Further, no payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.
15. As on the date of this Draft Red Herring Prospectus, there are no Equity Shares held by the members of our Promoter Group. None of the Equity Shares being offered through the Offer are pledged or otherwise encumbered.
16. Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer.
17. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
18. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus. However, our Company has instituted the Eris ESOP, pursuant to which, it shall grant stock options to eligible employees in accordance with the terms of the Eris ESOP from time to time. For details, see “– *Employee Stock Option Scheme*” on page 70.
19. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.
20. Except for any Equity Shares issued pursuant to exercise of options granted pursuant to the Eris ESOP, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.
21. Except for the issue of Equity Shares pursuant to the exercise of options will be granted pursuant to the Eris ESOP, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals,

consider raising additional capital to fund such activity through issue of further Equity Shares.

22. Except for participation by our Promoters in the Offer for Sale as Selling Shareholders, none of our Promoters or the members of our Promoter Group will participate in the Offer.
23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
24. There has been no financing arrangement whereby our Promoters, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
25. Except for Mutual Funds sponsored by entities related to the BRLMs, Syndicate Members and any persons related to the BRLMs or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion.
26. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus filed in relation to this Offer with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.
27. Our Company has not revalued its assets since incorporation.
28. A Bidder cannot make a Bid exceeding the number of Equity Shares offered through this Offer and subject to the investment limits or maximum number of Equity Shares that can be held by them under applicable law. For more information see “*Offer Procedure*” on page 299.

## OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the sale of up to 28,875,000 Equity Shares by the Selling Shareholders. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our shareholders. Listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer and all the proceeds will go to the Selling Shareholders, in proportion to the Equity Shares offered by the respective Selling Shareholders in the Offer for Sale. For further details, see the section titled “*The Offer*” on page 57.

### Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsels, fees payable to the Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing Bid cum Application Forms, brokerage and selling commission payable to Registered Brokers, CRTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The estimated Offer expenses are as follows:

S. No.	Activity	Estimated amount* (₹ in million)	As a % of total estimated Offer Expenses*	As a % of Offer Size*
1.	Fees payable to the BRLMs (including brokerage and selling commission)	[●]	[●]	[●]
2.	Selling commission and processing fees for SCSBs <sup>(1)(3)</sup>	[●]	[●]	[●]
3.	Brokerage, selling commission and bidding charges for the members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs <sup>(2)(3)</sup>	[●]	[●]	[●]
4.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
5.	Listing fees, SEBI filing fees, book building software fees and other regulatory expenses, printing and stationery expenses, advertising and marketing expenses for the Offer and fees payable to the legal counsels	[●]	[●]	[●]
6.	Miscellaneous			
<b>Total Estimated Offer Expenses</b>		<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\* To be incorporated in the Prospectus after finalisation of the Offer Price.

(1) SCSBs will be entitled to a processing fee of ₹ [●] (plus applicable service tax) per valid Bid cum Application Form, for processing the Bid cum Application Form procured by the members of the Syndicate, the Registered Brokers, CRTAs or CDPs from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for blocking.

(2) Registered Brokers will be entitled to a commission of ₹ [●] (plus applicable service tax) per valid ASBA Form directly procured by the Registered Brokers from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for processing.

(3) Selling commission payable to members of the Syndicate, SCSBs, CRTAs and CDPs on Bids directly procured from Retail Individual Bidders and Non-Institutional Bidders, would be as follows: [●]

Further, the Members of Syndicate, CRTAs and CDPs will be entitled to bidding charges of ₹ [●] (plus applicable 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 CRTA/CDP and members of the Syndicate.

Other than listing fees, which will be borne by the Company, all costs, fees and expenses with respect to the Offer will be shared between the Selling Shareholders, in proportion to their respective Offered Shares sold pursuant to the Offer, upon successful completion of the Offer. Upon the successful completion of the Offer, each of the Selling Shareholders agree that they shall severally and not jointly reimburse our Company, on a pro-rata basis, in proportion to their respective Offered Shares sold pursuant to the Offer, for any expenses (other than listing fees) incurred by our Company on behalf of the Selling Shareholders.

### Monitoring of Utilization of Funds

As the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and Investor Selling Shareholder, in consultation with the BRLMs, 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 ₹ 1 each and the Offer 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.

### Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for the Offer Price are:

1. Focus on branded prescription based pharmaceutical products catering to lifestyle related disorders;
2. One of the fastest growing companies in certain high growth therapeutic areas with a portfolio of complementary products;
3. Portfolio of high volume and leading brands;
4. Focus on Metro Cities and Class 1 towns in India which have higher incidence of lifestyle disorders and concentration of specialists and super specialists;
5. Multi-faceted product selection and engagement model leading to growth in prescription for our products; and
6. Strong sales, marketing and distribution capabilities.

For further details, see “*Our Business*” and “*Risk Factors*” on pages 101 and 16, respectively.

### Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements and Restated Standalone Financial Statements prepared in accordance with Indian GAAP, the Companies Act, 1956 and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. For details, see section “*Financial Statements*” on page 153.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

#### 1. Basic and Diluted Earnings/Loss per Share (“EPS”)

As per our Restated Standalone Financial Statements:

Year/Period ended	Basic & Diluted EPS (₹)	Weight
March 31, 2016	10.03	3
March 31, 2015	6.06	2
March 31, 2014	4.77	1
<b>Weighted Average</b>	<b>7.83</b>	
For the period ended September 30, 2016*	9.20	

\* Not annualised

As per our Restated Consolidated Financial Statements:

Year/Period ended	Basic & Diluted EPS (₹)	Weight
March 31, 2016	9.71	3
March 31, 2015	6.49	2
March 31, 2014	5.15	1
<b>Weighted Average</b>	<b>7.88</b>	
For the period ended September 30, 2016*	9.43	

\* Not annualised

Note:

1. Earnings per share calculations are done in accordance with Accounting Standard 20 ‘Earnings Per Share’ issued by the Institute of Chartered Accountants of India.
2. The face value of each Equity Share is ₹ 1.
3. Earnings per share = Net profit attributable to equity shareholders / Weighted average number of equity shares (including Split and Bonus Shares) outstanding during the year / period
4. As per the requirements of AS 20 Earnings Per Share, the weighted average number of equity shares considered for calculation of Earnings per Share includes the bonus shares issued and share split and the Earnings per

Share for all comparative periods has been presented giving the effect of this issue of bonus shares and share split.

2. **Price Earning Ratio (P/E) in relation to the Offer Price of ₹ [●] per Equity Share of the face value of ₹ 1 each**

Particulars	As per our Restated Standalone Financial Statements	As per our Restated Consolidated Financial Statements
P/E ratio based on Basic EPS for the financial year ended March 31, 2016 at the Floor Price:	[●]	[●]
P/E ratio based on Diluted EPS for the financial year ended March 31, 2016 at the Floor Price:	[●]	[●]
P/E ratio based on Basic EPS for the financial year ended March 31, 2016 at the Cap Price:	[●]	[●]
P/E ratio based on Diluted EPS for the financial year ended March 31, 2016 at the Cap Price:	[●]	[●]

**Industry P/E ratio**

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 60.83, the lowest P/E ratio is 29.09, the average P/E ratio is 40.74.

*Note - The highest and lowest Industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see " - Comparison with listed industry peers" hereunder.*

3. **Return on Net Worth (RoNW)**

Return on net worth as per Restated Standalone Financial Statements:

Period/Year ended	RONW (%)	Weight
March 31, 2016	45.13	3
March 31, 2015	31.12	2
March 31, 2014	35.52	1
<b>Weighted Average</b>	<b>38.86</b>	
For the period ended September 30, 2016*	29.27	

\* Not annualised

Return on net worth as per Restated Consolidated Financial Statements:

Period/Year ended	RONW (%)	Weight
March 31, 2016	44.58	3
March 31, 2015	33.54	2
March 31, 2014	40.02	1
<b>Weighted Average</b>	<b>40.14</b>	
For the period ended September 30, 2016*	30.20	

\* Not annualised

$$\text{RoNW (\%)} = \frac{\text{Net profit/(loss) after tax}}{\text{Net worth excluding revaluation reserve at the end of the year / period}}$$

4. **Minimum Return on Total Net Worth after Offer needed to maintain pre-Offer EPS for the financial year ended March 31, 2016**

a) **For Basic EPS**

Particulars	Standalone (%)	Consolidated (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

b) **For Diluted EPS**

Particulars	Standalone (%)	Consolidated (%)
At the Floor Price	[●]	[●]
At the Cap Price	[●]	[●]

## 5. Net Asset Value (NAV) per Equity Share

NAV	Standalone (₹)	Consolidated (₹)
As on March 31, 2016	22.23	21.79
As on September 30, 2016	31.44	31.22
After the Offer		
- At the Floor Price	[●]	[●]
- At the Cap Price	[●]	[●]
Offer Price		[●]

Notes:

- Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
- Net Asset Value per Equity Share represents Net worth excluding revaluation reserve and preference share capital at the end of the year or period / Number of equity shares outstanding at the end of the year or period.
- The NAV shown above are after taking into account the effect of share split and issue of bonus shares after March 31, 2016.

## 6. Comparison with listed industry peers

Following is the comparison with our peer group companies listed in India and with large portfolio of products in Indian branded formulation market:

Name of the company	Total Revenue (₹ in million)	Face Value per Equity Share (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%) <sup>(2)</sup>	Net Asset Value/ Share (₹)
Company*	6,003.93	1	[●]	9.71 <sup>(1)</sup>	44.58	21.79 <sup>(3)</sup>
<b>Peer Group</b>						
GlaxoSmithKline Pharmaceuticals Limited <sup>^</sup>	28,911.07	10	60.83 <sup>(4)</sup>	44.49	22.22	200.24 <sup>(5)</sup>
Abbott India Limited <sup>#</sup>	26,788.64	10	36.14 <sup>(6)</sup>	122.18	23.44	521.26 <sup>(3)</sup>
Sanofi India Limited <sup>&amp;</sup>	22,444.10	10	29.09 <sup>(7)</sup>	139.59 <sup>(8)</sup>	19.76	706.52 <sup>(3)</sup>
Pfizer Limited <sup>#</sup>	21,027.55	10	36.91 <sup>(9)</sup>	48.70	10.52	462.97 <sup>(3)</sup>

\* Based on Restated Consolidated Financial Statements as on and for period ended March 31, 2016

<sup>^</sup> Based on Consolidated audited financials as per latest annual report filed with stock exchanges for period ended March 31, 2016

<sup>#</sup> Based on audited financials as per latest annual report filed with stock exchanges for period ended March 31, 2016

<sup>&</sup> Based on audited financials as per latest annual report filed with stock exchanges for period ended December 31, 2015

Notes:

(1) Basic Earnings per share = Net profit attributable to equity shareholders, as restated / Weighted average number of equity shares (including split and bonus shares) outstanding during the year / period

(2) RoNW (%) = Net profit/(loss) after tax, as restated / Net worth excluding revaluation reserve capital at the end of the year or period

(3) Net Asset Value per Equity Share represents Net worth at the end of the year or period excluding revaluation reserve and preference share capital / Total number of equity shares outstanding at the end of year.

(4) P/E figures for the peer is computed based on closing market price as on February 1, 2017, as Rs. 2,718.55 available at NSE, (available at [www.nseindia.com](http://www.nseindia.com)) divided by Basic EPS for Fiscal 2016 (on consolidated basis) as 44.69 based on the annual report for Fiscal 2016.

(5) Net Asset Value per Equity Share represents Net worth at the end of the year / Total number of equity shares outstanding at the end of year excluding shares in abeyance

(6) P/E figures for the peer is computed based on closing market price as on February 1, 2017, as Rs. 4,415.55 available at NSE, (available at [www.nseindia.com](http://www.nseindia.com)) divided by Basic EPS for Fiscal 2016 as 122.18 based on the annual report for Fiscal 2016.

(7) P/E figures for the peer is computed based on closing market price as on February 1, 2017, as Rs. 4,060.50 available at NSE, (available at [www.nseindia.com](http://www.nseindia.com)) divided by Basic EPS for period ended December 31, 2015 as 139.59 based on the latest annual report filed with stock exchanges for period ended December 31, 2015.

(8) *Basic Earnings per share = Net profit attributable to equity shareholders after exceptional items / Weighted average number of equity shares outstanding during the year / period.*

(9) *P/E figures for the peer is computed based on closing market price as on February 1, 2017, as Rs. 1,797.55 available at NSE, (available at [www.nseindia.com](http://www.nseindia.com)) divided by Basic EPS for Fiscal 2016 as 48.7 based on the annual Report for Fiscal 2016.*

The Offer Price of ₹ [●] and Employee Discount of ₹ [●] have been determined by our Company and Investor Selling Shareholder, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company, Investor Selling Shareholder, BRLMs believe that the Offer Price of ₹ [●] and the Employee Discount of ₹ [●] are justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with “**Risk Factors**”, “**Our Business**” and “**Financial Statements**” on pages 16, 101 and 153 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “**Risk Factors**” and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

January 31, 2017

To

**The Board of Directors**

**Eris Lifesciences Limited**

21 New York Tower

Opposite Muktidham Temple SG Road, Thaltej

Ahmedabad 380054

Gujarat, India

### **SUB: CERTIFICATION OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ERIS LIFESCIENCES LIMITED AND ITS SHAREHOLDERS**

Dear Sirs,

We refer to the proposed offer for sale of shares of Eris Lifesciences Limited (“the Company”). We enclose herewith the statement showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act 1961 and indirect tax laws presently in force in India for inclusion in the Draft Red Herring Prospectus (“DRHP”), Red Herring Prospectus and Prospectus (“Offer Documents”) for the proposed offer for sale.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961 and indirect tax laws presently in force in India. Hence the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the Offer Documents for the proposed offer for sale of shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

## LIMITATIONS

*Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.*

*This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the Offerings).*

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
ICAI Firm Registration Number: 117366W/W - 100018

## **YOGESH G SHAH**

*Partner*

Membership No. 40260 Ahmedabad

Date: January 31, 2017

## **STATEMENT ON POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ERIS LIFESCIENCES LIMITED AND ITS SHAREHOLDERS**

The information provided below sets out the possible direct and indirect tax benefits available to the shareholders of an Indian company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the Offerings).

### **INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THEIR PARTICULAR SITUATION.**

#### **I. TAX BENEFITS AVAILABLE UNDER THE INCOME TAX ACT, 1961**

##### ***A. Special tax benefits available to the Company***

Subject to the fulfillment of prescribed conditions, the Company is entitled to claim deduction of 100% of the profits and gains derived from the specified business from an undertaking located in the North-Eastern State of Assam at Guwahati under Section 80IE of the Act for ten consecutive assessment years commencing with the assessment year relevant to the previous year in which the undertaking begins to manufacture or produce articles provided such manufacture commences before 31<sup>st</sup> March 2017.

We have been given to understand that the company has begun manufacture on 5<sup>th</sup> May 2014 and is eligible to claim deduction beginning with Assessment year 2015-16 for ten consecutive assessment years.

##### ***B. Special tax benefits available to Shareholders***

There are no special benefits available to the shareholders under the provisions of the Income Tax Act, 1961.

#### **II. TAX BENEFITS AVAILED BY ERIS LIFESCIENCES LIMITED ('ERIS') UNDER INDIRECT TAX LAWS:**

Outlined below are the possible / significant benefits available to the Company or to the major products dealt by Company as per the current Indirect Tax laws in India for the Financial Year 2016-17.

Taking into consideration the nature of business of the company, as explained to us by the representatives / management of the Company and on the basis of the information and explanations provided to us, we understand that the company may enjoy the following benefits/exemptions available

under following Indirect Tax legislations subject to fulfilment of conditions as specified in the relevant Rules and Notifications applicable:

**A. *Under the Central Excise Act, 1944***

We are given to understand that following exemptions from payment of Excise Duty are availed by Eris at their facility located in Guwahati, Assam.

- i. Based on Notification # 20/2007 dated April 25, 2007 as amended from time to time, Eris is claiming area based exemption to the extent of 56% of duty payable on value addition made at above referred industrial unit.
- ii. Based on Notification # 02/2011-C.E. dated March 1, 2011 as amended from time to time, Eris is availing exemption from payment of Excise Duty in excess of 6%.

**B. *Under the Assam Value Added Tax Act, 2003 and the Central Sales Tax Act, 1956***

We are given to understand that Eris is claiming remission benefit as per Assam Industries (Tax Exemption) Order, 2009.

**NOTES:**

1. The above benefits are as per the current tax laws.
2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

## SECTION IV: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

The following information includes data provided by IMS and SMSRC as well as extracts from publicly available information, industry reports, data and statistics and has been extracted from official sources and other sources.

The data may have been reclassified by us for the purpose of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but 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. Industry sources and publications are also prepared based on information and estimates as of specific dates and may no longer be current. Such information, data and estimates may be approximations or use rounded numbers.

All references to years in the section below are to Fiscals (period during April-March) unless specified otherwise.

In this Draft Red Herring Prospectus, we have included certain sales, market share and other financial information relating to the pharmaceutical industry and our operations, products and therapeutic areas that is sourced from IMS, a healthcare information and consulting service provider. IMS computes revenues for the sales of pharmaceutical products based on their research on sales of products in certain pharmaceutical markets and in relation to specific geographic areas. The methodology for computation of revenues by IMS, including for our products, is different from the methodology we adopt for the recognition of revenue from the sales of our products under Indian GAAP, reflected in the Restated Financial Statements included in this Draft Red Herring Prospectus. Accordingly, the sales, market share and other financial data sourced to IMS may not accurately reflect our revenues, results of operations and financial results for the products/therapeutic areas covered.

We have classified and presented certain sales, market share and other financial information sourced from IMS, according to 'mother brand groups'. A mother brand includes all brand extensions and combinations. A 'mother brand group' includes a mother brand together with other brands using the same pharmaceutical molecules as brand extensions and combinations in the mother brand.

#### The Global Pharmaceuticals Industry

The table below sets out the top 20 international pharmaceuticals markets, as per IMS, as of calendar years 2010 and 2015 and projections for calendar year 2020, in local currency terms:

Rank	2010	Sales (LC\$ bn)	2015	Sales (LC\$ bn)	2020	Sales (LC\$ bn)
1	USA	319.5	USA	434.3	USA	612.3
2	Japan	78.0	China (+1)	110.7	China (+1)	153.9
3	China	56.8	Japan (-1)	89.1	Japan (-1)	91.9
4	Germany	35.9	Germany	43.4	Germany	50.8
5	France	32.8	France	32.7	Brazil (+5)	36.6
6	Italy	22.7	Italy	27.8	UK (+2)	36.1
7	Spain	18.9	UK (+1)	26.7	France (-2)	33.7
8	UK	18.9	Brazil (+2)	24.3	Italy (-2)	33.8
9	Canada	17.3	Spain (-2)	20.9	India (+4)	27.9
10	Brazil	13.5	Canada (-1)	19.1	Spain (-3)	23.7
11	South Korea	10.8	Venezuela (+3)	16.3	Canada (-2)	23.1
12	Australia	9.5	India (+1)	15.9	South Korea (-1)	15.6
13	India	8.6	South Korea (-2)	12.2	Russia (+3)	15.2
14	Venezuela	8.1	Russia (+2)	11.3	Australia (-2)	14.0
15	Mexico	7.4	Australia (-3)	11.0	Turkey (+7)	13.0
16	Russia	6.2	Mexico (-1)	8.9	Mexico (-1)	12.2
17	Poland	5.5	Argentina (+6)	6.7	Saudi Arabia (+9)	8.3
18	Netherlands	5.3	Turkey (+4)	6.6	Poland (-1)	7.8
19	Belgium	5.2	Poland (-2)	6.4	Argentina (+4)	7.3
20	Greece	5.0	Saudi Arabia (+6)	6.1	Switzerland (+1)	6.2

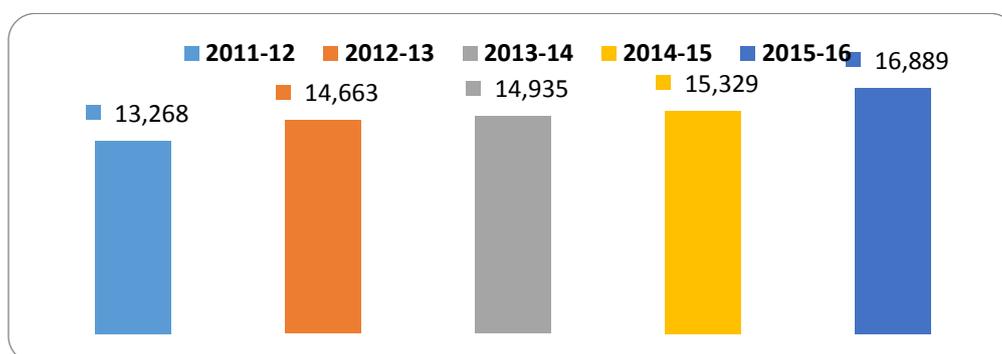
\*LC\$ refers to local currency

Source : IMS Prognosis Global 2016-2020

The global pharmaceuticals market is estimated to grow at a CAGR of 5.6% between calendar years 2015 and 2020 (Source: IMS Prognosis Global 2016-2020). IMS has identified 21 ‘pharmerging’ markets, including China, India, Brazil and Russia, based on macroeconomic metrics and pharmaceuticals market forecasts. India is one of the largest contributors to the global pharmaceuticals market growth and is ranked third among the ‘pharmerging’ markets in terms of pharmaceuticals sales. According to IMS, pharmaceutical sales in ‘pharmerging’ markets are expected to grow at a CAGR of approximately 7.6% between calendar years 2015 and 2020, which is higher than major developed countries and rest of the world, which are forecasted to grow at a CAGR of approximately 5.5% and 2.6%, respectively, between the same periods. ‘Pharmerging’ markets are expected to increase their share in the global pharmaceuticals market sales growth from 25.1% in calendar year 2016 to 30.5% in calendar year 2020 (Source: IMS Prognosis Global 2016-2020).

### The Indian Pharmaceuticals Markets

India is one of the largest pharmaceuticals markets in the world. Between Fiscals 2012 and 2016, the IPM revenues grew at a CAGR of 12.2% to reach ₹1,046.33 billion (Source: IMS TSA MAT, March 2016; IMS TSA includes sales from authorized pharmaceuticals stockists to retailers and sales from sub-stockists, doctors and hospitals, but does not include the sales to institutions and tenders), driven by favorable demographic and macro-economic trends, the rising prevalence of chronic diseases, increasing insurance spending and the under-penetration of medical infrastructure and talent. In addition to a large domestic formulations market, India has also emerged as a hub for exporting finished formulations, APIs and excipients to several countries globally. The table below illustrates the growth in India’s pharmaceutical exports between Fiscals 2012 and 2016:



Source: Pharmexil Annual Reports, 2014-15 and 2015-16

### Overview of the Indian Pharmaceuticals Market

The IPM can be classified into acute and chronic categories. The acute category of the IPM comprises therapies intended for diseases of short duration and recent onset, including anti-infectives, gastro intestinal medication, vitamins and gynecology. The chronic category includes therapies intended for non-communicable diseases that are prolonged in duration. Some examples of chronic diseases include heart disease, diabetes, cancer and arthritis. The IPM is the 13<sup>th</sup> largest market globally in terms of value and third largest market globally in terms of volume (Source: Ministry of External Affairs, Government of India - [http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices\\_landing/347/1](http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices_landing/347/1)).

### Key Characteristics of the IPM

The IPM is characterized by the following key factors:

- **Large out of pocket spend and low per capita health expenditure:** In 2014, India ranked 64<sup>th</sup> globally out of 218 countries, in terms of out of pocket expenditure, as a percentage of private expenditure on health. In 2014, per capita expenditure on health in India was US\$ 75, as against US\$ 420 in China, US\$ 99 in Indonesia, and US\$ 127 in Sri Lanka. (Source: World Bank, <http://wdi.worldbank.org/table/2.15>)
- **Branded generics:** Branded generics (off-patent drugs with a trade name) dominate the IPM, contributing to approximately 98% of retail sales in Fiscal 2016 (Source: IMS TSA MAT, March 2016). In Fiscal 2016, the IPM had 32,706 brands across all therapeutic areas and the top 300 brands accounted for 30.5% of the sales in the IPM. The top 100 brands accounted for 30.7% of the overall sales in the chronic category and for 21.1% of the overall sales in the acute category for Fiscal 2016. (Source: IMS TSA MAT, March 2016).

- **Prescriptions led:** A large portion of the IPM is prescription led, with the prescriber base comprising Registered Medical Practitioners. Hospitals and OTC account for a smaller portion of the IPM. A growth in the number of Registered Medical Practitioners combined with other drivers including a rise in the patient population, increasing affordability, and improving medical infrastructure and diagnostics has led to a growth in the number of prescriptions. (Source: IMS). The table below illustrates prescription share and value per prescription across doctor categories, in the IPM:

Specialty	value per prescription in ₹	
	IPM Prescription Share	IPM Value per Prescription
Diabetologists / Endocrinologists	1.1%	1,350.0
Cardiologists	2.4%	990.0
Gastroenterologists	1.1%	860.0
Neurologists/ Neurosurgeons	1.6%	820.0
Nephrologists / Urologists	1.0%	630.0
Others*	38.3%	280.0
Consulting Physicians	8.3%	560.0
Gynaecologists	7.7%	350.0
General Physicians (MBBS)	12.0%	200.0
General Physicians (Non MBBS)	26.5%	120.0
	<b>100.0%</b>	<b>300.0</b>

\*Others includes: dentists, pediatricians, general surgeons, chest specialists, ENT specialists, ophthalmologists, oncologists, psychiatrists, orthopedics and dermatologists.

Source: IMS Analysis, IMS TSA and Medical Audit MAT, September 2016

- **Rising prevalence of chronic diseases:** Rising demand for drugs that treat chronic illness, driven by a growing incidence of lifestyle disorders has led to an increase in the share of the chronic category in the IPM from 30.5% in Fiscal 2012 to 33.4% in Fiscal 2016 (Source: IMS TSA MAT, March 2016).
- **Metro cities and class 1 towns:** According to IMS, metro cities and class 1 towns in India accounted for 64.5% of the IPM revenues in Fiscal 2016. The contribution of metro cities and class 1 towns to revenues for Fiscal 2016 from the chronic category of the IPM were higher, at 70.9%, as compared to acute category, at 61.2%. Further, the chronic category has grown at a faster pace in metro cities and class 1 towns at 14.0% and 14.9%, respectively between Fiscals 2012 and 2016 while growth in the acute category in metro cities and class 1 towns has been 11.7% and 9.8%, respectively, for the same period. (Source: IMS TSA and Town Class MAT, March 2016).

The table below illustrates the revenue contribution of metro cities and class 1 towns to the IPM, broken down by certain key therapeutic areas:

Therapeutic Area	Revenues in ₹million			
	IPM		IPM Revenue % from metro cities and class 1 towns	
	Fiscal 2016	Six months ended September 30, 2016	Fiscal 2016	Six months ended September 30, 2016
Cardiovascular	121,485.9	67,095.6	69.6%	70.3%
Anti-diabetics	85,200.8	48,929.2	72.0%	73.1%
Vitamins	80,478.4	46,492.9	63.4%	63.9%
Gastroenterology	112,142.3	64,666.7	59.2%	60.2%

Source: IMS analysis; IMS TSA and Town Class MAT, March 2016; IMS TSA for six months ended September 30, 2016

- **Domestic companies dominate market share:** Domestic companies accounted for a majority of the revenues in the IPM, with a share of 77.7% of revenues, for Fiscal 2016, compared to 74.9%, for Fiscal 2012 (Source: IMS TSA MAT, March 2016). Multi-national corporations had a lower share of the IPM, partly due to branded generics dominating the IPM accounting for approximately 98% of retail sales in Fiscal 2016 (Source: IMS TSA MAT, March 2016).

- **Fragmented supplier base:** The IPM is characterized by fragmentation in the supplier base, which consisted of 493 companies, in Fiscal 2016. However, the top 10 companies and the top 25 companies accounted for 42.6% and 70.7% of the IPM, respectively for Fiscal 2016. (Source: IMS TSA MAT, March 2016).

### Growth drivers for the IPM

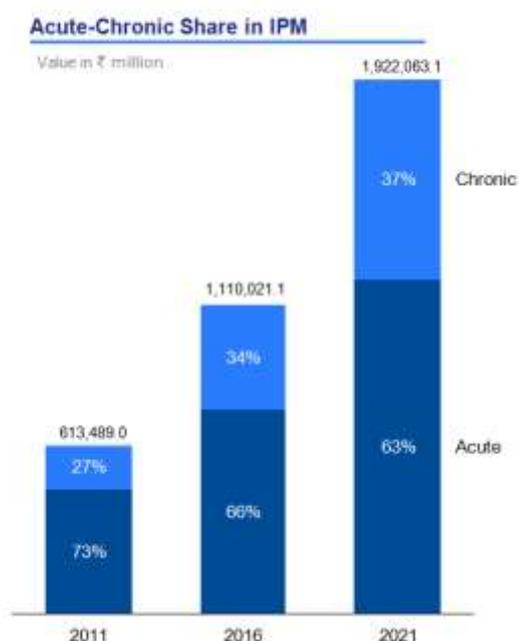
The IPM is expected to grow at a CAGR of 11.6% between calendar years 2016 and 2021 (Source: IMS Prognosis, 2016). The table below illustrates the growth drivers in the IPM, across contribution of volume growth, price growth and new introductions:

IPM	Revenue Growth (year on year)	Volume Growth (year on year)	Price Growth (year on year)	New Introductions Growth (year on year)
Fiscal 2014	10.3%	2.2%	1.7%	6.4%
Fiscal 2015	13.4%	5.6%	1.7%	6.1%
Fiscal 2016	14.4%	5.8%	3.6%	5.0%

(Source: IMS TSA MAT, March 2016)

The underlying growth in the IPM is expected to be a function of several factors, including:

- **Favorable demographics and macro-economic developments:** Overall healthcare spending in India is expected to rise due to a high real GDP growth rate, improving GDP per capita, rising affordability, improving healthcare infrastructure the increasing awareness of diseases and therapies, and a greater penetration of diagnostics. India also has a large population of an estimated 1.3 billion people, as of July 2016 with an estimated 77.1 million people over the age of 65. (Source: CIA World Fact Book (India)). Increasing life expectancy levels imply a larger addressable market for the IPM.
- **Rising prevalence of chronic diseases:** An increase in lifestyle disorders has increased the prevalence of chronic diseases, and consequently, has raised the share of the chronic category in the IPM from 30.5% in Fiscal 2012 to 33.4% in Fiscal 2016 (Source: IMS TSA MAT, March 2016). The chronic category is expected to grow at a CAGR of 13.9% between calendar years 2016 and 2020. (Source: IMS Prognosis, 2016). The tables below illustrate the relative share of the acute and chronic categories in the IPM together with estimated growth rates:



	CAGR (2011-16)	CAGR (2016-21)
ACUTE	10.4%	10.3%
CHRONIC	17.7%	13.9%
IPM	12.6%	11.6%

Source: IMS TSA MAT, March 2011 and March 2016; IMS Prognosis, 2016

- **Medical talent including specialists and super specialists:** To ensure availability of specialist doctors at the secondary and tertiary levels, the Indian Finance Minister in his union budget speech for Fiscal 2018 has announced the creation of additional 5,000 post-graduate seats every year. The number of post graduate medical seats presently available in India is approximately 27,000 (Source: Medical Council of India).

#### Progression of super-speciality courses in India:

	2011 <sup>1</sup>	2014 <sup>2</sup>	2017 <sup>3</sup>
Cardiology	236	269	315
Endocrinology	42	55	78
Neurology	139	172	219
Gastroenterology	85	102	118
Nephrology	72	95	120

(1) National Health Profile 2011, Central Bureau of Health Intelligence

(2) National Health Profile 2015, Central Bureau of Health Intelligence

(3) Medical Council of India website as on February 2, 2017

Since India continues to remain a prescriptions led market, registered medical practitioners play an important role. Most retail drugs are sold through prescriptions from specialists and super specialists, who accounted for 61.6% of all prescriptions in IPM for Fiscal 2016 (Source: IMS Medical Audit MAT, March 2016). A growing contribution of specialty therapies is expected to further enhance the importance of specialists and super specialists in the pharmaceuticals value chain.

#### Acute and Chronic Categories of the IPM

The following tables set forth historical revenues and revenue growth of chronic and acute categories of the IPM, for the periods indicated:

Value (in ₹billion)	For Fiscal					Six months ended September 30, 2016
	2012	2013	2014	2015	2016	
Acute category	458.8	502.6	546.3	615.2	696.7	389.8
Chronic category	201.2	228.4	260.3	299.4	349.6	194.1
<b>Total</b>	<b>660.0</b>	<b>731.0</b>	<b>806.6</b>	<b>914.6</b>	<b>1046.3</b>	<b>583.9</b>

% Contribution (by value)						Six months ended September 30, 2016
	2012	2013	2014	2015	2016	
Acute category	69.5%	68.8%	67.7%	67.3%	66.6%	66.8%
Chronic category	30.5%	31.2%	32.3%	32.7%	33.4%	33.2%

Year on Year Growth (%)						CAGR (Fiscals 2012-2016)
	2012	2013	2014	2015	2016	
Acute category	NA	9.5%	8.7%	12.6%	13.2%	11.0%
Chronic category	NA	13.5%	13.9%	15.0%	16.8%	14.8%

Source: IMS TSA MAT, March 2016; and IMS TSA for six months ended September 30, 2016

The following table sets forth revenue and growth data for select therapeutic areas within the chronic and acute categories of the IPM, for the periods indicated:

Therapeutic Area	Chronic Category		Therapeutic Area	Acute Category	
	MAT for Fiscal 2016 (in ₹billion)	CAGR (Fiscals 2012 – 2016)		MAT for Fiscal 2016 (in ₹billion)	CAGR (Fiscals 2012 – 2016)
Cardiovascular	121.5	12.7%	Gastro Intestinal	112.1	13.3%
Anti-diabetics	85.2	19.2%	Vitamins	80.5	12.8%
Neurology	63.2	12.5%	Gynaecology	51.6	9.5%
Respiratory	31.3	13.7%	Respiratory	49.8	8.6%
Others*	48.4	17.6%	Others**	402.7	10.6%

\*Others comprises of: urology, oncology, chronic pain/analgesics, others

\*\* Others comprises of: anti infectives, derma, pain/analgesics, ophthal/otologicals, vaccines, hormones, others, blood related, hepatoprotectives, HIV, stomatologicals, anti-malarials, anti-tb, anti-parasitic, parenteral and sex stimulants/rejuvenators

Source: IMS TSA MAT, March 2016

The following table sets forth revenue data for certain select subgroups within the cardiovascular and vitamins therapeutic areas, for the periods indicated:

Therapeutic Area Subgroup	Vitamins		Cardiovascular
	Plain Vitamin D	Cilnidipine and Combinations	Chlorthalidone and Combinations
<b>Revenues in Fiscal Year (₹ million)</b>			
2007	107.1	0.0	230.7
2008	116.0	2.2	231.8
2009	123.2	9.0	233.2
2010	167.4	25.0	245.0
2011	256.8	67.5	224.2
<i>Source: IMS secondary sales audit ("SSA")* MAT, March 2007 and March 2011</i>			
2012	751.8	164.8	280.7
2013	1,815.1	328.6	480.1
2014	2,764.0	928.5	1,237.4
2015	3,679.0	1,856.6	2,406.0
2016	4,714.8	2,921.5	3,631.1

Source: IMS TSA MAT, March 2016

\* IMS SSA includes only secondary sales from authorized pharmaceuticals stockists to retailers.

## Growing Prevalence of Chronic Diseases in India

According to IMS, the widespread rise of chronic diseases is largely lifestyle led and driven by rapid urbanization, increasingly sedentary lifestyles and changing eating habits. The onset of serious chronic conditions is recorded at a relatively early age in Indian patients, while late diagnosis and limited access to effective treatment means that outcomes for many patients are poor. As of March, 2015, an estimated 33% of the Indian adult population have high blood pressure, while the prevalence of elevated cholesterol and blood glucose levels is estimated at approximately 27% and 10%, respectively. Further, one in ten adults are estimated to be overweight, while 14% are estimated to use tobacco on a daily basis. (Source: IMS Market Prognosis 2015 – 2019 Asia / Australia – India, March 2015).

These factors have led to an increase in the contribution of the chronic category to the IPM from 30.5% in Fiscal 2012 to 33.4% in Fiscal 2016. (Source: IMS TSA MAT, March 2016). The chronic category of the IPM is expected to grow at a CAGR of 13.9% between calendar years 2016 and 2021 (Source: IMS Prognosis Global 2016-2020). Sales of pharmaceuticals products in the chronic category have grown at a CAGR of 14.8% between Fiscals 2012 and 2016, a rate that is higher than the growth of the sale of pharmaceuticals products in the acute category, at a CAGR of 11.0% between the same periods. (Source: IMS TSA MAT, March 2016).

The increasing significance of the chronic category is visible from the composition of the leading brands in the IPM. Among the top 300 brands, 102 brands belonged to the chronic category for Fiscal 2016, compared to 91 brands for Fiscal 2012 (Source: IMS TSA MAT, March 2016).

The following table highlights the composition of the top 300 brands in the IPM, by revenues, for Fiscals 2012 and 2016:

	For Fiscal 2012			For Fiscal 2016		
	No. of Brands	MAT (in ₹billion)	% Contribution	No. of Brands	MAT (in ₹billion)	% Contribution
<b>Chronic</b>	91	59.3	29.0%	102	108.6	34.0%
<b>Acute</b>	209	151.0	71.0%	198	210.9	66.0%
<b>Total</b>	<b>300</b>	<b>210.3</b>	<b>100%</b>	<b>300</b>	<b>319.5</b>	<b>100.0%</b>

Source: IMS TSA MAT, March 2016

### Overview of Leading Chronic Diseases in India

For Fiscal 2016, cardiovascular and anti-diabetics therapies accounted for 59.1% of total revenues in the chronic category in the IPM. Other large therapeutic areas within the chronic category include neurology and CNS, respiratory, urology and oncology. (Source: IMS TSA MAT, March 2016).

The following table provides an overview of the scale and growth profile of the therapeutic areas in the chronic category of the IPM, between Fiscals 2012 and 2016:

Therapeutic Area	MAT for Fiscal (in ₹billion)					Growth in Fiscal (year on year)			
	2012	2013	2014	2015	2016	2013	2014	2015	2016
Cardiovascular	75.4	85.2	94.3	106.0	121.5	12.9%	10.7%	12.4%	14.6%
Anti-diabetics	42.2	50.0	59.6	70.7	85.2	18.5%	19.3%	18.6%	20.5%
Neurology	39.5	43.9	48.2	54.5	63.2	11.0%	10.0%	13.1%	15.9%
Respiratory	18.7	20.3	23.5	27.3	31.3	8.5%	15.3%	16.5%	14.5%
Urology	9.6	10.9	12.4	14.5	17.3	13.1%	13.6%	17.2%	19.3%
Oncology	6.0	7.3	10.3	12.2	15.5	21.8%	41.2%	17.7%	27.6%
Chronic Pain / Analgesics	9.3	10.5	11.5	13.7	15.1	11.9%	10.3%	18.8%	10.1%
Others*	0.4	0.4	0.5	0.5	0.5	9.2%	10.5%	2.6%	17.6%
<b>Total Chronic</b>	<b>201.2</b>	<b>228.4</b>	<b>260.3</b>	<b>299.4</b>	<b>349.6</b>	<b>13.5%</b>	<b>13.9%</b>	<b>15.0%</b>	<b>16.8%</b>
<b>Total IPM</b>	<b>660.0</b>	<b>731.0</b>	<b>806.6</b>	<b>914.6</b>	<b>1046.3</b>	<b>10.8%</b>	<b>10.3%</b>	<b>13.4%</b>	<b>14.4%</b>

\*Others comprises of: Topical drugs used for treatment of varicose therapy

Source: IMS TSA MAT, March 2016

Multiple growth drivers exist for therapeutic areas in the chronic category, including:

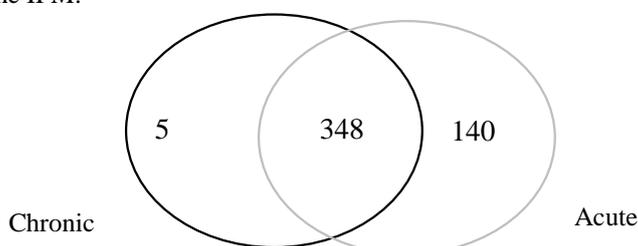
- **Diabetes.** The anti-diabetics therapeutic area primarily comprises of oral anti-diabetics and insulin groups and is primarily driven by nutrition, lifestyle, lack of physical activity and genetic predisposition. The anti-diabetics therapeutic area revenues grew at a CAGR of 19.2% between Fiscals 2012 and 2016, and accounted for 8.1% of the IPM revenues in Fiscal 2016. In Fiscal 2016, 74.7% of the anti-diabetics market was driven by oral anti-diabetic group. Other groups include ‘insulin’ and ‘newer therapies’. (Source: IMS TSA MAT, March 2016).
- **Cardiovascular Diseases.** The cardiovascular therapeutic area comprises of anti-hypertensives (“AHT”), cardiac therapy and lipids subgroups. AHT is the largest segment, accounting for 57.3% of the revenues of the cardiovascular therapeutic area for Fiscal 2016. (Source: IMS TSA MAT, March 2016). Cardiac therapy revenues grew at a CAGR of 12.7% between Fiscals 2012 and 2016, and accounted for 11.6% of the IPM revenues in Fiscal 2016 (Source: IMS TSA MAT, March 2016). Within the cardiovascular therapeutic area, hypertension is a significant sub group. Hypertension may lead to myocardial infarction (commonly referred to as a heart attack), stroke, renal failure and death if not detected early and treated appropriately. The revenues of products in the hypertension subgroup of the IPM grew at 12.7% CAGR between Fiscals 2012 and 2016 and accounted for 6.7% of the IPM revenues for Fiscal 2016 (Source: IMS TSA MAT, March 2016).

## Competitive Landscape

### Fragmented Domestic Market

The Indian domestic formulations market is highly fragmented with 493 companies present in Fiscal 2016. These included 488 companies operating in the acute category and 353 operating in chronic category (with 348 companies operating in both the segments) for Fiscal 2016. (Source: IMS TSA MAT, March 2016).

The following chart sets forth the number of companies operating in the acute category, in the chronic category, and in both categories of the IPM:



Source: IMS TSA MAT, March 2016

There was relatively lower competition in the chronic category, which had 353 companies and 8,366 brands, accounting for ₹349.6 billion of revenues, for Fiscal 2016. In the acute category, there was higher competition, with 488 companies and 24,439 brands accounting for ₹696.7 billion of revenues for Fiscal 2016. (Source: IMS TSA MAT, March 2016).

The following table provides details of the number of companies, number of brands and revenue per brand for chronic and acute categories of the IPM:

	For Fiscal					Six months ended September 30, 2016
	2012	2013	2014	2015	2016	
<b>Revenues (in ₹billion)</b>						
Acute category	458.8	502.6	546.3	615.2	696.7	389.8
Chronic category	201.2	228.4	260.3	299.4	349.6	194.1
<b>Number of companies</b>						
Acute category	446	456	467	484	488	496
Chronic category	288	309	327	346	353	361
<b>Number of brands</b>						
Acute category	20,945	21,820	23,551	24,177	24,439	24,585
Chronic category	6,558	7,162	7,722	8,186	8,366	8,629
<b>Average Revenue per brand (in ₹million)</b>						
Acute category	21.9	23.0	23.2	25.4	28.5	15.9
Chronic category	30.7	31.9	33.7	36.6	41.8	22.5

Source: IMS TSA MAT, March 2016 and IMS TSA for six months ended September 30, 2016

Competition in the chronic category between Fiscals 2012 and 2016 grew faster than the acute category. Between Fiscals 2012 and 2016, the number of brands in the chronic category increased at a CAGR of 6.3% compared to a CAGR of 3.9% for brands in the acute category. The chronic category has exhibited higher revenue per brand compared to the acute category for each Fiscal from Fiscals 2012 to 2016. Among the top 30 brands in the chronic category, 20 brands have maintained their top 30 position between Fiscals 2012 and 2016 as compared to 21 brands in the acute category maintaining their top 30 position between Fiscals 2012 and 2016. (Source: IMS TSA MAT, March 2016).

### Top Companies in IPM

The top 10 companies in the IPM, by revenues, accounted for 42.6% and 42.5% of the total market share based on revenue for Fiscal 2016 (Source: IMS TSA MAT, March 2016) and for the six months ended September 30, 2016 (Source: IMS TSA, for six months ended September 30, 2016), respectively. Top companies in the chronic category of the IPM have a higher market share as compared to the acute category. The following table sets forth market share of the top 10 and top 25 companies in the chronic and acute categories:

Market share (by sales)	Fiscal 2016	Revenue CAGR (Fiscals 2012-2016)	Six months ended September 30, 2016
<b>Chronic category</b>			
Top 10 companies	56.3%	13.8%	55.9%
Top 25 companies	81.8%	14.7%	81.2%
<b>Acute category</b>			
Top 10 companies	42.4%	9.6%	42.5%
Top 25 companies	67.0%	10.4 %	67.1%

Source: IMS TSA MAT, March 2016; and IMS TSA for six months ended September 30, 2016

The top 10 companies by market share have grown at a median CAGR of approximately 12.0% between Fiscals 2012 and 2016. (Source: IMS TSA MAT, March 2016)

The following table sets forth market share by revenue for the top 35 companies in the IPM, along with CAGR between Fiscals 2012 and 2016:

Name of company	Market Share - IPM (for Fiscal 2016)	CAGR (Fiscals 2012-2016)
1. Sun	8.0%	10.6%
2. Abbott	6.3%	8.4%
3. Cipla	5.3%	13.6%
4. Mankind	3.8%	16.2%
5. Alkem	3.4%	13.5%
6. GlaxoSmithKlline	3.5%	4.0%
7. Zydus Cadila	3.3%	6.7%
8. Lupin	3.2%	15.4%
9. MacLeods	3.1%	18.1%
10. Pfizer	2.9%	8.9%
11. Intas	2.8%	15.9%
12. Dr. Reddy's	2.4%	14.2%
13. Torrent	2.3%	9.6%
14. Aristo	2.3%	14.8%
15. Emcure	2.3%	13.1%
16. Sanofi	2.2%	7.2%
17. Glenmark	2.1%	19.3%
18. USV	2.0%	16.2%
19. Micro Labs	1.6%	9.2%
20. Alembic	1.6%	11.7%
21. Wockhardt	1.6%	11.5%
22. IPCA Labs	1.4%	15.5%
23. Novartis International	1.2%	8.9%
24. FDC	1.1%	8.2%
25. Unichem	1.1%	7.7%
26. MSD	1.0%	12.9%
27. Cadila	1.0%	15.9%
28. Merck	0.9%	14.0%
29. Franco	0.8%	12.1%
30. Himalaya	0.7%	14.6%
31. Indoco	0.7%	12.3%
<b>32. Eris Life Sciences</b>	<b>0.7%</b>	<b>28.0%</b>
33. Ajanta Pharma	0.6%	33.5%
34. Blue Cross	0.5%	11.8%

35.	Unique Pharma	0.5%	15.5%
-----	---------------	------	-------

Source: IMS TSA MAT, March 2016

The chronic category, with a median growth at a CAGR of 14.7% for the top ten companies, between Fiscals 2012 and 2016, has grown faster than the acute category, with a median growth rate at a CAGR of 10.8% for the top ten companies in the acute category between Fiscals 2012 and 2016. (Source: IMS TSA MAT, March 2016).

The following table provides details of the market share by revenue for the top 25 companies in the chronic category of the IPM, organized by market share by revenues, along with growth (CAGR) between Fiscals 2012 and 2016:

	Name of company	Market Share – Chronic Category (for Fiscal 2016)	CAGR (Fiscals 2012-2016)
1.	Sun	11.8%	14.6%
2.	Abbott	7.9%	10.2%
3.	Cipla	7.6%	14.8%
4.	Intas	5.3%	16.4%
5.	USV	4.9%	18.1%
6.	Lupin	4.9%	17.7%
7.	Torrent	4.1%	11.4%
8.	Sanofi	3.7%	8.9%
9.	Zydus Cadila	3.3%	8.6%
10.	Mankind	2.9%	20.1%
11.	Dr Reddy's	2.8%	14.4%
12.	Macleod's	2.5%	22.0%
13.	Glenmark	2.2%	24.6%
14.	Emcure	2.2%	13.4%
15.	Micro Labs	2.1%	9.2%
16.	Unichem	1.9%	6.7%
17.	Novartis	1.8%	23.1%
18.	Pfizer	1.5%	6.7%
19.	IPCA Labs	1.5%	15.7%
20.	Alkem	1.4%	25.8%
21.	<b>Eris Life Sciences</b>	<b>1.4%</b>	<b>33.9%</b>
22.	Alembic	1.2%	29.1%
23.	MSD	1.2%	24.0%
24.	Aristo	1.1%	15.4%
25.	Eli Lilly	1.0%	12.6%

Source: IMS TSA MAT, March 2016

#### Top Companies in the Cardiovascular Therapeutic Area

The following table provides details of the top 25 companies in the cardiovascular therapeutic area of the chronic category of the IPM, organized by growth (CAGR) between Fiscals 2012 and 2016:

Cardiovascular Therapeutic Area					
CAGR Rank	Name of company	CAGR (Fiscals 2012-2016)	Revenues Fiscal 2012 (₹ million)	Revenues Fiscal 2016 (₹ million)	Rank by Revenues for Fiscal 2016
1.	Ajanta Pharma	39.4%	569.0	2,148.9	20
2.	<b>Eris Life Sciences</b>	<b>33.2%</b>	<b>743.4</b>	<b>2,341.2</b>	<b>18</b>
3.	Alembic	32.0%	763.8	2,320.5	19
4.	Unique Pharm	25.3%	643.1	1,585.5	24
5.	Mankind	22.5%	1,436.9	3,230.6	16
6.	Glenmark Pharma	22.0%	2,110.9	4,675.6	8
7.	Macleods Pharma	21.8%	1,842.9	4,055.9	13
8.	Aristo Pharma*	17.5%	907.7	1,730.0	23
9.	Lupin Limited	17.2%	4,142.5	7,809.5	2
10.	U S V	16.5%	3,467.9	6,398.6	4
11.	Ipca Labs	13.2%	1,649.4	2,709.9	17
12.	Cipla	13.2%	3,887.2	6,383.0	5
13.	Torrent Pharma	12.5%	4,556.9	7,298.6	3

14.	Sun*	11.9%	9,247.7	14,497.2	1
15.	Dr Reddys Labs	11.8%	2,426.2	3,789.4	14
16.	Emcure*	9.4%	3,178.5	4,544.8	10
17.	Intas Pharma*	9.3%	3,319.3	4,730.4	7
18.	Abbott*	8.4%	3,263.4	4,508.1	11
19.	Micro Labs*	8.0%	2,465.5	3,359.4	15
20.	Cadila Pharma	7.6%	904.1	1,210.3	25
21.	Zydus Cadila*	7.1%	4,093.6	5,385.9	6
22.	Astrazeneca	6.4%	1,618.7	2,075.9	21
23.	Unichem*	5.8%	3,719.2	4,665.7	9
24.	Pfizer*	4.1%	1,752.2	2,054.2	22
25.	Sanofi*	2.5%	3,931.7	4,342.4	12
<b>Cardiovascular Therapeutic Area</b>		<b>12.7%</b>	<b>75,428.6</b>	<b>121,485.9</b>	

\*company including its subsidiaries/acquired entities

Source: IMS TSA MAT, March 2016

### Top Companies in the Anti-Diabetics Therapeutic Area

The following table provides details of the top 25 companies in the anti-diabetics therapeutic area of the chronic category of the IPM, organized by growth (CAGR) between Fiscals 2012 and 2016:

Anti-Diabetics Therapeutic Area					
CAGR Rank	Name of company	CAGR (Fiscals 2012-2016)	Revenues Fiscal 2012 (₹ million)	Revenues Fiscal 2016 (₹ million)	Rank by Revenues for Fiscal 2016
1.	Boehringer Ingelh.**	89.3%	0.0	1,544.4	15
2.	<b>Eris Life Sciences</b>	<b>37.1%</b>	<b>549.6</b>	<b>1,943.6</b>	<b>11</b>
3.	Alembic	32.2%	331.1	1,011.7	20
4.	Glenmark Pharma	32.2%	594.3	1,812.6	13
5.	Novartis Intl.*	30.4%	1,465.9	4,238.9	5
6.	Mankind	29.5%	674.2	1,898.5	12
7.	MSD Pharmaceutica*	27.3%	1,445.5	3,796.1	6
8.	Lupin Limited	24.4%	1,487.9	3,566.7	7
9.	Astrazeneca	24.3%	496.3	1,183.2	19
10.	USV	21.3%	4,702.5	10,174.6	2
11.	Dr Reddys Labs	19.7%	868.4	1,783.1	14
12.	Sun*	19.6%	3,496.8	7,162.3	3
13.	Eli Lilly	19.5%	1,499.2	3,053.0	8
14.	Intas Pharma*	19.4%	1,003.1	2,041.8	10
15.	Torrent Pharma	18.3%	782.4	1,531.3	16
16.	Biocon	15.4%	860.0	1,523.8	17
17.	Sanofi*	14.4%	3,232.9	5,534.9	4
18.	Franco Indian	13.1%	903.1	1,478.1	18
19.	Abbott*	13.0%	9,359.5	15,265.6	1
20.	Micro Labs*	13.0%	1,341.3	2,185.7	9
21.	Ipca Labs	10.6%	571.3	855.4	23
22.	Bayer Zydus Pharma	9.2%	579.8	823.7	24
23.	Aristo Pharma*	9.0%	573.9	809.3	25
24.	Panacea Biotec	8.8%	674.7	944.8	22
25.	Wockhardt Limited*	(1.6)%	1,038.1	974.1	21
<b>Anti-diabetics Therapeutic Area</b>		<b>19.2%</b>	<b>42,190.8</b>	<b>85,200.8</b>	

\*company including its subsidiaries/acquired entities

\*\*Boehringer Ingelh CAGR for Fiscals 2013 to 2016.

Source: IMS TSA MAT, March 2016

### Top Companies by Prescription Rank

The tables below illustrate the top five companies, broken down by prescription share and average prescribers, for subgroups in which our Company is present, across certain doctor categories:

(data for MAT September 30, 2016)	Prescription Rank	Prescription Share	Average Prescribers	Average Prescriptions per
-----------------------------------	-------------------	--------------------	---------------------	---------------------------

				Doctor per Month
<b>Cardiologists</b>				
Sun*	1	26.3%	6,538	86
USV	2	13.4%	5,149	56
Lupin Limited	3	12.8%	5,503	50
<b>Eris Life Sciences</b>	<b>4</b>	<b>11.7%</b>	<b>4,357</b>	<b>58</b>
Glenmark Pharma	5	10.8%	5,473	42
<b>Cardiologists Total</b>		<b>100.0%</b>	<b>7,630</b>	<b>281</b>
<b>Diabetologists/ Endocrinologists</b>				
Sun*	1	25.6%	3,730	82
USV	2	17.5%	3,511	60
Lupin Limited	3	10.8%	3,005	43
<b>Eris Life Sciences</b>	<b>4</b>	<b>10.4%</b>	<b>2,912</b>	<b>43</b>
Glenmark Pharma	5	9.3%	3,061	37
<b>Diabetologists/ Endocrinologists Total</b>		<b>100.0%</b>	<b>7,630</b>	<b>281</b>
<b>Consulting Physicians</b>				
Sun*	1	14.1%	14,742	38
USV	2	12.4%	13,308	37
Lupin Limited	3	9.5%	12,866	29
<b>Eris Life Sciences</b>	<b>4</b>	<b>7.7%</b>	<b>8,059</b>	<b>38</b>
Glenmark Pharma	5	6.7%	11,952	22
<b>Consulting Physicians Total</b>		<b>100.0%</b>	<b>22,139</b>	<b>180</b>

\*company including its subsidiaries/acquired entities

Source: IMS Medical Audit MAT, September 2016; data presented is only for subgroups in which our Company is present

### Contribution of Top Mother Brand Groups

The table below illustrates the proportion of revenues from top 10 and top 25 mother brand groups, respectively, across the top 25 companies in the IPM by revenues, for Fiscal 2016:

(for Fiscal 2016)	Rank by Revenues for Fiscal 2016	Top 10 Mother Brand Group Revenue Contribution	Top 25 Mother Brand Group Revenue Contribution
Sun*	1.	27.1%	46.3%
Abbott*	2.	37.9%	57.5%
Cipla	3.	28.8%	52.7%
Mankind	4.	40.4%	66.3%
Alkem*	5.	52.7%	72.7%
Glaxosmithkline*	6.	55.3%	81.3%
Zydus Cadila*	7.	31.8%	54.3%
Lupin Limited	8.	34.0%	55.1%
Macleods Pharma	9.	38.6%	66.7%
Pfizer*	10.	60.4%	82.5%
Intas Pharma*	11.	29.6%	49.4%
Dr Reddys Labs	12.	44.9%	70.3%
Torrent Pharma	13.	49.0%	68.3%
Aristo Pharma*	14.	60.8%	81.8%
Emcure*	15.	47.6%	71.4%
Sanofi*	16.	61.1%	85.0%
Glenmark Pharma	17.	57.7%	76.3%
USV	18.	76.3%	92.3%
Micro Labs*	19.	34.4%	56.3%
Alembic	20.	56.8%	78.4%
Wockhardt Ltd*	21.	59.7%	83.2%
Ipca Labs	22.	51.2%	76.8%
Novartis Intl.*	23.	82.1%	92.6%
FDC	24.	70.2%	88.9%
Unichem*	25.	59.2%	79.9%
<b>Eris Life Sciences</b>	<b>32.</b>	<b>76.0%</b>	<b>94.4%</b>
<b>Average of Top 25 Companies in IPM</b>		<b>49.9%</b>	<b>71.4%</b>

\*company including its subsidiaries/acquired entities

Source: IMS TSA MAT, March 2016

**Prescription Contribution based on Product Lifecycle for certain Pharmaceutical molecules**

The table below illustrates the breakdown by prescription contribution from lifecycle stages of pharmaceutical molecules, constituting the product portfolio of the top 15 companies in the IPM in terms of prescription rank:

Name of company	Prescription Rank	Prescription Contribution from Growth*	Pharmaceutical Molecule Mature*	Lifecycle Decline*
Mankind Pharmaceuticals	1.	40.2%	39.2%	20.5%
Sun Pharma	2.	46.3%	26.3%	27.4%
Abbott	3.	25.3%	49.3%	25.4%
Cipla	4.	28.6%	31.0%	40.3%
Alkem Laboratories	5.	59.8%	25.0%	15.2%
Glaxo Smithkline	6.	21.0%	44.7%	34.3%
Zydus	7.	21.1%	50.9%	28.0%
Macleods Pharmaceuticals	8.	52.5%	34.6%	12.8%
Aristo Pharma	9.	48.4%	30.6%	21.0%
Dr. Reddy's Lab	10.	23.8%	32.6%	43.6%
Lupin Limited	11.	48.1%	24.4%	27.5%
Ipca Laboratories	12.	46.9%	31.2%	21.5%
Micro Labs	13.	50.1%	28.7%	21.0%
Torrent Pharmaceuticals	14.	30.1%	26.7%	43.2%
Pfizer Wyeth India	15.	5.0%	64.2%	30.8%
<b>Eris Life Sciences</b>	<b>40.</b>	<b>73.1%</b>	<b>25.0%</b>	<b>1.8%</b>
<b>IPM</b>		<b>30.1%</b>	<b>39.9%</b>	<b>29.6%</b>

\*Growth, mature and decline phases refer to rate of growth in prescriptions of pharmaceutical molecules (all molecules taken together) at a CAGR of 8%, minus 1% and minus 5%, respectively, for the relevant period.

Source: SMSRC, data for MAT, October 2016

## OUR BUSINESS

*In this Draft Red Herring Prospectus, we have included certain sales, market share and other financial information relating to the pharmaceutical industry and our operations, products and therapeutic areas that is sourced from IMS, a healthcare information and consulting service provider. IMS computes revenues for the sales of pharmaceutical products based on their research on sales of products in certain pharmaceutical markets and in relation to specific geographic areas. The methodology for computation of revenues by IMS, including for our products, is different from the methodology we adopt for the recognition of revenue from the sales of our products under Indian GAAP, reflected in the Restated Financial Statements included in this Draft Red Herring Prospectus. Accordingly, the sales, market share and other financial data sourced to IMS may not accurately reflect our revenues, results of operations and financial results for the products/therapeutic areas covered.*

*We have classified and presented certain sales, market share and other financial information sourced from IMS, according to 'mother brand groups'. A mother brand includes all brand extensions and combinations. A 'mother brand group' includes a mother brand together with other brands using the same pharmaceutical molecules as brand extensions and combinations in the mother brand.*

### Overview

We develop, manufacture and commercialize branded pharmaceutical products in select therapeutic areas within the chronic and acute categories of the IPM, such as: cardiovascular; anti-diabetics; vitamins; gastroenterology; and anti-infectives. Our focus has been on developing products in the chronic and acute category which are linked to lifestyle related disorders. The chronic category of the IPM contributed 64.2% of our revenues in Fiscal 2016 (Source: IMS TSA MAT, March 2016) and 65.4% of our revenues for the six months ended September 30, 2016 (Source: IMS TSA, for six months ended September 30, 2016). We were ranked 21<sup>st</sup> out of 353 domestic and multinational companies present in the chronic category of the IPM, in terms of revenues for Fiscal 2016 (Source: IMS TSA MAT, March 2016). We were the fastest growing company, in the chronic category, among the top 25 companies in terms of revenues, with revenue growth at CAGR of 33.9%, between Fiscals 2012 and 2016 (Source: IMS TSA MAT, March, 2016). We generated 35.8% in Fiscal 2016 (Source: IMS TSA MAT, March 2016) and 34.6% for the six months ended September 30, 2016, of our revenues from the acute category of the IPM (Source: IMS TSA, for six months ended September 30, 2016). Our revenues from the acute category grew at a CAGR of 20.1% between Fiscals 2012 and 2016 (Source: IMS TSA MAT, March, 2016).

Our product portfolio comprised of 56 mother brand groups as of March 31, 2016 (Source: IMS TSA MAT, March 2016) and September 30, 2016 (Source: IMS TSA, for six months ended September 30, 2016), not including our acquisitions. Our product portfolio is primarily focused on therapeutic areas which require the intervention of specialists and super specialists such as cardiologists, diabetologists, endocrinologists and gastroenterologists. Sales in metro cities and class 1 towns, together accounted for 75.7% of our revenues in Fiscal 2016 (Source: IMS Town Class MAT, March 2016) and 77.6% for the six months ended September 30, 2016, as a majority of specialists and super specialists are based in these metro cities and class 1 towns (Source: IMS Town Class, for six months ended September 30, 2016). Between Fiscals 2012 and 2016, there has been an increase in the number of doctors prescribing our products from 24,606 (constituting 9.3% of doctors in metro cities and class 1 towns in India) to 49,476 (constituting 16.0% of doctors in metro cities and class 1 towns in India) and also increase our share in prescriptions from 0.9% to 1.2% over the same period (Source: IMS Medical Audit and Town Class MAT, March 2016).

Our products in the chronic category of the IPM cater primarily to the following therapeutic areas:

- **cardiovascular:** as of March 31, 2016, we had a portfolio of 39 brands in the cardiovascular therapeutic area, including 30 brands in the hypertension subgroup; 19 of our cardiovascular brands were ranked in the top 10 in their respective subgroup of the IPM in terms of revenues, for Fiscal 2016; we had revenues of ₹2,341.2 million and were ranked 18<sup>th</sup> in terms of revenues from the cardiovascular therapeutic area, in Fiscal 2016; between Fiscals 2012 and 2016 our revenues grew at a CAGR of 33.2%; and we were ranked second in terms of growth during this period, among the top 25 companies in the cardiovascular therapeutic area of the IPM; (Source: IMS TSA MAT, March 2016);
- **anti-diabetics:** as of March 31, 2016, we have a portfolio of 19 brands in the anti-diabetics therapeutic area, of which eight brands were ranked in the top 10 in their respective subgroup of the IPM, in terms of revenues for Fiscal 2016; we had revenues of ₹1,943.6 million and were ranked 11<sup>th</sup> in terms of revenues from the anti-diabetics therapeutic area, in Fiscal 2016; between Fiscals 2012 and 2016 our revenues grew at a CAGR of

37.1%; and we were ranked second in terms of growth during this period, among the top 25 companies in the anti-diabetics therapeutic area of the IPM; (*Source: IMS TSA MAT, March 2016*); and

- **others:** our revenues from other therapeutic areas in the chronic category, namely neurology, chronic respiratory and chronic pain (analgesics), were ₹254.4 million for Fiscal 2016. (*Source: IMS TSA MAT, March 2016*).

We have grown our product portfolio in the acute category of the IPM, catering primarily to the following therapeutic areas:

- **vitamins:** we have grown to become the sixth largest company in cholecalciferol oral solids (including combinations) subgroup, in terms of revenues with a market share of 5.0% in Fiscal 2016; and we have the largest brand in Vitamin D and mecobalamin subgroup, in terms of revenues, with a market share of 29.4% in Fiscal 2016 (*Source: IMS*); our revenues from the vitamins therapeutic area were ₹1,104.7 million for Fiscal 2016, with growth at a CAGR of 19.3%, between Fiscals 2012 and 2016; (*Source: IMS TSA MAT, March 2016*);
- **gastroenterology:** as of March 31, 2016, we had a portfolio of 31 brands in the gastro-intestinal therapeutic area, of which five brands were ranked in the top 10 in their respective subgroup of the IPM, in terms of revenues for Fiscal 2016; our revenues from the gastroenterology therapeutic area were ₹794.4 million for Fiscal 2016, with growth at a CAGR of 17.2%, between Fiscals 2012 and 2016; (*Source: IMS TSA MAT, March 2016*);
- **anti-infectives:** our revenues from the anti-infectives therapeutic area were ₹207.9 million for Fiscal 2016, with a CAGR of 30.6% between Fiscals 2012 and 2016; (*Source: IMS TSA MAT, March 2016*);
- **gynaecology:** we have developed our portfolio of products in the gynaecology therapeutic area with a focus on products catering to women's health; our revenues from the gynaecology therapeutic area were ₹97.2 million for Fiscal 2016, with a CAGR of 43.3% between Fiscals 2012 and 2016; (*Source: IMS TSA MAT, March 2016*); and
- **others:** our revenues from other therapeutic areas in the acute category, namely acute respiratory, acute pain (analgesics), hepatoprotectives, hormones, hematology, dermatology, anti-obesity products and products for injury healing, were ₹326.7 million for Fiscal 2016 (*Source: IMS TSA MAT, March 2016*).

Effective July 1, 2016, we acquired trademarks in relation to 40 brands, from Amay Pharma for an aggregate consideration of ₹328.70 million, in order to grow our product portfolio in the cardiovascular and anti-diabetics therapeutic areas. Amay Pharma's revenues, from the brands acquired by us were ₹158.1 million for Fiscal 2016 (*Source: IMS TSA MAT, March 2016*). Further, on November 23, 2016, we entered into a share purchase agreement to acquire 61.48% equity shares of Kinedex from its existing shareholders, and on December 12, 2016, we entered into a share purchase and shareholders' agreement to acquire an additional 14.00% equity shares of Kinedex, taking our aggregate shareholding in Kinedex to 75.48%, for an aggregate consideration of ₹771.79 million. Kinedex primarily focuses on products catering to mobility related disorders in the musculoskeletal therapeutic area. Kinedex's revenues were ₹425.7 million for the six months ended September 30, 2016 (*Source: IMS TSA, for six months ended September 30, 2016*).

We own and operate a manufacturing facility in Guwahati, Assam. We also outsource the manufacturing of certain of our products, and currently use approximately 20 third party manufacturers. We have developed capabilities in the commercialization of pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and regulatory aspects. We have strong sales, marketing and distribution capabilities in India with seven sales divisions focused on developing and growing our engagement with specialists and super specialists. Our sales divisions are also responsible for our commercialization and marketing strategy. Our sales team comprised of 1,310 marketing representatives, as of September 30, 2016.

Our Promoters have an average experience of over a decade in the pharmaceuticals industry. In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations, and has substantial experience in pharmaceutical sales and marketing. We believe that the knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow our business. Our Company received the 'Competitive Strategy Leadership' award

for 2013, from Frost & Sullivan and our Promoter, Chairman and Managing Director, Mr. Amit Indubhushan Bakshi, has been recognized as the 'Entrepreneur of the Year, 2013' by Ernst & Young.

For Fiscals 2016, 2015 and 2014, our net revenue from operations was ₹5,970.21 million, ₹5,455.58 million and ₹5,088.22 million, respectively. For the six month period ended September 30, 2016, our net revenue from operations was ₹3,707.97 million. Our net revenue from operations grew at a CAGR of 21.50% between Fiscals 2012 and 2016. For Fiscals 2016, 2015 and 2014, our restated profit after tax attributable to shareholders was ₹1,335.70 million, ₹892.34 million and ₹707.94 million, respectively. For the six month period ended September 30, 2016, our restated profit after tax attributable to shareholders was ₹1,296.52 million. Our restated profit after tax attributable to shareholders has grown at a CAGR of 37.89% between Fiscals 2012 and 2016, demonstrating our focus on sustainable profit growth over such period.

## **Our Strengths**

### ***Focus on branded prescription based pharmaceutical products catering to lifestyle related disorders***

Our focus has been on developing, manufacturing and marketing products which are linked to lifestyle related disorders, that are chronic in nature, and to a target population which primarily consults specialists and super-specialists. We develop, manufacture and commercialize branded prescription based pharmaceuticals products in select chronic and acute therapeutic areas, such as: cardiovascular; anti-diabetics; vitamins; gastroenterology; anti-infectives; and gynaecology. In Fiscal 2016, we generated 64.2% (Source: IMS TSA MAT, March 2016), and for the six months ended September 30, 2016 we generated 65.4% (Source: IMS TSA, for six months ended September 30, 2016), of our revenues from the chronic category of the IPM. The chronic category accounted for 33.4% of the IPM in Fiscal 2016 compared to 30.5% of the IPM in Fiscal 2012, representing growth at a CAGR of 14.8% (Source: IMS TSA MAT, March 2016).

In Fiscal 2016, we generated 35.8% (Source: IMS TSA MAT, March 2016), and for the six months ended September 30, 2016 we generated 34.6% (Source: IMS TSA, for six months ended September 30, 2016), of our revenues from the acute category of the IPM. Our revenues from the acute category of the IPM grew at a CAGR of 20.1% between Fiscals 2012 and 2016 (Source: IMS TSA MAT, March 2016). We have identified, developed and are marketing products in the acute category which are connected to lifestyle disorders, and are required to be prescribed over an extended period, or are complementary to our existing chronic portfolio in terms of doctors prescribing our products. For further details on our ranking in therapeutic areas within the chronic and acute categories of the IPM, see "**Industry Overview – Competitive Landscape**" on page 95.

### ***One of the fastest growing companies in certain high growth therapeutic areas with a portfolio of complementary products***

Our growth in revenues, at a CAGR of 28.0%, between Fiscals 2012 and 2016 has outperformed overall IPM growth, at a CAGR of 12.2%, during the same period. In the chronic category of the IPM, we were the fastest growing company, among the top 25 companies in terms of revenues, with revenue growth at CAGR of 33.9%, between Fiscals 2012 and 2016. We were ranked 21<sup>st</sup> out of the 353 domestic and multinational companies in the chronic category of the IPM, in terms of revenues, for Fiscal 2016, compared to 30<sup>th</sup> in Fiscal 2012, and our market share by revenue in the chronic category increased from 0.7% in Fiscal 2012 to 1.3% in Fiscal 2016. (Source: IMS TSA MAT, March 2016).

In the chronic category, products in the cardiovascular and anti-diabetics therapeutic areas accounted for 60.6% of our revenues in Fiscal 2016 (Source: IMS TSA MAT, March 2016) and 61.5% for the six months ended September 30, 2016 (Source: IMS TSA, for six months ended September 30, 2016). In the cardiovascular therapeutic area of the IPM, we were ranked 18<sup>th</sup> in terms of revenues in Fiscal 2016, and second in terms of revenue growth among the top 25 companies between Fiscals 2012 and 2016 (Source: IMS TSA MAT, March 2016). To supplement our cardiovascular products, we also introduced chlortalidone in combination with contemporary ARBs, telmisartan and olmesartan, in 2012. Further, in the anti-diabetics therapeutic area of the IPM, we were ranked 11<sup>th</sup> in terms of revenues in Fiscal 2016, and second in terms of revenue growth between Fiscals 2012 and 2016 among the top 25 companies (Source: IMS TSA MAT, March 2016). Further, effective July 1, 2016, we acquired trademarks in relation to 40 brands, from Amay Pharma in order to further grow our product portfolio in the cardiovascular and anti-diabetics therapeutic areas.

In the acute category, products in the vitamins and gastroenterology therapeutic areas accounted for 26.9% of our revenues in Fiscal 2016 (Source: IMS TSA MAT, March 2016) and 24.9% for the six months ended September

30, 2016 (Source: IMS TSA, for six months ended September 30, 2016). We have extended our cardiovascular and anti-diabetics product portfolio by selecting therapeutic areas which are lifestyle related disorders, are underpenetrated, or have the potential to drive cross linkages with our existing portfolio and coverage at the doctor level. For example, considering the therapeutic relevance of cholecalciferol (Vitamin D) in lipid metabolism, diabetes and hypertension, we launched our Vitamin D brand, Tayo 60K, in 2011. Further, we acquired 75.48% equity interest (61.48% in November 2016 and an additional 14.00% in December 2016) in Kinedex, which primarily focuses on products catering to mobility related disorders in the musculoskeletal therapeutic area in the acute category of the IPM.

### Portfolio of high volume and leading brands

A significant proportion of our revenues is derived from mother brand groups which are among top 10 in their respective subgroups. The table below provides an overview of our revenues, market share and prescription ranking of our top 10 mother brand groups:

*Revenue in ₹million; CAGR between Fiscals 2012 and 2016*

Mother Brand Group	Therapeutic Area	Revenue			Market share		Prescription rank		
		Fiscal 2012	Fiscal 2016	CAGR	Six months ended September 30, 2016	Fiscal 2012	Fiscal 2016	Fiscal 2012	Fiscal 2016
Glimisave	Anti-diabetics	450.9	1,422.5	33.3%	812.6	3.5%	5.3%	2	3
Eritel	Cardiovascular	228.3	915.0	41.5%	508.8	3.3%	5.2%	4	4
Rabonik	Gastroenterology	293.7	591.3	19.1%	287.5	4.8%	5.2%	11	10
Tayo	Vitamins	173.9	553.5	33.6%	265.6	5.3%	5.5%	9	5
Remylin	Vitamins	293.1	493.6	13.9%	275.4	6.8%	6.6%	22	5
Olmin	Cardiovascular	81.4	406.2	49.4%	238.1	3.1%	6.4%	6	3
Atorsave	Cardiovascular	207.5	352.1	14.1%	171.6	2.3%	3.2%	6	5
LN Bloc	Cardiovascular	0.0	270.4	NA	169.8	NA	11.5%	NA	2
Crevast	Cardiovascular	75.4	191.9	26.3%	108.0	2.6%	2.4%	7	6
Marzon	Anti-infectives	30.8	174.3	54.2%	91.5	4.2%	20.3%	14	2
<b>Top 10 Mother Brand Group Total</b>		<b>1,835.10</b>	<b>5,371.01</b>	<b>30.8%</b>	<b>2,928.8</b>				

Source: IMS TSA and Medical Audit MAT, March 2016; IMS TSA, for six months ended September 30, 2016

In Fiscal 2016, we derived a higher proportion of our revenues from our top 10 and top 25 mother brand groups, as compared to the average of the top 25 players in the IPM, as set-out in the table below:

*For Fiscal 2016*

	Top 10 Mother Brand Groups Revenue Contribution	Top 25 Mother Brand Groups Revenue Contribution
Our Company	76.0%	94.4%
Average of Top 25 Companies in IPM	49.9%	71.4%

Source: IMS TSA MAT, March 2016

Further, we derived almost all of our revenues from products in the growth and mature phases of the lifecycle of the representative pharmaceutical molecules, as classified by SMSRC:

Lifecycle of Pharmaceutical Molecules	Our Company	IPM
Growth*	73.1%	30.1%
Mature*	25.1%	39.9%
Decline*	1.8%	29.6%

\*Growth, mature and decline phases refer to rate of growth in prescriptions of pharmaceutical molecules (all molecules taken together) at a CAGR of 8%, minus 1% and minus 5%, respectively, for the relevant period.

Source: SMSRC, based on data for MAT ending October 31, 2016.

We believe that a greater proportion of our products being in the growth lifecycle of the representative pharmaceutical molecules, as compared to the IPM, gives us a significant advantage as we seek to grow the prescriptions for our products.

**Focus on metro cities and class 1 towns in India which have higher incidence of lifestyle disorders and concentration of specialists and super specialists**

Our product portfolio primarily focuses on therapeutic areas which have a higher incidence in metro cities and class 1 towns, and which rely on prescriptions by specialists and super specialists, who are concentrated in these regions. According to the Report of the Working Group on Disease Burden for the 12<sup>th</sup> Five Year Plan, there is a greater prevalence of lifestyle related disorders in urban and semi urban areas compared to rural areas. The table below illustrates the contribution of metro cities and class 1 towns in Fiscal 2016 to the IPM, broken down by category:

Category	CAGR between Fiscals 2012 and 2016			
	IPM Revenue % from metro cities and class 1 towns	IPM CAGR Revenue from Metros	IPM CAGR Revenue from Class 1 Towns	IPM Revenue % from metro cities and class 1 towns
	Fiscal 2016			Six months ended September 30, 2016
Chronic	70.9%	14.0%	14.9%	72.0%
Acute	61.2%	11.7%	9.8%	62.1%
<b>IPM Total</b>	<b>64.4%</b>	<b>12.6%</b>	<b>11.3%</b>	<b>65.4%</b>

Source: IMS Town Class MAT, March 2016; and IMS Town Class, for six months ended September 30, 2016.

We focus on sale of our products in metro cities and class 1 towns, with 75.7% of our revenues coming from these areas for Fiscal 2016 (Source: IMS analysis, Town Class MAT, March 2016) and 77.6% for six months ended September 30, 2016 (Source: IMS analysis, Town Class, for six months ended September 30, 2016). The table below demonstrates the revenue contribution of metro cities and class 1 towns for our key therapeutic areas:

Therapeutic Area	Revenues/ MAT in ₹ million							
	Our Company Revenues		Our Company Revenue % from metro cities and class 1 towns		IPM		IPM Revenue % from metro cities and class 1 towns	
	Fiscal 2016	Six months ended September 30, 2016	Fiscal 2016	Six months ended September 30, 2016	Fiscal 2016	Six months ended September 30, 2016	Fiscal 2016	Six months ended September 30, 2016
Cardiovascular	2,341.2	1,315.3	73.9%	75.1%	121,485.9	67,095.6	69.6%	70.3%
Anti-diabetics	1,943.6	1,163.0	73.5%	75.7%	85,200.8	48,929.2	72.0%	73.1%
Vitamins	1,104.7	599.9	81.6%	81.9%	80,478.4	46,492.9	63.4%	63.9%
Gastroenterology	794.4	403.6	77.0%	78.8%	112,142.3	64,666.7	59.2%	60.2%

Source: IMS TSA and Town Class MAT, March 2016; and IMS TSA and Town Class, for six months ended September 30, 2016

Further, as of September 30, 2016, approximately 87% of diabetologists/ endocrinologists, 89% of cardiologists and 89% of gastroenterologists, were located in metro cities and class 1 towns (among the top 780 cities and towns in India). Cardiologists, diabetologists/ endocrinologists and consulting physicians together comprised of only 11.8% of the total doctor population in India, as of September 30, 2016, however they contributed to 54.5% of the prescriptions for anti-diabetics and cardiovascular therapeutic areas. Further, super specialists, specialists and general physicians contributed to 38.3%, 23.2% and 38.5% of the total prescriptions for the IPM, respectively, as compared to 52.9%, 43.5% and 3.6% of total prescriptions for our mother brand groups, respectively. (Source: IMS TSA, Medical Audit and Town Class, MAT September, 2016).

**Multi-faceted product selection and engagement model leading to growth in prescription for our products**

Our multi-faceted product selection and engagement model comprises of identifying and addressing diagnostic gaps, therapeutic gaps and patient compliance gaps.

- **Diagnostics gap:** We believe that a combination of diagnostics with commercialization and marketing enhances the quality of diagnosis and prognosis. We have undertaken certain initiatives to support doctors, which we believe have helped increase the prescription rates of our products. For example:

- i. *Hypertension*: ABPM is a key tool in diagnosing and monitoring hypertension, which records the overall profile of a patient’s blood pressure over the course of a day; we launched an “ABPM on call” initiative which included providing insights and accessibility of ABPM to doctors and patients; through ABPM on call, we had supported approximately 14,800 patients and 2,600 doctors, as of September 30, 2016; and
  - ii. *Diabetes*: we believe CGM is important for diabetes treatment decisions; we have launched an initiative ‘Tendia CGM On Call’, which includes actively engaging with doctors with requirements for CGM for their patients; our trained executives install CGM devices on the patients which monitor glucose levels for three to six days; post monitoring, we collect data for the relevant doctor.
- *Therapeutic gap*: We seek to identify and address therapeutic gaps in the IPM, where we believe that the clinical benefits of certain products and therapies are not tapped up to their potential. For example:
  - i. *Vitamin D*: tapping the therapeutic relevance of cholecalciferol (Vitamin D) in lipid metabolism, diabetes and hypertension, we launched our Vitamin D brand, Tayo 60K, in chewable form in 2011; and
  - ii. *Hypertension*: we focused on the concept of managing hypertension with an aspect of preventing vital organ damage along with blood pressure reduction, and introduced Cilnidipine, a newer generation anti hypertensive molecule that reduces adverse effects on the kidneys, in 2012.
- *Patient compliance gap*: Patient compliance forms an important part of our marketing initiatives. Our initiatives include technology driven delivery systems, including:
  - i. *Metformin*: in order to address patient compliance gaps, we have introduced a smaller form of our Glimisave M brand tablets; and
  - ii. *Rabeprazole*: we launched our ‘MacRabonik’ brand in 2014, which consists of a delayed dual release of rabeprazole, in order to address compliance gaps with dual dosage requirements of proton pump inhibitors.

Between Fiscals 2012 and 2016, there has been an increase in the number of doctors prescribing our products from 24,606 (constituting 9.3% of total doctors in metro cities and class 1 towns in India) as of March 31, 2012 to 49,476 (constituting 16.0% of total doctors in metro cities and class 1 towns in India) as of March 31, 2016 and also increase our share in prescriptions in the IPM, from 0.9% in Fiscal 2012 to 1.2% in Fiscal 2016 (*Source: IMS Medical Audit MAT, March 2016*). We believe our product selection and doctor-patient engagement model has helped us achieve significant growth in our product prescriptions, as demonstrated by the prescription rankings of our top 10 mother brand groups between Fiscals 2012 and 2016. For details, see “*Industry Overview – Overview of the Indian Pharmaceuticals Market – Key Characteristics of the IPM*” on page 89.

***Strong sales, marketing and distribution capabilities***

We believe we have strong sales, marketing and distribution capabilities. Since our Company’s incorporation in 2007, we have created seven sales divisions, aligned with our key therapeutic areas and have focused on developing and growing our engagement with specialists and super specialists. These sales divisions are responsible for developing brand specific marketing strategies and engaging with doctors on a regular basis. Our medical representatives cover doctors across India, with primary focus in metro cities and class 1 towns. We also use a sales force management system, which captures data at the headquarters and employee levels, to make our sales staff more productive.

Our marketing team utilizes a variety of marketing techniques and programs to promote our products, including promotional materials, speaker programs, industry publications, advertising and other media. The integration of our information technology systems with our sales and distribution infrastructure enables us to standardize our processes, reduce cost, enhance productivity, improve workflow and communications and improve our risk control mechanisms.

## **Our Strategy**

### ***Consolidate our position in therapeutic areas in which we have significant presence***

We intend to continue to grow the scale of our products and brands in our existing therapeutic areas through a mix of initiatives which include:

- targeting new categories within our existing therapeutic areas, for example, strengthening our position in the anti-diabetes therapeutic area by launching new products in the insulin and 'glucagon-like peptide-1'(GLP1) categories;
- continuing to expand our network of KOLs in existing therapeutic areas and increase our coverage of specialists to drive growth in prescriptions;
- continuing to execute on our doctor-patient engagement model by leveraging diagnostics and technology to aid better outcomes and enhance patient compliance;
- enhancing our product lifecycle management by identifying clinical benefits and commercializing new extensions or combinations; and
- enhancing the productivity and efficiency of our sales and marketing personnel through training, technology and exploiting synergies between divisions.

### ***Target and enhance our presence in large and high-growth therapeutic areas***

In addition to consolidating presence in our existing brands and therapeutic areas, we also intend to focus our efforts on pursuing opportunities in therapeutic areas where we believe we can grow our presence, such as, chronic neurological pain, dermatology and gynaecology.

Our strategy for expansion in existing and new therapeutic areas includes extending our focus to target lifestyle disorders and the chronic category (to target products that have to be prescribed over an extended period of time as opposed to one time incidence related medication), identifying gaps in existing interventions, analyzing patient compliance, and working with KOLs, doctors and patients through active engagement to develop, manufacture and market new indications which fulfill an unmet need or are clinically differentiated. For example, in IPM:

- *Neurology*: neurology is the ninth largest therapeutic area with revenues of ₹63,199.6 million for Fiscal 2016, growing at CAGR of 12.5% between Fiscals 2012 and 2016; for Fiscal 2016, our revenues from the neurology therapeutic area were ₹162.5 million, with growth at a CAGR of 20.0% between Fiscals 2012 and 2016; (*Source: IMS TSA MAT, March 2016*); we intend to further grow our presence in this therapeutic area, with a focus on the management of chronic neuropathic pain;
- *Dermatology*: dermatology is the eighth largest therapeutic area, with revenues of ₹68,910.7 million for Fiscal 2016 and has been growing at a CAGR of 17.3% between Fiscals 2012 and 2016 (*Source: IMS TSA MAT, March 2016*); we intend to launch products with a focus on the cosmeceuticals subgroup within the dermatology therapeutic area;
- *Gynaecology*: gynecology therapeutic area has revenues of ₹51,569.5 million for Fiscal 2016, growing at a CAGR of 9.5% between Fiscals 2012 and 2016 (*Source: IMS TSA MAT, March 2016*); we have identified female infertility and endocrine disorders as opportunities for expansion within the gynaecology therapeutic area; and
- *Osteoarthritis and musculoskeletal*: Osteoarthritis and musculoskeletal therapeutic areas had combined revenues of ₹10,165.3 million for Fiscal 2016, collectively growing at a CAGR of 11.2% between Fiscals 2012 and 2016 (*Source: IMS TSA MAT, March 2016*); in 2016, we acquired 75.48% of the outstanding equity shares of Kinedex, which primarily focuses on products catering to mobility related disorders in the musculoskeletal therapeutic area and intend to grow our presence in this therapeutic area.

We also intend to expand our capabilities in products with niche capabilities such as controlled release, modified release and injectable products.

### ***Explore in-licensing and co-development opportunities to leverage our sales, marketing and distribution and manufacturing infrastructure***

We intend to leverage our existing sales, marketing and distribution infrastructure to explore licensing opportunities. We believe that our therapeutic focus and alignment of divisions and sales teams along therapeutic areas positions us as a partner of choice for pharmaceutical companies looking to utilize our distribution channel for marketing their products in India. We intend to explore in-licensing and co-development opportunities. For instance, in December 2016, we have entered into a distribution agreement with India Medtronic Private Limited for the distribution, marketing and promotion of the 'i-Port Advance' injection port which requires less injections than standard insulin delivery methods.

### ***Target future patent expiries in India***

We intend to utilize our research and development efforts to target select products which are currently under patent protection. Our strategy will be to launch branded prescription generics of these products on the expiry of the relevant patent in India particularly within the therapeutic areas in which we have a significant presence. Patents in relation to six products (sitagliptin, vildagliptin, linagliptin, insulin aspart protamine crystalline recombinant, ticagrelor and liraglutide recombinant) in the cardiovascular and anti-diabetics therapeutic areas, currently under patent in India, are expected to expire by Fiscal 2024, and their combined market size in Fiscal 2016 was ₹19,795.8 million (*Source: IMS TSA MAT, March 2016*). We believe that our strategy of engaging with specialist doctors, and our leadership position in these therapeutic areas allows us to be well positioned to market these cardiovascular and anti-diabetics products.

### ***Enhance our product line and expand our capabilities through strategic acquisitions***

In addition to organic growth, we also intend to continue to explore asset and brand acquisitions and joint ventures. For instance, effective July 1, 2016, we acquired trademarks in relation to 40 brands, from Amay Pharma in the cardiovascular and anti-diabetics therapeutic areas. Further we acquired 75.48% of the outstanding equity shares of Kinedex, a company focusing on products catering to mobility related disorders in the musculoskeletal therapeutic area, by way of two transactions, in November 2016 and December 2016, respectively. Where appropriate and advantageous for our business, we intend to selectively pursue opportunities that will:

- consolidate our market position and enhance our financial position;
- develop operating leverage for key therapeutic areas by unlocking potential efficiency and synergy benefits;
- strengthen or expand our product portfolio within existing therapeutic areas including cardiovascular and anti-diabetics;
- enhance our depth of experience, knowledge-base and know-how; and
- increase our sales, marketing and distribution network, customers and geographical reach.

### **Our Recent Acquisitions**

#### ***Acquisition of Trademarks from Amay Pharma and acquisition of Aprica Healthcare Private Limited***

By way of a deed of assignment dated August 6, 2016 we acquired, effective July 1, 2016, registered and unregistered trademarks in relation to 40 brands including trademarks in relation to the Atorica, Apriglim and Rosurica brands, from Amay Pharma. The acquisition was for an aggregate consideration of ₹328.70 million, in order to grow our product portfolio in selected therapeutic areas such as cardiovascular and anti-diabetics. Amay Pharma's revenues, from the brands acquired by us were ₹158.10 million for Fiscal 2016 (*Source: IMS TSA MAT, March 2016*). In addition, effective September 27, 2016 we executed a non-competition and non-solicitation agreement for a period of five years with Amay Pharma for an aggregate fee of ₹50.00 million, restricting Amay Pharma from owning, controlling, financing, managing, operating, or participating in the ownership, control, finance, or operation of, or providing any services to, or on behalf of, any person engaged in the marketing and selling of prescription and non-prescription pharmaceutical products in identified therapeutic areas in India.

Further, on July 12, 2016, we acquired 100.00% of the outstanding equity shares of Aprica Health a company incorporated by Maharshi Sanjaykumar Vyas and Maulik Ghanshyam Pandya, the former employees of Amay Pharma, for an aggregate consideration of ₹0.10 million. We have entered into a non-exclusive trademark license agreement with Aprica Health, dated July 12, 2016, for a period of two years, in order to license out certain trademarks we acquired from Amay Pharma to Aprica Health. The trademark license is for an annual royalty payment, payable within 30 days of the end of every Fiscal, and ranging between 1.0% to 5.0% of net monthly sales, of licensed items.

See “*History and Certain Corporate Matters – Details Regarding Acquisition Of Business/ Undertakings, Mergers, Amalgamations and Revaluation of Assets*” on page 127, for further details of the arrangements entered by us for acquisition of the trademarks from Amay Pharma, the acquisition of Aprica Health, and license agreement between us and Aprica Health.

#### **Acquisition of Kinedex Healthcare Private Limited**

On November 23, 2016, we entered into a share purchase agreement to acquire 61.48% of the outstanding equity shares of Kinedex from its existing shareholders for an aggregate consideration of ₹628.66 million. On December 12, 2016, we entered into a share purchase and shareholders’ agreement to acquire an additional 14.0% of the equity shares of Kinedex, for a consideration of ₹143.13 million, taking our aggregate shareholding in Kinedex to 75.48%.

Our acquisition of Kinedex was in order to add products catering to mobility related disorders in the musculoskeletal therapeutic area to our portfolio. Kinedex’s revenues were ₹425.7 million for the six month period ended September 30, 2016 and revenues for Rosiflex, Kinedex’s top mother brand group, were ₹203.4 million for the six month period ended September 30, 2016 (*Source: IMS TSA, for six months ended September 30, 2016*).

For further details see “*History and Certain Corporate Matters – Details Regarding Acquisition of Business/ Undertakings, Mergers, Amalgamations and Revaluation of Assets*” on page 127.

## **DESCRIPTION OF OUR BUSINESS**

We develop, manufacture and commercialize branded prescription based pharmaceutical products in select therapeutic areas within the chronic and acute categories of the IPM, such as: cardiovascular; anti-diabetics; vitamins; gastroenterology; anti-infectives; neurology; chronic and acute respiratory; and gynaecology, in India.

The following tables set forth our historical revenues and revenue growth from chronic and acute categories in the IPM, for the periods indicated:

Revenues (in ₹million)	For Fiscal					Six months ended September 30, 2016
	2012	2013	2014	2015	2016	
Chronic category	1,413.4	1,989.7	3,229.3	3,749.3	4,539.2	2,636.9
Acute category	1,217.9	1,831.7	2,503.3	2,355.2	2,530.9	1,395.2
<b>Total</b>	<b>2,631.3</b>	<b>3,821.5</b>	<b>5,732.6</b>	<b>6,104.5</b>	<b>7,070.1</b>	<b>4,032.1</b>
Year on Year Revenue Growth/ (Decline)	2012	2013	2014	2015	2016	CAGR (Fiscals 2012-2016)
Chronic category	NA	40.8%	62.3%	16.1%	21.1%	<b>33.9%</b>
Acute category	NA	50.4%	36.7%	(5.9)%	7.5%	<b>20.1%</b>
<b>Total</b>	<b>NA</b>	<b>45.2%</b>	<b>50.0%</b>	<b>6.5%</b>	<b>15.8%</b>	<b>28.0%</b>

*Source: IMS TSA MAT, March 2016; IMS TSA, for six months ended September 30, 2016*

The chronic category of the IPM contributed 64.2% of our revenues in Fiscal 2016 (*Source: IMS TSA MAT, March 2016*) and 65.4% of our revenues for the six months ended September 30, 2016 (*Source: IMS TSA, for six months ended September 30, 2016*). We were ranked 21<sup>st</sup> out of 353 domestic and multinational companies present in the chronic category of the IPM, in terms of revenues for Fiscal 2016. We were the fastest growing company, in the chronic category, among the top 25 companies in terms of revenues, with revenue growth at CAGR of 33.9%, between Fiscals 2012 and 2016. (*Source: IMS TSA MAT, March 2016*).

In Fiscal 2016, we generated 35.8% of our revenues (*Source: IMS TSA MAT, March 2016*) and 34.6% of our revenues for the six months ended September 30, 2016 (*Source: IMS TSA, for six months ended September 30, 2016*), from the acute category of the IPM. Our revenues from the acute category grew at a CAGR of 20.1% between Fiscals 2012 and 2016 (*Source: IMS TSA MAT, March 2016*). Our revenues from the acute category declined by 5.9% in Fiscal 2015 compared to Fiscal 2014, and grew at 7.5% in Fiscal 2016 compared to Fiscal 2015 (*Source: IMS TSA MAT, March 2014, March 2015 and March 2016*). This was due to a change in our strategy in the acute category, to focus increasingly on products in the growth phase of the lifecycle of the

representative pharmaceutical molecules, coupled with a rationalization in production of certain of our existing brands with lower sales volumes.

## Our Products

Our product portfolio comprised of 56 mother brand groups as of March 31, 2016 (*Source: IMS TSA MAT, March 2016*) and as of September 30, 2016 (*Source: IMS TSA, for six months ended September 30, 2016*), not including our acquisitions. A mother brand includes all brand extensions and combinations using similar pharmaceutical molecules. A 'mother brand group' includes a mother brand together with other brands using the same pharmaceutical molecules as brand extensions and combinations in the mother brand. We have developed products and a portfolio of leading mother brands in therapeutic areas in the chronic category and the acute category.

An overview of our performance in certain key therapeutic areas is presented in the table below:

Therapeutic Area	Our Company			IPM		
	Revenue for Fiscal 2016	CAGR Fiscals 2012 to 2016	Revenue for six months ended September 30, 2016	MAT for Fiscal 2016	CAGR Fiscals 2012 to 2016	Revenue for six months ended September 30, 2016
<b>Chronic</b>	<b>4,539.2</b>	<b>33.9%</b>	<b>2,636.9</b>	<b>349,634.1</b>	<b>14.8%</b>	<b>194,137.3</b>
Cardiovascular	2,341.2	33.2%	1,315.3	121,485.9	12.7%	67,095.6
Anti-diabetics	1,943.6	37.1%	1,163.0	85,200.8	19.2%	48,929.2
Others <sup>1</sup>	254.4	20.6%	158.6	142,947.4	14.3%	78,112.4
<b>Acute</b>	<b>2,530.9</b>	<b>20.1%</b>	<b>1,395.2</b>	<b>696,694.0</b>	<b>11.0%</b>	<b>389,755.0</b>
Vitamins	1,104.7	19.3%	599.9	80,478.4	12.8%	46,492.9
Gastroenterology	794.4	17.2%	403.6	112,142.3	13.3%	64,666.7
Anti-infectives	207.9	30.6%	116.5	141,064.7	6.3%	79,778.0
Gynaecology	97.2	43.3%	110.2	51,569.5	9.5%	28,979.5
Others <sup>2</sup>	326.7	19.9%	164.9	311,439.1	12.4%	169,837.9
<b>Total</b>	<b>7,070.1</b>	<b>28.0%</b>	<b>4,032.1</b>	<b>1,046,328.1</b>	<b>12.2%</b>	<b>583,892.3</b>

<sup>1</sup> Other chronic therapeutic areas comprise: neurology, chronic respiratory and chronic pain (analgesics); for IPM chronic others also includes urology and oncology.

<sup>2</sup> Other acute therapeutic areas comprise: acute respiratory, acute pain (analgesics), hepatoprotectives, hormones, hematology, dermatology, anti-obesity products and products for injury healing; for IPM others also includes ophthalmology, vaccines, anti-virals, anti-malarials, stomatologicals, anti-tuberculosis, anti-parasitics, prenataals, and sex stimulants and rejuvenators.

Source: IMS TSA MAT, March 2016; IMS TSA, for six months ended September 30, 2016

## Our Brands in the Chronic Therapeutic Category

In Fiscal 2016, 60.6% of our revenues (*Source: IMS TSA MAT, March 2016*), and for the six months ended September 30, 2016, 61.5% of our revenues (*Source: IMS TSA, for six months ended September 30, 2016*), were from cardiovascular and anti-diabetics therapeutic areas. Cardiovascular and anti-diabetics therapeutic areas together accounted for 59.0% of the chronic category of the IPM in Fiscal 2016, compared to 58.5% in Fiscal 2012 (*Source: IMS TSA MAT, March 2016*).

In the chronic category of the IPM, the top 100 and top 300 brands accounted for ₹107,433.3 million, or 30.7% and ₹177,538.5 million, or 50.8%, respectively, in terms of revenues for in Fiscal 2016. In Fiscal 2016, we had four brands in the top 300 brands, with one brand in the top 100 brands, in terms of revenues, in the chronic category of the IPM. (*Source: IMS TSA MAT, March 2016*).

### Cardiovascular Therapeutic Area

The cardiovascular therapeutic area is the largest chronic therapeutic area in India, with a total market size of ₹121,485.9 million as of Fiscal 2016 and grew at a CAGR of 12.7% between Fiscals 2012 and 2016 (*Source: IMS TSA MAT, March 2016*). We have launched certain key mother brand groups such as Eritel, Olmin, Atorsave, LN Bloc and Crevast, in hypertension and lipid lowering agents subgroups, and have also extended the coverage and reach of our products through our approach of extracting benefits of cross linkages in specialties. For example,

our coverage for hypertension extends beyond cardiologists and consulting physicians and also includes nephrologists, endocrinologists and diabetologists. The table below provides details on our key mother brand groups within the cardiovascular therapeutic area:

*Revenue in ₹ million*

Key Mother Brand Groups	Year of Launch of Our Product*	Indication	Subgroup (including combinations)	Our Company				
				Market Share	Revenue	CAGR	Prescription Ranking	
				Fiscal 2016	Fiscal 2016	Six months ended September 30, 2016	Fiscals 2012 to 2016	Fiscal 2016
Eritel	2008	Hypertension	Telmisartan	5.2%	915.0	508.8	41.5%	4
Olmin	2010	Hypertension	Olmesartan	6.4%	406.2	238.1	49.4%	3
Atorsave	2007	Lipid Lowering	Atorvastatin	3.2%	352.1	171.6	14.4%	5
LN Bloc	2012	Hypertension	Cilnidipine	11.5%	270.4	169.8	NA	2
Crevast	2010	Lipid Lowering	Rosuvastatin	2.4%	191.9	108.0	26.3%	6

\*Source: Company internal data.

Source: IMS TSA and Medical Audit MAT, March 2016; IMS TSA, for six months ended September 30, 2016

Eritel, Olmin and LN Bloc are our flagship mother brand groups in the cardiovascular therapeutic area. Our Eritel mother brand group was the sixth largest in the telmisartan and combinations subgroups in Fiscal 2016. Eritel CH was the largest brand in the chlortalidone and telmisartan combination subgroup with a market share of 15.7% in Fiscal 2016. Eritel LN was the second largest brand in the cilnidipine and telmisartan combination subgroup with a market share of 22.7% in Fiscal 2016. (Source: IMS TSA MAT, March 2016).

Our Olmin mother brand group was the third largest in the Olmesartan and combinations subgroups in Fiscal 2016. Olmin CH was the largest brand in the chlortalidone and olmesartan medoxomil combination subgroup, with a market share of 21.0% in Fiscal 2016. (Source: IMS TSA MAT, March 2016).

Atorsave and Crevast are our flagship mother brand groups in lipid lowering agents. Our Atorsave mother brand was the ninth largest in the atorvastatin and combinations subgroups in Fiscal 2016, with a market share of 3.2% and was ranked second in terms of prescriptions from cardiologists in Fiscal 2016. (Source: IMS TSA and Medical Audit MAT, March 2016).

#### Anti-diabetics Therapeutic Area

Anti-diabetics is the second largest chronic category in India with a total market size of ₹85,201 million in Fiscal 2016 and grew at a CAGR of 19.2% between Fiscals 2012 and 2016 (Source: IMS TSA MAT, March 2016). We have focused on the oral anti-diabetics therapeutic area and have created certain leading brands through our doctor and patient engagement model which combines diagnostics assistance to increase the awareness and improve prognosis. Some of these initiatives include continuous glucose monitoring and diabetes related retinopathy. The table below provides details on our key mother brand groups within the anti-diabetics therapeutic area:

*Revenue in ₹ million*

Key Mother Brand Groups	Year of Launch of Our Product*	Indication	Subgroup (including combinations)	Our Company				
				Market Share	Revenue	CAGR	Prescription Ranking	
				Fiscal 2016	Fiscal 2016	Six months ended September 30, 2016	Fiscals 2012 to 2016	Fiscal 2016
Glimisave	2007	Anti-diabetics	Glimepiride	5.3%	1,422.5	812.6	33.3%	3
Cyblex	2014	Anti-diabetics	Gliclazide	3.1%	154.5	104.6	NA	6

Advog	2009	Anti-diabetics	Voglibose	2.9%	120.4	55.8	29.6%	13
Tendia	2015	Anti-diabetics	Teneligliptin	7.9%	50.6	135.2	NA	3

\*Source: Company internal data.

Source: IMS TSA and Medical Audit MAT, March 2016; IMS TSA, for six months ended September 30, 2016

The share of oral anti-diabetics as a percentage of overall sales from anti-diabetics (including insulin and devices) has increased from 71.2% in Fiscal 2012 to 74.7% in Fiscal 2016. Glimpiride and combinations accounted for 31.8% of the anti-diabetics market, and 42.6% of the oral anti-diabetics market, in Fiscal 2016. (Source: IMS TSA MAT, March 2016). Glimpiride is used for treating type 2 diabetes in patients who cannot control blood sugar levels by diet and exercise alone. Glimisave, our flagship mother brand group in the Glimpiride and combinations subgroups, ranked seventh in terms of revenues in this subgroup with a market share of 5.3% in Fiscal 2016 and was ranked second in terms of prescriptions by cardiologists, fifth in prescriptions by diabetologists and second in prescriptions by consulting physicians in Fiscal 2016 (Source: IMS TSA and Medical Audit MAT, March 2016). DPP-4 inhibitors or gliptins are also emerging as an alternative therapy in the oral anti-diabetes therapeutic area and accounted for 27.6% of the oral anti-diabetes market in Fiscal 2016 (Source: IMS TSA MAT, March 2016). Our mother brand Tendia was ranked third in the teneligliptin subgroups in terms of market share by revenue and was ranked third in prescriptions by cardiologists, second in prescriptions by diabetologists and fourth in prescriptions by consulting physicians based on data as of September 30, 2016 (Source: IMS TSA and Medical Audit, for six months ended September 30, 2016).

Our initiatives in the anti-diabetics therapeutic area include 'Insight' which is an initiative that enables clinicians and diagnosticians to diagnose early signs and symptoms of diabetic retinopathy. Insight is a comprehensive system which facilitates screening, diagnosis and interpretation of diabetic retinopathy which we believe is unaddressed due to the lack of relevant in-house facilities with most health care professionals treating diabetes. We have also supported the 'Kidney Protection Group' which is an initiative to bring together various medical practitioners for holistic renal management. This initiative aims at bringing together nephrologists, cardiologists and diabetologists to understand various stages and causes of renal damage. It provides a platform to educate clinicians for preventing or managing a renal disorder in diabetic hypertensive patients.

#### Other Chronic Therapeutic Areas

Our revenues from other therapeutic areas in the chronic category, namely neurology, chronic respiratory and chronic pain (analgesics), were ₹254.4 million for Fiscal 2016 (Source: IMS TSA MAT, March 2016) and ₹158.6 million for the six months ended September 30, 2016 (Source: IMS TSA, for six months ended September 30, 2016). An overview of our performance in other chronic therapeutic areas is presented in the table below:

Therapeutic Area	Our Company Revenues		Revenue in ₹million
	Fiscal 2016	For the six months ended September 30, 2016	Our Company CAGR (between Fiscals 2012 and 2016)
Neurology	162.5	82.8	20.0
Chronic Respiratory	55.3	46.4	21.5
Chronic Pain (analgesics)	36.6	29.3	21.5
<b>Total</b>	<b>254.4</b>	<b>158.6</b>	<b>20.6%</b>

Source: IMS TSA MAT, March 2016; IMS TSA, for six months ended September 30, 2016

#### Our Brands in the Acute Category

Gastroenterology and vitamins were the second and third largest therapeutic areas, and accounted for ₹112,142.3 million, or 16.1%, and ₹80,478.4 million, or 11.7%, respectively, of revenues from the acute category in the IPM in Fiscal 2016 (Source: IMS TSA MAT, March 2016). We have developed our mother brand groups in the vitamins and gastroenterology therapeutic areas as a natural extension of our cardiovascular and anti-diabetes product portfolio. In Fiscal 2016, ₹1,899.1 million, or 26.9%, of our revenues were from the gastroenterology and vitamins therapeutic areas (Source: IMS TSA MAT, March 2016), where we have created certain significant brands. For the six months ended September 30, 2016, our combined revenues from the gastroenterology and vitamins therapeutic areas were ₹1,003.5 million, or 24.9%, of our revenues (Source: IMS TSA, for six months ended September 30, 2016). The table below provides details on our key mother brand groups within the acute category:

Revenue in ₹million

Key Mother Brand Groups	Year of Launch of Our Product*	Indication	Subgroup (including combinations)	Our Company				
				Market Share	Revenue		CAGR	Prescription Ranking
				Fiscal 2016	Fiscal 2016	Six months ended September 30, 2016	Fiscals 2012 to 2016	Fiscal 2016
Rabonik	2008	Gastroenterology	Rabeprazole	5.2%	591.3	287.5	19.1%	10
Tayo	2011	Vitamins	Vitamin D	5.5%	553.5	265.6	33.6%	5
Remylin	2007	Vitamins	Mecobalamin+ Colecalciferol	6.6%	493.6	275.4	13.9%	5
Marzon	2011	Anti Infectives	Ampicillin+ Sulbactam	17.5%	174.3	91.5	54.2%	2
Velgut	2009	Gastroenterology	Probiotics	4.1%	150.4	88.2	13.9%	6
Metital	2014	Gynaecology	Inositol	5.2%	108.1	58.4	NA	1

\*Source: Company internal data.

Source: IMS TSA and Medical Audit MAT, March 2016; IMS TSA, for six months ended September 30, 2016

### Vitamins Therapeutic Area

We have launched four mother brand groups in the Vitamin D sub group, as of September 30, 2016 (Source: IMS TSA MAT, September 2016). Through our active engagement model with consumers and super specialists such as cardiologists, diabetologists and endocrinologists, we have been able to create some of the leading brands in the Vitamin D subgroups such as Remylin D and Tayo 60K, which contributed revenues of ₹458.1 million and ₹193.0 million, respectively, for Fiscal 2016 (Source: IMS TSA MAT, March 2016) and ₹257.9 million and ₹94.8 million, respectively, for the six months ended September 30, 2016 (Source: IMS TSA, for six months ended September 30, 2016). Remylin D grew at a CAGR of 20.3% and Tayo 60K grew at a CAGR of 74.5% between Fiscals 2012 and 2016 (Source: IMS TSA MAT, March 2016). Remylin D was the largest brand in the mecobalamin and cholecalciferol combinations subgroup in Fiscal 2016 in terms of market share by revenues and was ranked second in prescriptions by cardiologists, first in prescriptions by diabetologists and fourth in prescriptions by consulting physicians in Fiscal 2016 (Source: IMS TSA MAT, March 2016). We believe our presence and growth in the vitamins therapeutic area is a part of our strategy of creating brands which cater to lifestyle related disorders and have to be prescribed over an extended period of time than just a one time incidence related medication.

### Gastroenterology Therapeutic Area

We have launched two mother brand groups in the gastrointestinal therapeutic area as of September 30, 2016 (Source: IMS TSA MAT, September 2016). Rabonik is our flagship mother brand group in the gastrointestinal therapeutic area, which includes our brand Rabonik Plus which is a rabeprazole and levosulpiride combination. Revenues from our Rabonik Plus brand for Fiscal 2016 were ₹185.0 million (Source: IMS TSA MAT, March 2016) and ₹84.3 million for the six months ended September 30, 2016 (Source: IMS TSA, for six months ended September 30, 2016). Revenues from our Rabonik Plus brand grew at a CAGR of 8.8% between Fiscals 2012 and 2016 (Source: IMS TSA MAT, March 2016). In addition we launched our MacRabonik brand in 2014, which consists of a delayed dual release of rabeprazole, in order to address compliance gaps with dual dosage requirements of proton pump inhibitors. We have also launched Velgut in 2009 which is a probiotic consisting of nine essential strains of probiotics, beneficial for gastrointestinal health.

### Anti-infectives Therapeutic Area

We launched our mother brand, Marzon, in 2011, to address anti-infectives resistance. Marzon and its extensions are brands of sultamicillin, in the subgroups beta lactam and beta lactamase combination, are used in the treatment of microbial infections such as sinusitis and otitis media.

### Gynaecology Therapeutic Area

In the gynaecology therapeutic area we focus on polycystic ovarian syndrome (“PCOS”) and PCOS related infertility management. PCOS is an endocrine disorder which affects adolescent girls and women of reproductive

age. We have launched our mother brand Metital in 2014, in the gynaecology therapeutic area to address incidences of PCOS.

#### Other Acute Therapeutic Areas

Our revenues from other therapeutic areas in the acute category, namely acute respiratory, acute pain (analgesics), hepatoprotectives, hormones, hematology, dermatology and others, were ₹326.7 million for Fiscal 2016 (*Source: IMS TSA MAT, March 2016*) and ₹164.9 million for the six months ended September 30, 2016 (*Source: IMS TSA, for six months ended September 30, 2016*). Our key brands in the acute respiratory therapeutic area are Alerfix and Alerfix Total, in the levocetirizine and combinations subgroup, which had combined revenues of ₹72.4 million for Fiscal 2016 (*Source: IMS TSA MAT, March 2016*) and ₹26.1 million for the six months ended September 30, 2016 (*Source: IMS TSA, for six months ended September 30, 2016*). An overview of our performance in other acute therapeutic areas is presented in the table below:

Therapeutic Area	Our Company's Revenues Fiscal 2016	CAGR (between Fiscals 2012 and 2016)	Revenues in ₹million
			Our Company's Revenues Six months ended September 30, 2016
Acute Respiratory	155.0	39.7%	73.0
Acute Pain (analgesics)	58.7	10.2%	51.4
Others <sup>1</sup>	39.0	19.1%	NA <sup>2</sup>
Hepatoprotectives	28.7	(5.4)%	18.9
Hormones	27.8	9.4%	13.2
Hematology	10.4	39.4%	4.7
Dermatology	7.1	NA	3.6
<b>Total</b>	<b>326.7</b>	<b>19.9%</b>	<b>164.9</b>

<sup>1</sup> Others comprises anti-obesity products and products for injury healing.

<sup>2</sup> Our brands in the 'Others' category were reclassified by IMS into specified therapeutic areas for the six months ended September 30, 2016.

Source: IMS TSA MAT, March 2016; IMS TSA, for six months ended September 30, 2016

In November 2016, we acquired 61.48%, and in December 2016, we acquired an additional 14.00%, of the outstanding equity shares of Kinedex, for an aggregate shareholding in Kinedex of 75.48%. Kinedex primarily focuses on products catering to mobility related disorders in the musculoskeletal therapeutic area. Kinedex's revenues were ₹425.7 million for the six month period ended September 30, 2016 and revenues for Rosiflex, Kinedex's top mother brand group, were ₹203.4 million for the six month period ended September 30, 2016 (*Source: IMS TSA, for six months ended September 30, 2016*).

#### Sales, Marketing and Distribution

Our sales team comprised of 1,310 marketing representatives, as on September 30, 2016 which allow us to penetrate the IPM through frequent visits to doctors across all specialties and visits to pharmacies to ensure that our brands are adequately stocked. Our medical representatives cover regions across India, with primary focus in metro cities and class 1 towns.

We strategically use a division-based marketing approach to cater to specialist and super specialists by offering them a wide range of products from our various therapeutic areas. We have created seven sales divisions focusing on developing and growing our engagement with specialists within our focus therapeutic areas. These sales divisions are responsible for commercialization, marketing strategy and engaging with doctors on a regular basis. The table below provides the details of our sales divisions:

Name of Sales Division	Fiscal of launch of Our Division	Therapeutic Areas Covered	Doctor specialty covered	Key Mother Brand Groups/ Brands
Eris	Fiscal 2008	Cardiovascular and Anti-diabetes	Consulting Physicians, Cardiologists, Endocrinologists, Diabetologists, Neurologists, Nephrologists	Glimisave, Eritel, Remylin D
Nikkos	Fiscal 2009	Gastrointestinal and Acute and Chronic Respiratory	Gastroenterologists, ENTs, Endocrinologists, Diabetologists, Consulting Physicians, Cardiologists	Rabonik, Alerfix, Marzon

Adura	Fiscal 2010	Cardiovascular and Anti-diabetes	Consulting Physicians, Cardiologists, Endocrinologists, Diabetologists, Neurologists, Nephrologists	Olmin, Crevast, Tayo 60
Montana	Fiscal 2012	Gynaecology and Paediatrics	Gynaecologists, Paediatricians, Endocrinologists	Metital, Calshine P
Inspira	Fiscal 2013	Cardiovascular and Anti-diabetes	Consulting Physicians, Cardiologists, Endocrinologists, Diabetologists, Nephrologists	LN Bloc
Victus	Fiscal 2014	Anti-diabetes	Endocrinologists, Diabetologists, Consulting Physicians	Tendia, Cyblex
Eris2	Fiscal 2015	Acute and Chronic Pain (analgesics)	Orthopedicians	Mienta, Orthosenz, Reposit

Our commercialization and marketing strategy involves an active engagement with KOLs and doctors which includes round table discussions and seminars on existing treatment gaps, alternative mechanisms of action and change in treatment paradigm. We have developed capabilities in various aspects relating to the commercialization including sales, marketing, quality assurance, distribution, compliance, and regulatory. Our marketing team comprises of professionals who have developed a variety of marketing techniques and programs to promote our products, including promotional materials, speaker programs and industry publications, advertising and other media. Our sales force and marketing team is supported by our strong distribution network across India, which is based on our distribution network. For risks in relation to our sales marketing and distribution initiatives see “**Risk Factors – Internal Risk Factors – We rely on our marketing representatives and distributors for the sale and distribution of our products. A decrease in the number of our marketing representatives or termination of our sales arrangements may adversely affect our business, results of operations and financial condition.**” on page 19.

## Our Manufacturing Facility and Arrangements

### Manufacturing Facility and Approvals

We currently own and operate a manufacturing facility in Guwahati, Assam (“**Assam Facility**”). Our manufacturing and development capabilities include formulation through process development, scale-up and full-scale commercial manufacturing and specialized capabilities for the development and manufacturing of controlled substances. For Fiscal 2016 and the six month period ended September 30, 2016, products manufactured at our Assam Facility contributed to 51.56% and 50.06% of our revenues, respectively.

For Fiscal 2016 and six months ended September 30, 2016, products manufactured at Sozin’s manufacturing facility contributed to 28.16% and 30.16% of our revenues, respectively. Our Company was a partner in Sozin up to August 31, 2016 and pursuant to our retirement, production of certain products from Sozin’s plant was transitioned to our Assam Facility.

The table below provides key details of our Assam Facility, as of September 30, 2016:

Location	Description	Approvals
Plot No. 30 and 31, Brahmaputra Industrial Park, village Sila, Mouza- Silasindurighopa, Guwahati, Assam	Manufacturing facility focused on manufacture of capsules, tablets and sachets, with an installed capacity (on a single shift basis) of 999.99 million tablets, 83.02 million capsules and 18.00 million sachets per annum and spread over 76,617.51 sq. feet built up area.	adheres to WHO GMP guidelines

The capacity utilization at our Assam Facility was as follows:

Product	Fiscal 2015		Fiscal 2016		Six months ended September 30, 2016	
	Output*	Utilization*	Output	Utilization	Output	Utilization
Tablets	379.72	37.97%	508.37	50.84%	311.21	62.24%
Capsules	55.52	66.87%	41.40	49.87%	20.07	48.34%
Sachets	2.65	14.70%	3.85	21.38%	2.53	28.10%

\*Commercial production commenced in May, 2014.

Capacity utilization = Output / Installed capacity. Installed capacity is calculated assuming operations on a single shift basis. The manufacturing plant can operate up to a maximum of three shifts per day.

The increase in production capacity at our manufacturing facility shall be based on future business conditions and approval from government authorities, as applicable. We have arrangements for regular power and water supply at our manufacturing facility together with provisions for back-up such as diesel generator sets. For risks in relation to our manufacturing facility see **“Risk Factors – Internal Risk Factors – Any disruption in production at, or shutdown of, our manufacturing facility could adversely affect our business, results of operations and financial condition.”** on page 16.

### ***Fiscal Incentives***

We benefit from certain tax regulations and incentives that accord favorable treatment to our manufacturing facility. For example, the NEIP is applicable to our Assam Facility, pursuant to which, our Company is eligible to avail of certain tax incentives including income tax and excise duty exemption for a period of 10 years (until Fiscal 2024 and 2025, respectively), in addition to certain capital investment and trade subsidies. See **“Risk Factors – Internal Risk Factors – Any reduction in or termination of tax incentives we enjoy may affect our business, results of operations and financial condition.”** on page 22.

### ***Third Party Manufacturers***

In addition to our manufacturing facility, we source finished products from third party manufacturers, and currently use approximately 20 third party manufacturers in India. For Fiscal 2016 and the six month period ended September 30, 2016, products manufactured through third party manufacturing arrangements contributed to 20.28% and 19.78% of our total revenues, respectively. Our key products manufactured through third party manufacturing arrangements include mother brand groups Marzon and Tendia and our brand Calshine P which had revenues of ₹174.3 million, ₹50.6 million and ₹133.9 million for Fiscal 2016, respectively (*Source: IMS TSA MAT, March 2016*). We typically enter into third party manufacturing agreements for periods ranging from one to three years. Under third party manufacturing arrangements our third party manufacturers typically indemnify us for all losses and damages arising from claims and liabilities due to a breach by the manufacturers, defects in the products produced and arising from the manufacturer, storage and distribution of the products. See **“Risk Factors – Internal Risk Factors – Any disruption in production at, or shutdown of, our manufacturing facility could adversely affect our business, results of operations and financial condition.”** on page 16.

### ***Quality Assurance***

Our quality control department, consisting of 17 employees as of September 30, 2016, is located at our Assam Facility. Our quality control department prepares standard operating procedures for quality assurance, handles product quality related complaints, manages product quality deviations and change controls, risk analysis, internal audit, product recalls and ensures that the materials received from our approved list of vendors comply with our internal standards and specifications. Our manufacturing processes are subject to various internal quality and system checks, designed to ensure that our products meet the norms prescribed by the Indian regulators. Implementation of our quality policy is done through quality systems based on WHO GMP in conformity with national standards. Periodic self-inspections and audits are conducted to monitor the effective implementation of quality systems. We are assessed periodically in accordance with applicable GMP. See **“Risk Factors – Internal Risk Factors – Any quality control problems at our manufacturing facility or those of our third party manufacturers may damage our reputation and expose us to litigation or other liabilities, which could adversely affect our results of operations and financial condition.”** on page 17.

### ***Raw Materials and Packaging Materials***

We purchase APIs and other raw materials such as excipients and primary and secondary packaging materials from third parties. We do not have any long term contracts with our external suppliers. Prices are typically negotiated for each purchase order. For Fiscal 2016, we sourced 57.79% of our APIs, 77.44% of our excipients and 78.26% of our packaging materials from our top five suppliers in each category. For risks relating to our sourcing requirements, see **“Risk Factors – Internal Risk Factors – Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.”** on page 17.

## Human Resources

Our work force is a critical factor in maintaining quality and safety which strengthen our competitive position and our human resource policies focus on training and retaining our employees. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. We impart commencement training to our personnel and supplementary training is delivered periodically by electronic means which includes assessment and feedback. We conduct periodic assessments by way of online assessment questionnaires.

We offer our employees performance-linked incentives and benefits and conduct employee engagement programs from time-to-time. We also hire contract labor for our manufacturing facility, from time to time. We believe we have good relations with our employees. As of September 30, 2016, we had 2,287 employees. The table below provides the breakdown of our employees as of September 30, 2016:

*as of September 30, 2016*

<b>Particulars</b>	<b>Number of Employees</b>	<b>% of Total Employees</b>
Medical Representatives	1,310	57.28%
Field Managers	612	26.76%
Manufacturing Facility employees	205	8.96%
<b>Corporate Office</b>		
Sales and Marketing	35	1.53%
Intellectual Property and Research	32	1.40%
Distribution and IT	28	1.22%
Administration	25	1.09%
Finance, Accounting and Legal	20	0.87%
Human Resources	10	0.44%
Others	10	0.44%
<b>Total Employees</b>	<b>2,287</b>	<b>100.00%</b>

## Information Technology

Our IT systems are vital to our business and we have adopted an IT policy to assist us in our operations. The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, maintaining secure enterprise operations through, among others, risk assessment, planning and mitigation policies, and identifying emerging technologies which may be beneficial to our operations. We have implemented an ERP system to handle purchase of goods, services, inventory, supply chain management, invoicing, accounting, payments, collections, reconciliation, taxation, regulatory compliance, human resources management and other business functions.

We have also implemented a sales personnel management system which has the capability to record data at the headquarter level as well as in relation to each employee, including presenting analysis and historical trends. The system also tracks work days, work effort, follow up actions for management review and plans for improvement. It is capable of importing ERP data and generating reports which assist in effective management. The integration of our information technology systems with our sales and distribution infrastructure enables us to standardize our processes, reduce cost, enhance productivity, improve workflow and communications and improve our risk control mechanisms.

## Regulatory and Environmental Matters

We are subject to extensive environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environmental protection, hazardous waste management and noise pollution, in relation to our manufacturing facility. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. Any failure to comply with the applicable environmental or other laws and regulations may subject us to penalties and may also result in the closure of our facility. See “*Risk Factors – Internal Risk Factors – The Indian pharmaceutical market is subject to extensive regulation. In the event of any failure to comply with the applicable regulations prescribed by central and state governments and regulatory agencies in India, our business, results of operations and financial condition could be adversely affected.*” on page 21 and “*Key Regulations and Policies*” on page 120.

## Health and Safety

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted a health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facility or under our management.

We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. We believe we are in compliance with applicable health and safety laws and regulations. We also believe that our manufacturing facility possesses adequate effluent treatment processes and minimize any contamination of the surrounding environment or pollution. See *“Risk Factors – Internal Risk Factors – Compliance with, and changes in, safety, health and environmental laws and various labor, workplace and related laws and regulations including terms of approvals granted to us, may increase our compliance costs and as such adversely affect our business, results of operations and financial condition.”* on page 25.

## Intellectual Property and Research and Development

As of September 30, 2016, we have a team of 32 personnel working in our intellectual property and research and development department. In addition as on date of this Draft Red Herring Prospectus we had 126 registered trademarks, including our flagship trademark ‘Eris’. Further, as on January 15, 2017, we have also made applications seeking registration for more than 150 trademarks with the Registrar of Trademarks, under the Trademarks Act.

We have obtained registration for or have applied for registration under the Trademarks Act in respect of our top ten brands under various classes. For instance, as on the date of this Draft Red Herring Prospectus, from our top ten brands, we have obtained registration for Remylin, Glimisave, Tayo, Eritel, Rabonik and Crevast. Further, while we have made trademark applications in respect of Atorsave, Olmin, LnBlock and Marzon, which are among our top ten brands, these applications have been opposed to by certain third parties. See *“Government and Other Approvals”* on page 275.

## Competition

We compete with companies in the Indian market based on therapeutic and product categories, and within each category, upon dosage strengths and drug delivery. Our principal competitors include Glaxosmithkline Pharmaceuticals Limited, Abbott India Limited, Pfizer Limited and Sanofi India Limited. See *“Industry Overview – Competitive Landscape – Top Companies by Prescription Rank”* and *“Risk Factors – Internal Risk Factors – 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”* on pages 98 and 25, respectively.

## Insurance

Our operations are subject to hazards inherent in manufacturing pharmaceuticals such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may also be subject to product liability claims if the products that we manufacture are not in compliance with regulatory standards. Our principal types of coverage include insurance burglary and standard fire and special perils policy, which cover our manufacturing facility and warehouses, money insurance policy, motor insurance policy, boiler and pressure plant insurance policy, machinery breakdown insurance policy, electronic equipment insurance policy, devices insurance policy, marine cargo policy, directors’ and officers’ management liability. Our insurance policies may not be sufficient to cover our economic loss. See *“Risk Factors – Internal Risk Factors – Our insurance coverage may not be sufficient or may not adequately protect us against any or all hazards, which may adversely affect our business, results of operations and financial condition”* on page 27.

## Properties

Our Registered Office located at 21 New York Tower, Thaltej Cross Roads, Ahmedabad, Gujarat, India is owned by our Company. Our manufacturing facility at Plot No. 30 and 31, Brahmaputra Industrial Park, village Sila, Mouza- Silasindurighopa, Guwahati, Assam, is located on land owned by our Company. In addition, we have leased a warehouse located in Kamrup, Assam, the lease period for which is valid until October 31, 2019. Further, our corporate office is situated on land that we occupy on a leasehold basis. For further details see “***Risk Factors – Internal Risk Factors – Some of the properties used by our Company including our Corporate Office are occupied by our Company on lease basis. Any termination of the lease(s) or our failure to renew the same in a favorable, timely manner, or at all, could adversely affect our activities.***” on page 30.

## KEY REGULATIONS AND POLICIES IN INDIA

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company and its business. The information detailed in this chapter, is based on the current provisions of Indian laws which are subject to amendments, changes and modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.*

### **Industry specific legislations**

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

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics in India and prohibits the manufacture for sale and distribution of drugs and cosmetics which are misbranded, adulterated, spurious or harmful. It further prohibits the distribution or sale of any drug or cosmetic which has been imported or manufactured in contravention of any of the provisions of DCA or any rule made there under. The DCA also provides the procedure for testing and licensing of new drugs.

The Drugs and Cosmetics Rules, 1945 (“**DC Rules**”) have been framed 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 provide for the requirement of obtaining a license for the manufacture or sale of any drug or cosmetic as well as for the stocking, sale or wholesale distribution of drugs or cosmetics. The DC Rules also prescribe the drugs, classes of drugs, cosmetics and classes of cosmetics for the import of which a licence is required, and prescribe the form and conditions of such licence. It further provides for the cancellation or suspension of such licence in any case where any provision or rule applicable to the import of drugs and cosmetic is contravened or any of the conditions subject to which the licence issued, is not complied with.

The DC Rules provide for the grant of a certificate of GMP. The GMP provides for general requirements for facilities manufacturing drugs or cosmetics, including but not limited to, location and surroundings of the factory building, maintenance of water systems, waste disposal mechanisms, warehousing, sanitation in manufacturing premises, health and clothing and sanitation of workers. It is mandatory for every pharmaceutical facility to obtain a certificate of GMP.

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

In May 2013, the Central Government in exercise of its powers under the Essential Commodities Act, 1955 (“**ECA**”) issued the DPCO. The DPCO provides that the government may, in order to achieve adequate availability and to regulate the distribution of drugs, in cases of emergency or in the public interest, direct any manufacturer of any active pharmaceutical ingredient or bulk drug or formulation to increase the production and to sell such active pharmaceutical ingredient or bulk drug to such other manufacturer(s) of formulations and to direct formulators to sell the formulations to institutions, hospitals or any agency as the case may be.

The formulae for calculation of ceiling prices and retail prices of drug formulation have been laid down by the DPCO. It also provides the list of certain price-controlled drugs and the penalty for contravention of the DPCO has been provided under Section 7 of the ECA. The DPCO provides that when an existing manufacturer of a drug with dosages and strengths as specified in National List of Essential Medicines launches a new drug, such existing manufacturer is required to apply for prior price approval of such new drug from the government.

Under the provisions of the DPCO, every manufacturer of a schedule formulation intended for sale shall display in indelible print mark, on the label of container of the formulation and the minimum pack thereof offered for retail sale, the maximum retail price of that formulation based on the ceiling price notified in the Official Gazette or ordered by the government in this behalf, with the words "Maximum Retail Price" preceding it and the words 'inclusive of all taxes' succeeding it.

The DPCO prescribes certain instances in which case the provision of the DPCO will not be applicable, for instances, in the event a manufacturer produces a new drug patented under the Indian Patent Act, 1970 through a product patent which has been developed through indigenous research and development, the DPCO will not be applicable to such drug for a period of five years from the date of commencement of its commercial production in the country.

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

The DMRA seeks to control advertisements of drugs in certain cases and prohibits advertisement of remedies that claim to possess magic qualities. In terms of the DMRA, advertisements include any notice, circular, label, wrapper, or other document, and any announcement made orally or by any means of producing or transmitting light, sound or smoke. It also specifies the ailments for which no advertisement is allowed and prohibits advertisements that misrepresent, make false claims or mislead.

### ***The Narcotics Drugs and Psychotropic Substances Act, 1985 (“NDPS Act”)***

The NDPS Act has been enacted to make stringent provisions for the control and regulation of operations relating to narcotic drugs and psychotropic substances, to provide for the forfeiture of property derived from, or used in the illicit traffic in narcotic drugs and psychotropic substances and to implement the provisions of the International Convention on Narcotic Drugs and Psychotropic Substances. The NDPS Act authorises the Central Government to take all such measures as it deems necessary or expedient for the purpose of preventing and combating abuse of narcotic drugs and psychotropic substances. The NDPS Act prohibits the production, manufacture, possession, sale, purchase, transportation, warehousing, usage, consumption, import or export of any narcotic drug or psychotropic substance, except for genuine medical or genuine scientific purposes as provided. The Narcotic Drugs and Psychotropic Substances Rules, 1985 (“**NDPS Rules**”) prescribes the requirement to obtain a license for the purpose of manufacturing of synthetic manufactured drugs. The licensee is not permitted to possess, sell or distribute the drugs otherwise than in accordance with the rules laid down by the state governments. It also prohibits the manufacturing of psychotropic substances without obtaining a license from the government. The Narcotics Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013 (“**Regulation of Controlled Substances Order**”) prohibits the manufacture, possession and consumption of controlled substances without obtaining a registration from the Zonal Director of Narcotics Control Bureau.

## **Environmental law legislations**

### ***Air Prevention and Control of Pollution Act, 1981 (“Air Act”)***

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. The central pollution control board and state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Not all provisions of the Air Act apply automatically to all parts of India, and the state pollution control board must notify an area as an “air pollution control area” before the restrictions under the Air Act apply.

### ***Water Prevention and Control of Pollution Act, 1974 (“Water Act”)***

The Water Act aims to prevent and control water pollution and to maintain or restore water purity. The Water Act provides for one central pollution control board, as well as various state pollution control boards, to be formed to implement its provisions. Under the Water Act, any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the prior consent of the relevant state pollution control board.

Additionally, the Water (Prevention and Control of Pollution) Cess Act, 1977 (“**Water Cess Act**”) requires a person carrying on any operation or process, or treatment and disposal system, which consumes water or gives rise to sewage effluent or trade effluent, other than a hydel power unit, to pay a cess in this regard. The cess to be paid is to be calculated on the basis of the amount of water consumed by such industry and the industrial purpose for which the water is consumed, as per the rates specified under the Water Cess Act.

### ***Biomedical Waste (Management and Handling) Rules, 2016 (“BWM Rules”)***

The BWM Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose, or handle biomedical waste in any form. The BWM Rules require persons to obtain an authorization from the relevant state pollution control board for operating a facility which generates, receives, stores or disposes of biomedical waste. The BWM Rules provide the duties of the occupier of the premises. The Rules also provide the manner of treating, packaging, collecting, transporting, storing and disposing of biomedical waste. The standards for treatment and disposal of the biomedical wastes have been laid down under the BWM Rules.

### ***Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)***

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. Every occupier and operator of a facility generating hazardous waste must obtain approval from the relevant state pollution control board. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

### **Labour law legislations**

#### ***Factories Act, 1948 (“Factories Act”)***

Factories Act defines a ‘factory’ to cover any premises which employs ten or more workers on any day of the preceding twelve months and in which manufacturing process is carried on with the aid of power or any premises where at least twenty workers are employed in a manufacturing process.

Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

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

The Sales Promotion Act regulates the conditions of service of employees engaged in the promotion of sales or business (other than an employee engaged in a managerial capacity or engaged in a supervisory capacity whose earning exceeds ₹ 1,600 per month) in the pharmaceutical industry. It provides the conditions of appointment, leave and maintenance of registers and other documents of such employees.

In addition to the Factories Act and the Sales Promotion Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

- i. Contract Labour (Regulation and Abolition) Act, 1970;
- ii. Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- iii. Employees' State Insurance Act, 1948;
- iv. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- v. Minimum Wages Act, 1948;
- vi. Payment of Bonus Act, 1965;
- vii. Payment of Gratuity Act, 1972;
- viii. Payment of Wages Act, 1936;
- ix. Maternity Benefit Act, 1961;
- x. Industrial Disputes Act, 1947; and
- xi. Employees' Compensation Act, 1923.

### **Foreign Investment laws**

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 (“**FEMA**”) along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the Consolidated FDI Policy (“**FDI Policy**”) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”) from time to time. Under the current FDI Policy (effective June 12, 2016) foreign investment up to 100% of the paid-up share capital of a company engaged in the pharmaceutical sector is permitted under the automatic route for greenfield investments, whereas for brownfield investments, foreign investment up to 74% of such company’s paid-up share capital is permitted under

the automatic route and foreign investment exceeding 74% up to 100% is permitted under the government route (i.e., with a prior approval from the Government of India).

In terms of applicable FEMA regulations and the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended, investments by Foreign Portfolio Investors (“FPI”) in the capital of an Indian company under the SEBI (Foreign Portfolio Investors) Regulations, 2014 is subject to certain limits, i.e. the individual holding of an FPI is restricted to below 10% of the capital of the company and the aggregate limit for FPI investment is capped at 24% of the capital of the company. Such aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has, accordingly, increased such aggregate limit for FPI investment to 49% of our paid-up Equity Share capital.

Further, pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (“PIS”) is subject to certain limits, i.e., 10% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has, accordingly, increase such limit for NRI investment under the PIS route to 24% of our paid-up Equity Share capital.

### **Other applicable laws**

#### ***The Trademarks Act, 1999 (“Trademarks Act”)***

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trademarks Act governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademarks Act. An application for trademark registration may be made by individual or joint applicants by any person claiming to be the proprietor of a trade mark, and can be made on the basis of either use or intention to use a trademark in the future.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. While both registered and unregistered trademarks are protected under Indian Law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. The Trademark (Amendment) Act, 2010 has been enacted by the Government of India to amend the Trademarks Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

#### ***Shops & Establishments legislations in various states***

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

#### ***The Indian Boilers Act, 1923 (“Boiler Act”)***

Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use. The Boilers Act also provide for penalties for illegal use of boilers.

#### ***The Legal Metrology Act, 2009 (“Legal Metrology Act”)***

The Legal Metrology Act came into effect from April 1, 2011 replacing the Standard Weights and Measure, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. It was enacted to establish and enforce standards of weights and measures and to regulate trade and commerce in weights and measures and other goods which are sold or distributed by weight, measure or number. Under the Legal Metrology Act, all the manufacturers of packaged merchandise are required to obtain a license from Controller, Legal Metrology, Government of India.

Further, a company may also nominate a director who would, along with the company, be held responsible for any act resulting in violation of provisions of the Legal Metrology Act. The Legal Metrology (Packaged Commodities) Rules, 2011 framed under the Legal Metrology Act lay down specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provide for registration of manufacturers and packers.

***North East Industrial and Investment Promotion Policy, 2007***

The NEIIPP is applicable to new and existing units, which undertake a substantial expansion in the north eastern states of India and which commence commercial production within the 10 year period from the date of notification of NEIIPP, i.e., until (until Fiscal 2024 and 2025, respectively). The NEIIPP prescribes that such units will be eligible for certain fiscal incentives. For details of the special tax benefits that accrue to us under the NEIIPP, see “***Statement of Tax Benefits***” on page 84.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as “Eris Lifescience Private Limited” on January 25, 2007, as a private limited company under the Companies Act 1956, at Ahmedabad, with a certificate of incorporation granted by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Pursuant to a resolution of our Shareholders dated February 5, 2007, the name of our Company was changed to “Eris Lifesciences Private Limited” and a fresh certificate of incorporation was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on February 9, 2007. Further, pursuant to a conversion of our Company to a public limited company, and as approved by our Shareholders through a resolution dated January 31, 2017, our name was changed to “Eris Lifesciences Limited” and the RoC issued a fresh certificate of incorporation on February 2, 2017.

### Business and management

For a description of our activities, products, technology, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our products, management, major suppliers and customers, environmental issues, regional geographical segment etc., see “*Our Business*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 101, 88 and 242, respectively. For details of the management of our Company and its managerial competence, see “*Our Management*” on page 132.

### Changes in Registered Office

Except the change of our registered office from A/F-10, Kanchan Pharma House, Aslali, Ahmedabad 382 427, Gujarat, India to 21, New York Tower A, near Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad 380 054, Gujarat, India with effect from May 8, 2012, on account of administrative convenience and economic reasons, there has been no other changes in the registered office of our Company.

### Our main objects

The main objects of our Company as contained in our Memorandum of Association are:

1. To carrying in India or elsewhere the business to manufacture, produce, process, prepare, treat, disinfect, compound, formulate, mix, concentrate, pack, repack, refine, add, remove, pure, preserve, grade, freeze, distillate, boil, sterilize, improve, extract, buy, sell, resale, import, export, barter, transport, store, forward, distribute, dispose, develop, research, discover, manipulate, market, supply and to act as agent broker, adatia, representative, consultant, collaborator, stockists, liasioner, middlemen, job worker, or otherwise to deal in all types, descriptions, specifications, strengths and applications of pharmaceuticals and chemicals products or medicaments in all its branches such as allopathic, ayurvedic, homeopathic, herbal, unani, siddha, bio-chemic, used for treatment, cure and health care of human beings and animals including basis drugs, intermediates, tonics, antibiotics, enzymes, steroids, vitamins, hormones, biological, and immunological chemicals, contraceptives, surgical plaster of paris, surgical dressing, belladonna plasters, dressings, bandages, waddings, gauzes, adesivess, belts, sutures, ligatures, rubber goods, vaccines, toxins, ferments, yeasts, medical gases, diagnostics agents, oil and tinctures, medicinal products in all forms such as capsules, tablets powders, ointment, syrups, injectable, pills, fluids, granules, sprayers, inhalers, mineral waters, droppers, remove, veterinary medicines, poultry medicines, herbal products, their by-products, intermediates/residues, mixtures, compounds and other allied goods and to do all such acts and things necessary for the attainment of the above objects.
2. To earn revenue through the manufacture, marketing, promotion, propagation, distribution, sale or otherwise of medical devices, medical appliances, medical instruments, drug delivery equipment or any other medical, diagnostic, treatment, or patient supportive paraphernalia, in any form, through whole-sale or retail whether through physical or virtual or electronic mediums.

The main objects clause and objects incidental or ancillary to the main objects as contained in the Memorandum of Association enable our Company to undertake its existing activities.

## Amendments to our Memorandum of Association

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

Date of change/ shareholders' resolution	Nature of amendment
February 5, 2007	Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from "Eris Lifescience Private Limited" to "Eris Lifesciences Private Limited".
December 19, 2008	The authorized share capital of our Company was increased from ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each to ₹ 20,000,000 divided into 2,000,000 equity shares of ₹ 10 each.
July 25, 2010	Alteration of Clause III (A) of the Memorandum of Association, by inserting the following new Clause as I-I(A)(2) -  <i>"2. To earn revenue through leasing or sub-leasing the Tethered Helium Balloon and nearby premises or sites in India."</i>
June 16, 2012	The authorized share capital of our Company was increased from ₹ 20,000,000 divided into 2,000,000 equity shares of ₹ 10 each to ₹ 100,000,000 divided into 10,000,000 equity shares of ₹ 10 each.
September 5, 2016	The authorized share capital of our Company of ₹ 100,000,000 divided into 10,000,000 equity shares of ₹ 10 each was altered to ₹ 100,000,000 divided into ₹ 100,000,000 Equity Shares of ₹ 1 each.  The authorized share capital of our Company was increased from ₹ 100,000,000 divided into 100,000,000 Equity Shares to ₹ 300,000,000 divided into 300,000,000 Equity Shares.
January 5, 2017	Clause III(A)(2) of the Memorandum of Association was altered from –  <i>"2. To earn revenue through leasing or sub-leasing the Tethered Helium Balloon and nearby premises or sites in India."</i>  to  <i>"2. To earn revenue through the manufacture, marketing, promotion, propagation, distribution, sale or otherwise of medical devices, medical appliances, medical instruments, drug delivery equipment or any other medical, diagnostic, treatment, or patient supportive paraphernalia, in any form, through whole-sale or retail whether through physical or virtual or electronic mediums."</i>  Clause III(B)(40) of the Memorandum of Association was inserted to include the following –  <i>"40. To lend, license, or relinquish money or other objects or properties of value, with or without or for inadequate consideration to any institution, person, association, society, corporation, or company on such terms and on such security as may be seen expedient and to give guarantee and indemnities."</i>  Clause III(C) of the Memorandum of Association was deleted
January 31, 2017	Clause I of the Memorandum of Association was altered to reflect the change in name of our Company from "Eris Lifesciences Private Limited" to "Eris Lifesciences Limited".

## Total Number of shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has nine Shareholders. For further details on the shareholding of our Company, see "**Capital Structure**" on page 68.

## Major events and milestones

The table below sets forth some of the major events in the history of our Company.

Calendar Year	Details
2007	Incorporation of our Company
	Launched “Eris” division focused on cardiology and diabetes segment
2008	Launched “Nikkos” division focused on gastroenterology and orthopedics segment
2009	Launched “Adura” division focused on cardiology and diabetes segment
2011	Launched “Montana” division focused on gynecology and pediatrics segment
2012	Launched “Inspira” division focused on cardiology segment
2014	Launched “Victus” division focused on anti-diabetes segment
	Set up Assam Facility by our Company
2015	Launched “Eris 2” division focused on pain management segment
2016	Acquired 40 registered and unregistered trademarks from Amay Pharmaceuticals Private Limited (now, Aprica Pharmaceuticals Private Limited)
	Acquired 100.00% of the outstanding equity shares of Aprica Healthcare Private Limited
	Acquired 75.48% of the outstanding equity shares of Kinedex Healthcare Private Limited

### ***Awards and Accreditations***

Calendar Year	Details
2013	Awarded ‘Competitive Strategy Leadership’ award by Frost & Sullivan
	Awarded ‘Emerging Companies Excellence’ award for scalability of business model and managing operational efficiencies by Business Today and Yes Bank

### ***Changes in activities of our Company during the last five years***

There have been no changes in the activities of our Company during the last five years from the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

### ***Capital raising (Equity/ Debt)***

Our equity issuances in the past has been provided in “**Capital Structure**” on pages 68. Further, our Company has not undertaken any public offering of debt instruments since its incorporation.

### ***Strike and lock-outs***

We have not experienced any strike, lock-outs or labour unrest since incorporation.

### ***Time/cost overrun***

There have been no time/cost overruns pertaining to our business operations since incorporation.

### ***Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company.***

As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding debt. Further, there have been no defaults or rescheduling of borrowings with financial institutions, banks or conversion of loans into equity in relation to our Company.

### **Injunctions or Restraining Order against our Company**

Except as disclosed in “**Outstanding Litigation and Material Developments**” on page 268, there are no injunctions or restraining orders against our Company.

### **Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.**

Our Company has not acquired any business or undertaking, or entered into any scheme of merger or amalgamation since incorporation, except as disclosed below.

***Acquisition of trademarks from Amay Pharmaceuticals Private Limited (previously Aprica Pharmaceuticals Private Limited) and acquisition of Aprica Healthcare Private Limited***

Our Company acquired 40 brands (comprising registered and unregistered trademarks) from Amay Pharma for a total consideration of ₹ 328.70 million with effect from July 1, 2016 pursuant to a deed of assignment dated August 6, 2016 entered into between Amay Pharma, Mr. Maharshi Sanjaykumar Vyas and our Company. Our Company also entered into a non-competition and non-solicitation agreement dated September 27, 2016 with Amay Pharma, pursuant to which Amay Pharma is restricted, for a period of five years from September 27, 2016, from owning, controlling, financing, management, operating or participating in the ownership, control, finance, or operation of or providing any services to or on behalf of any person engaged in the marketing and selling of prescription and non-prescription pharmaceutical products in the identified therapeutic areas in India and soliciting business of any customer or consultant of the Company. The consideration paid by our Company in this regard was ₹ 50.00 million.

Further, our Company acquired the entire equity shareholding of Aprica Health from Mr. Maharshi Sanjaykumar Vyas and Mr. Maulik Pandya, who incorporated Aprica Health. As certified by our Statutory Auditor pursuant to certificate dated February 3, 2017, the consideration for such acquisition was ₹ 0.10 million which was paid by our Company out of our internal accruals. Subsequent to such acquisition, our Company entered into a non-exclusive trademark licence agreement dated July 12, 2016 (“**Aprica Trademark Licence Agreement**”), pursuant to which some of the trademarks acquired by our Company have been licensed to our Subsidiary, Aprica Health for a period of two years against certain agreed annual royalty payments which are linked to the monthly net sales, such that in the event the net sales of products bearing the Aprica trademarks amount up to ₹ 90.00 million per month, a royalty of 1% of such net sales is payable by Aprica Health to our Company, if the monthly net sales are between ₹ 90.00 million to ₹ 120.00 million, a royalty of 3% of such net sales is payable and if the monthly net sales are above ₹ 120.00 million, a royalty of 5% of the net sales is payable by Aprica Health.

***Share purchase agreement dated November 23, 2016 entered into among our Company and Udane Limited, PharmaServ Ventures Private Limited, Zydus Trading Company Limited, Ashok Gajanan Paigankar, Suneela Ashok Paigankar, Sameer Paigankar, PharmaServ Solutions Private Limited, Gayatri Desai and Rakesh Mangwana (collectively the “Tranche 1 Sellers”) and share purchase and shareholders’ agreement dated December 12, 2016 (“SPSHA”) among our Company, Kinedex and Rakesh Dhuria, Anita Dhuria, Neeru Dhuria, Atul Arora and Rakesh Dhuria & Son (HUF) (collectively “Tranche 2 Sellers”)***

Pursuant to the share purchase agreement dated November 23, 2016, our Company purchased 112,210 equity shares of Kinedex from the Tranche 1 Sellers, representing to 61.48% of the total outstanding issued, subscribed and paid up share capital of Kinedex for an aggregate consideration of ₹ 628.66 million. Thereafter, our Company entered into the SPSHA, pursuant to which it purchased an additional 25,548 equity shares of Kinedex from the Tranche 2 Sellers for an aggregate consideration of ₹ 143.13 million, such that our Company holds 75.48% of the total outstanding issued, subscribed and paid up share capital of Kinedex as on the date of this Draft Red Herring Prospectus. As certified by our statutory auditor, pursuant to certificate dated February 3, 2017, the total consideration was ₹ 771.79 million, which was paid by our Company out of our internal accruals. In accordance with the terms of the SPSHA, our Company has the right to nominate three directors on the board of directors of Kinedex. Further, our Company has also been granted certain rights and obligations including the right of first refusal in the event of a proposed transfer by certain existing shareholders as well as a right of first offer in the event either our the certain other shareholders of Kinedex propose to transfer their shares.

**Material Agreements**

***Shareholders’ agreement (“SHA”) dated August 26, 2011 entered into among our Company, Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah, Mr. Rajendrakumar Rambhai Patel, Mr. Inderjeet Singh Negi, Mr. Hetal Rasiklal Shah, Mr. Kaushal Kamlesh Shah, Mr. Rakeshbhai Bhikhabhai Shah and Mr. Bhikhabhai Chimanlal Shah (collectively the “Company Shareholders”) and Botticelli as amended by the amendment agreement dated January 20, 2017***

Pursuant to the share purchase agreement dated August 26, 2011, Botticelli purchased 22,344 Equity Shares from the Company Shareholders, aggregating to 16.25% of the total outstanding issued subscribed and paid up share capital of our Company on a fully diluted basis. For further details of the shareholding of Botticelli in our Company, see “**Capital Structure**” on page 68.

In accordance with the terms of the SHA, Botticelli has certain rights and obligations including pre-emptive rights in the event our Company issues any new securities, the right to nominate a director on the Board of Directors, committees of the Board of Directors as well as a Director on the board of a Subsidiary, the right to avail financial information including the quarterly management accounts, reports and other information, pre-emptive rights, exit rights, tag-along rights and the right of first offer in the event of a proposed transfer of shares by certain existing shareholders, subject to certain conditions as provided in the SHA. The SHA also provides that Botticelli is required to hold at least 5,000 Equity Shares to exercise certain rights including the right to have financial information, right to nominate a director on the Board of Directors of our Company as well as on the board of a Subsidiary.

Further, one of our Promoters, Mr. Amit Indubhushan Bakshi also has certain rights under the share purchase agreement, including the right to nominate two directors and the chairman of our Board, right to appoint key employees, the right of first refusal and the right of first offer in the event of a proposed transfer of shares by certain existing shareholders.

The SHA will automatically terminate upon the consummation of an initial public offering by our Company, without requiring any further action by any party.

### **Other Agreements**

Except the agreements disclosed above in “– *Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.*” on page 127, our Company has not entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company in the two years preceding this Draft Red Herring Prospectus.

### **Holding Company**

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

### **Subsidiaries of our Company**

As on the date of this Draft Red Herring Prospectus, our Company has three Subsidiaries, as described below.

#### ***1. Eris Therapeutics Private Limited (“ETPL”)***

ETPL was incorporated under the Companies Act, 1956 on July 30, 2009, as a private limited company with the RoC. Its CIN is U24230GJ2009PTC057670 and its registered office is located at 21, New York Tower A, near Muktidham Temple, Thaltej Cross Road, Thaltej, Ahmedabad 380 054, Gujarat, India. ETPL is authorised to carry on, among other things, the business of dealing in healthcare and pharmaceutical items and to undertake marketing or research services in the field of healthcare and pharmaceutical products. ETPL is currently not engaged in any business activity.

The authorized share capital of ETPL is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each and its paid-up share capital is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each. Our Company currently holds 10,000 equity shares of ETPL (directly and through our nominee Mr. Amit Indubhushan Bakshi) which is equivalent to 100% of the issued equity share capital of ETPL.

There are no accumulated profits or losses of ETPL not accounted for by our Company.

#### ***2. Aprica Health***

Aprica Health was incorporated under the Companies Act, 2013 on July 12, 2016, as a private limited company with the RoC. Its CIN is U24290GJ2016PTC092903 and its registered office is located at A/4, fourth floor, Safal Profitaire, Corporate Road, Prahladnagar, Satellite, Ahmedabad 380 015, Gujarat, India. Aprica Health is authorised to carry on, among other things, the business of manufacture, process, develop, wholesale and/or retail trade of pharmaceuticals, drugs and healthcare products and also to carry on the business of chemists, druggists, distributors and stockists of pharmaceuticals and allied products.

The authorized share capital of Aprica Health is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each and its paid-up share capital is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each. Our Company currently holds

10,000 equity shares of Aprica Health (directly and through our nominee Mr. Maharishi Vyas) which is equivalent to 100% of the issued equity share capital of Aprica Health.

There are no accumulated profits or losses of Aprica Health not accounted for by our Company.

### **3. Kinedex**

Kinedex was incorporated under the Companies Act, 1956 on September 18, 2002, as a private limited company with the Registrar of Companies, Jaipur. Its CIN is U51397RJ2002PTC017820 and its registered office is located at 28 Shiv Shakti Nagar, near Indo-Bharat School, Nirman Nagar, Jaipur 302 019, Rajasthan, India. Kinedex is currently engaged in carrying out, among other things, the business of manufacture (on a contract manufacture basis), marketing and sale in India of pharmaceutical products and alternative remedies approved for practice in India and formulations.

The authorized share capital of Kinedex is ₹ 5,000,000 divided into 500,000 equity shares of ₹ 10 each and its paid-up share capital is ₹ 1,825,040 divided into 182,504 equity shares of ₹ 10 each. Our Company currently holds 137,758 equity shares of ₹ 10 each which is equivalent to 75.48% of the issued equity share capital of Kinedex.

As Kinedex became our Subsidiary with effect from December 12, 2016, there are no accumulated profits or losses of Kinedex not accounted for by our Company.

### **Our Joint Ventures**

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures.

### **Confirmations**

#### ***Listing***

Neither of our Subsidiaries are listed in India or abroad. None of our Subsidiaries have been refused listing of any securities at any time, by any of the recognised stock exchanges in India or abroad. None of our Subsidiaries have made any public issue or rights issue to the public in the three years preceding the date of this Draft Red Herring Prospectus.

#### ***Sale or purchases exceeding 10% in aggregate of the total sales or purchases of our Company***

Other than as provided in “*Financial Statements*” on page 153, there have been no sales or purchases between our Company and Subsidiaries which in aggregate exceed in value 10% of the total sales or purchases of our Company as per our standalone financial information.

#### ***Sale or purchase of shares of our Subsidiaries in the last six months***

None of our Promoters, members of our Promoter Group, our Directors and their relatives (as defined under the Companies Act 2013) have sold or purchased equity shares of our Subsidiaries in their personal capacity during the six months preceding the date of this Draft Red Herring Prospectus.

#### ***Business Interests***

Other than the payment of royalties, pursuant to the terms of the Aprica Trademark Licence Agreement, none of our Subsidiaries have any business interest in our Company. For details of the amount of commercial business, see “*Acquisition of trademarks from Amay Pharmaceuticals Private Limited (previously Aprica Pharmaceuticals Private Limited) and acquisition of Aprica Healthcare Private Limited*”.

#### ***Common Pursuits***

All of our Subsidiaries conduct or are authorised under their memorandum of association to conduct business similar to those conducted by our Company. Our Company shall take necessary steps as permitted by law to address any conflict situation if and when they arise.

***Related Business Transactions within the group and significance on the financial performance of our Company***

For details, see “***Restated Standalone Financial Statements – Annexure V - Note 29.1 - Related Party Disclosures***” on page 183.

***Strategic and financial partnerships***

As on the date of this Draft Red Herring Prospectus, our Company does not have any strategic or financial partners.

***Guarantees given by Promoters participating in the Offer***

As on the date of this Draft Red Herring Prospectus, none of our Promoters who are participating in the Offer have provided guarantees on behalf of our Company.

## OUR MANAGEMENT

Under Part B of our Articles of Association, our Company is currently authorized to have not more than eight directors. Effective from the date of receipt of final approval for listing and trading of our Equity Shares pursuant to this Offer, Part B of our Articles of Association shall stand automatically terminated and in accordance with Part A of our Articles of Association, our Company will be authorised to have up to 15 directors. As on the date of this Draft Red Herring Prospectus, we have eight directors on our Board, comprising three executive directors, one non-executive non-independent Director and four independent Directors, including one woman director. The Chairman of our Board, Mr. Amit Indubhushan Bakshi is an executive director. The present composition of our Board and its committees are in accordance with the corporate governance requirements provided under the Companies Act 2013 and SEBI Listing Regulations.

### Our Board

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

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
<p><b>Mr. Amit Indubhushan Bakshi</b></p> <p><i>Designation:</i> Chairman and Managing Director</p> <p><i>Address:</i> 01 Amrakadam Co-operative Housing Society, Opposite Sukan Flats, Ramdevnagar Satellite, Ahmedabad 380 015, Gujarat, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 01250925</p>	42	<p>1. Eris Therapeutics Private Limited</p> <p>2. Eris Formulations Private Limited*</p>
<p><b>Mr. Himanshu Jayantbhai Shah</b></p> <p><i>Designation:</i> Executive Director</p> <p><i>Address:</i> A-504, Dhananjay Tower, Near 100 Feet Road Satellite, Ahmedabad 380 015, Gujarat, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 01301025</p>	40	<p>1. Eris Therapeutics Private Limited</p> <p>2. Eris Formulations Private Limited*</p>
<p><b>Mr. Inderjeet Singh Negi</b></p> <p><i>Designation:</i> Executive Director</p> <p><i>Address:</i> B-51, Riviera Elegance, Corporate Road, Prahladnagar, Satellite, Ahmedabad 380 015, Gujarat, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 01255388</p>	45	<p>1. Eris Therapeutics Private Limited</p> <p>2. Kinedex Healthcare Private Limited</p>
<p><b>Mr. Rajiv Gulati</b></p>	59	<p>1. Mchemist Global Private Limited</p>

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
<p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> B 4/1201, World Spa West, National Highway 8, Gurgaon 122 001, Haryana, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> American</p> <p><i>Term:</i> Five years with effect from February 3, 2017</p> <p><i>DIN:</i> 06820663</p>		<ol style="list-style-type: none"> <li>2. UTH Healthcare Limited</li> <li>3. Vedic Herbonatics Private Limited</li> </ol>
<p><b>Ms. Vijaya Sampath</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> Flat 403, Block 14, Heritage City, Mehrauli Gurgaon 122 002, Haryana, India</p> <p><i>Occupation:</i> Advocate</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from February 3, 2017</p> <p><i>DIN:</i> 00641110</p>	63	<ol style="list-style-type: none"> <li>1. Dewan Housing Finance Corporation Limited</li> <li>2. GVS Envicon Technologies Private Limited</li> <li>3. L&amp;T - MHPS Boilers Private Limited</li> <li>4. L&amp;T - MHPS Turbine Generators Private Limited</li> <li>5. L&amp;T Power Development Limited</li> <li>6. Nabha Power Limited</li> <li>7. Safari Industries (India) Limited</li> <li>8. Suzlon Energy Limited</li> </ol>
<p><b>Dr. Kirit Nanubhai Shelat</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> 6, Manikmal Society, Surdhara Circle, Thaltej, Ahmedabad 380 059</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from February 3, 2017</p> <p><i>DIN:</i> 00190619</p>	71	<ol style="list-style-type: none"> <li>1. Western Coalfields Limited</li> </ol>
<p><b>Mr. Shardul Suresh Shroff</b></p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> S 270, Greater Kailash, Part II, New Delhi 110 048, India</p> <p><i>Occupation:</i> Advocate</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from February 3, 2017</p> <p><i>DIN:</i> 00009379</p>	61	<ol style="list-style-type: none"> <li>1. Aavanti Realty Private Limited</li> <li>2. Amarchand Towers Property Holdings Private Limited</li> <li>3. Amarchand Mangaldas Properties Private Limited</li> <li>4. Ashok Leyland Limited</li> <li>5. Baghbaan Properties Private Limited</li> <li>6. First Commercial Services India Private Limited</li> <li>7. First Full Services Private Limited</li> <li>8. First Universal Virtual International Arbitration Centre Private Limited</li> <li>9. Hindustan Media Ventures Limited</li> <li>10. PSNSS Properties Private Limited</li> <li>11. Visa Power Limited</li> <li>12. Uvac Centre (India) Private Limited</li> </ol>
<p><b>Mr. Sanjiv Dwarkanath Kaul**</b></p> <p><i>Designation:</i> Nominee Director</p> <p><i>Address:</i> 22 Siris Road, DLF Qutab Enclave, Phase – III, Gurgaon 122 002, Haryana, India</p>	59	<ol style="list-style-type: none"> <li>1. Cavinkare Private Limited</li> <li>2. Eris Therapeutics Private Limited</li> <li>3. GVK Biosciences Private Limited</li> <li>4. Intas Pharmaceuticals Limited</li> <li>5. Nuvo Chryscapital Advisors Private Limited</li> </ol>

Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other Directorships
<i>Occupation:</i> Business  <i>Nationality:</i> Indian  <i>Term:</i> Not liable to retire by rotation  <i>DIN:</i> 01550413		

\* An application has been made to the RoC for striking off the name of Eris Formulations Private Limited.

\*\* As the SHA and Part B of the Articles of Association will automatically terminate upon commencement of listing and trading of our Equity Shares, Mr. Sanjiv Dwarkanath Kaul may resign as our Director prior to filing of the Red Herring Prospectus with the RoC.

In compliance with Section 152 of the Companies Act 2013, not less than two-thirds of our non-independent Directors are liable to retire by rotation.

### Arrangement or Understanding with Major Shareholders

Except Mr. Sanjiv Dwarkanath Kaul, who has been appointed as a nominee of Botticelli pursuant to the provisions of the SHA and our Articles of Association, none of our other Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

### Brief profiles of our Directors

**Mr. Amit Indubhushan Bakshi**, aged 42 years is the Chairman and Managing Director of our Company. He has completed his basic education. Mr. Amit Indubhushan Bakshi has been on the Board of our Company since January 27, 2007 and was last reappointed with effect from April 1, 2016. He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 10 years experience in the pharmaceutical industry. Mr. Amit Indubhushan Bakshi has been recognized as an 'Entrepreneur of the Year, 2013' by Ernst & Young.

**Mr. Himanshu Jayantbhai Shah**, aged 40 years is an executive Director of our Company. He holds a bachelor's degree in science from the Indira Gandhi National Open University. He also holds a diploma in pharmacy from Gujarat University and a diploma in management from the Indira Gandhi National Open University. He has previously worked with companies in the pharmaceutical sector in various capacities and has more than 10 years experience in the pharmaceutical industry. He has been on the Board of our Company since its incorporation on January 25, 2007 and was last reappointed with effect from April 1, 2016.

**Mr. Inderjeet Singh Negi**, aged 45 years is an executive Director of our Company. He holds a bachelor's degree in science from Hemwati Nandan Bahuguna Garhwal University, Srinagar (Garhwal). He joined the Board of our Company as a Director on January 27, 2007. He was last reappointed with effect from April 1, 2016. He has previously worked with Intas Pharmaceuticals Limited as a regional sales manager. He has 13 years of experience in the pharmaceutical industry.

**Mr. Rajiv Gulati**, aged 59 years is an Independent Director of our Company. He holds a bachelor's degree in pharmacy from the Delhi University and a master's degree in pharmacy from the Benaras Hindu University. Mr. Rajiv Gulati holds a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad and a post-graduate diploma in international trade from the Panjab University. He was appointed on the Board of our Company on February 3, 2017. Mr. Rajiv Gulati has previously worked with companies in the pharmaceutical sector in various capacities. He has more than 30 years of experience in the pharmaceutical industry.

**Ms. Vijaya Sampath**, aged 63 years is an Independent Director of our Company. She holds a bachelor's degree in arts from the University of Madras and a bachelor's degree in law from the University of Mysore. She is a fellow member of the Institute of Company Secretaries of India. Ms. Vijaya Sampath also holds a certificate on advanced management program from Harvard University Graduate School of Business Administration, USA and a certificate on managing strategic alliances program from the University of Pennsylvania. She was appointed on the Board of our Company on February 3, 2017. Ms. Vijaya Sampath has previously worked with the Indian Aluminium Company. She was also associated with Bharti Airtel Limited for eight years. At the time of resigning from Bharti Airtel Limited, she held the designation of Group General Counsel and Company Secretary. At

present, she holds the designation of a senior partner in Lakshmikumaran and Sridharan, an Indian law firm. She has more than 15 years of experience in the legal profession.

**Dr. Kirit Nanubhai Shelat**, (IAS retired) aged 71 years is an Independent Director of our Company. He holds a bachelor's degree in arts (special) from the University of Gujarat and a Ph.D degree in public administration. He was appointed on the Board of our Company on February 3, 2017. Dr. Kirit Nanubhai Shelat has previously worked as the Commissioner of Rural Development, Industries Commissioner, Commissioner for Employment and Training and Commissioner for Disabled Persons. He was also the chairman of certain public undertakings including Gujarat Agro Industries Corporation and Land Development Corporation. He has 40 years of experience in public administration.

**Mr. Shardul Suresh Shroff**, aged 61, is an Independent Director of our Company. He holds a bachelor's degree in commerce from University of Bombay and a L.L.B. degree from the University of Bombay. Mr. Shroff is the executive chairman of the Shardul Amarchand Mangaldas & Co, an Indian law firm. He was appointed on the Board of our Company on February 3, 2017. As a corporate attorney with over 35 years of experience, Mr. Shroff has extensive experience in areas of infrastructure, projects and project finance, privatization and disinvestment, mergers and acquisitions, joint ventures, banking and finance, capital markets and commercial contracts. He has been a member of several committees appointed by the Government of India, including the J.J. Irani Committee (2006) on corporate governance. He also serves on the board of directors of various companies, as an independent director, including Ashok Leyland Limited, Visa Power Limited and Hindustan Media Ventures Limited.

**Mr. Sanjiv Dwarkanath Kaul**, aged 59 years is a non-independent non-executive (nominee) Director of our Company. He holds a bachelor's degree in pharmacy from the University of Bombay and a post graduate diploma in management from Indian Institute of Management, Ahmedabad. He has completed a course on Advance Management from Harvard University Graduate School of Business Administration, USA. He has been on our Board since August 29, 2011. He has previously worked with Ranbaxy for a period of 20 years. Mr. Sanjiv Dwarkanath Kaul has been associated with Chryscapital Capital Advisors LLP since July 2004 and heads the healthcare and consumer departments of Chryscapital. He has over 25 years of experience in the pharmaceutical industry.

#### **Relationship between Directors**

None of our Directors are related to each other, in terms of the definition of 'relative' under Section 2(77) of the Companies Act 2013.

#### **Terms of Appointment of Executive Directors**

##### **Mr. Amit Indubhushan Bakshi**

Mr. Amit Indubhushan Bakshi was appointed as our Managing Director pursuant to a resolution passed by our shareholders on August 29, 2011 and was last reappointed with effect from April 1, 2016. Mr. Amit Indubhushan Bakshi was designated as the Chairman of our Board of Directors pursuant to resolution passed by our board on February 2, 2017.

Pursuant to an employment agreement dated April 1, 2016 entered into between Mr. Amit Indubhushan Bakshi and the Company, subject to applicable law, Mr. Amit Indubhushan Bakshi is entitled to the following remuneration and perquisites with effect from April 1, 2016 up to March 31, 2017:

<b>Particulars</b>	<b>Remuneration per annum (in ₹)</b>
Basic salary	6,999,996
Conveyance allowance	19,200
Children education allowance	2,400
Hostel allowance	7,200
House rent allowance	2,799,996
Medical reimbursement	15,000
Provident fund	21,600
Gratuity	336,696
Other allowances	5,789,520
Bonus	8,400
Leave travel allowance	3,999,996
<b>Total</b>	<b>20,000,004</b>

Mr. Amit Indubhushan Bakshi received a gross remuneration of ₹ 25.39 million in Fiscal 2016.

#### **Mr. Himanshu Jayantbhai Shah**

Mr. Himanshu Jayantbhai Shah has been on the Board since the incorporation of the Company and was last reappointed on the Board with effect from April 1, 2016.

Pursuant to an employment agreement dated April 1, 2016 entered into between the Company and Mr. Himanshu Jayantbhai Shah, subject to applicable law, Mr. Himanshu Jayantbhai Shah is entitled to the following remuneration and perquisites with effect from April 1, 2016 up to March 31, 2017:

<b>Particulars</b>	<b>Remuneration per annum (in ₹)</b>
Basic salary	3,500,004
Conveyance allowance (car, fuel etc.)	19,200
Children education allowance	2,400
Hostel allowance	7,200
House rent allowance	1,400,004
Medical reimbursement	15,000
Provident fund	21,600
Gratuity	168,348
Other allowances	2,867,436
Bonus	8,400
Leave travel allowance	2,000,004
<b>Total</b>	<b>10,009,596</b>

Mr. Himanshu Jayantbhai Shah received a gross remuneration of ₹ 8.21 million in Fiscal 2016.

#### **Mr. Inderjeet Singh Negi**

Mr. Inderjeet Singh Negi was appointed as an Executive Director on January 27, 2007 and was last reappointed on the Board with effect from April 1, 2016.

Pursuant an employment agreement dated April 1, 2016 entered into between the Company and Mr. Inderjeet Singh Negi, subject to applicable law, Mr. Inderjeet Singh Negi is entitled to the following remuneration and perquisites with effect from April 1, 2016 up to March 31, 2017:

<b>Particulars</b>	<b>Remuneration per annum (in ₹)</b>
Basic salary	3,500,004
Conveyance allowance (car, fuel etc.)	19,200
Children education allowance	2,400
Hostel allowance	7,200
House rent allowance	1,400,004
Medical reimbursement	15,000
Provident fund	21,600
Gratuity	168,348
Other allowances	2,857,836
Bonus	8,400
Leave travel allowance	2,000,004
<b>Total</b>	<b>9,999,996</b>

Mr. Inderjeet Singh Negi received a gross remuneration of ₹ Rs. 8.23 million in Fiscal 2016.

#### **Compensation payable to our non-executive and independent directors**

Pursuant to the appointment letters issued by our Company to the independent Directors, our independent Directors are entitled to receive a sitting fee of ₹ 50,000 for attending each meeting of our Board and committees thereof.

Our non-executive non-independent Director, Mr. Sanjiv Dwarkanath Kaul, the nominee director of Botticelli, is not entitled to and was not paid any sitting fees in Fiscal 2016.

### **Remuneration paid or payable from our Subsidiaries**

No remuneration was paid or is payable to our Directors by any of our Subsidiaries in the last two years.

### **Loans to Directors**

As on the date of this Draft Red Herring Prospectus, there are no outstanding loans availed by our Directors from our Company.

As on the date of this Draft Red Herring Prospectus, none of our Directors are related to the beneficiaries of loans, advances and sundry debtors of our Company. However, certain of our employees have availed of loans and advances from our Company, for details see “*Restated Standalone Financial Statement – Annexure V - Note 20: Summary Statement of Restated Standalone Short-Term Loans and Advances*” on page 179.

### **Bonus or profit sharing plan for the Directors**

Our Company does not have a bonus or profit sharing plan for our Directors.

### **Shareholding of our Directors**

Our Articles of Association do not require the Directors to hold any qualification shares.

For details of Equity Shares held by our Directors as on the date of this Draft Red Herring Prospectus, see “*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*” on page 76.

### **Shareholding of Directors in Subsidiaries**

Except Mr. Amit Indubhushan Bakshi, who holds one equity share of ETPL (as a nominee of our Company), none of our other Directors hold any equity shares in our Subsidiaries.

### **Service contracts with Directors**

Our Company has not entered into any service contract with our Directors, which provide for benefits upon termination of their employment with us.

### **Interest of Directors**

All our 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, if any, payable to them. For further details, see “– *Terms of Appointment of Executive Directors*” on page 135 and “– *Compensation to our non-executive and independent directors*” on page 136.

Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends and other distributions in respect of such Equity Shares), held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

Mr. Sanjiv Dwarkanath Kaul, the nominee Director of Botticelli may be deemed to be interested to the extent of the shareholding of Botticelli in our Company.

#### *Interest in property*

Our Directors are not interested in any property acquired by the Company within two years of the date of this Draft Red Herring Prospectus, or presently intended to be acquired by it or in any transaction involving construction of building or supply of machinery etc.

#### *Interest in promotion of the Company*

Other than Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah and Mr. Inderjeet Singh Negi, who are interested as Promoters of our Company, none of the other Directors are interested in the promotion of our Company. For more details, see “*Our Promoters, Promoter Group and Group Companies*” on page 147.

### **Directorships of Directors in listed companies**

Our Directors are not, and have not, during the five years preceding the date of this Draft Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on the BSE or the NSE.

None of our Directors have been or are directors on the board of listed companies which have been or were delisted from any stock exchange(s).

None of our Directors are associated with the securities market.

### **Changes in our Board during the last three years**

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

<b>Name of Director</b>	<b>Date of Change</b>	<b>Reasons</b>
Mr. Bhikhabhai Chimanlal Shah	April 8, 2015	Resigned as an Executive Director
Mr. Rajendrakumar Rambhai Patel	January 5, 2017	Resigned as an Executive Director
Mr. Kaushal Kamlesh Shah	January 5, 2017	Resigned as an Executive Director
Mr. Rajiv Gulati	February 3, 2017	Appointed as an Independent Director
Ms. Vijaya Sampath	February 3, 2017	Appointed as an Independent Director
Dr. Kirit Nanubhai Shelat	February 3, 2017	Appointed as an Independent Director
Mr. Shardul Suresh Shroff	February 3, 2017	Appointed as an Independent Director

### **Payment of non-salary related benefits**

Except as stated in “- *Terms of Appointment of Executive Directors*” and “- *Compensation payable to our non-executive and independent directors*”, our Company has not in the last two years preceding the date of this Draft Red Herring Prospectus paid and nor does it intend to pay any non-salary related amount or benefits to our Directors.

### **Appointment of relatives to a place of profit**

Other than Mr. Saurabh Jayantbhai Shah, Mr. Himanshu Jayantbhai Shah’s brother, who has been appointed as the Assistant General Manager, Information Technology, pursuant to a Board and shareholders’ resolution, each dated August 10, 2016, none of the relatives of the Directors have been appointed to an office or place of profit in our Company.

### **Borrowing Powers**

Pursuant to our Articles of Association, subject to applicable laws and pursuant to the resolution passed by the shareholders of the Company on February 3, 2017, our Board has been authorised to borrow, from time to time, any sum or sums of monies which together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our bankers in the ordinary course of business) in excess of the aggregate of the paid up capital and free reserves of our Company, provided that the total amount so borrowed by our Board shall not at any time exceed ₹ 20,000 million or the aggregate of the paid up capital and free reserves of our Company, whichever is higher.

### **Corporate Governance**

As on the date of this Draft Red Herring Prospectus, there are eight Directors on our Board, comprising three executive Directors, one non-executive non-independent director and four Independent Directors, including one woman Director. The chairman of our Board, Mr. Amit Indubhushan Bakshi, is an executive Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and Companies Act 2013 in relation to the composition of our Board and the constitution of committees thereof.

## Board committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act 2013:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Shareholders Relationship Committee; and
- (d) Corporate Social Responsibility Committee.

### *Audit Committee*

Our Audit Committee was constituted by a resolution of the Board dated February 4, 2017 and is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

- i. Ms. Vijaya Sampath, Independent Director (Chairman);
- ii. Mr. Rajiv Gulati, Independent Director (Member); and
- iii. Mr. Sanjiv Dwarkanath Kaul, Non-Executive Non-Independent (Member)

The Company Secretary will act as the secretary of the Audit Committee.

*Scope and terms of reference:* The Audit Committee performs the following functions with regard to accounts and financial management, as per the terms of reference approved by the Board on February 4, 2017.

A. The Audit Committee shall have the powers, including the following:

- (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.

B. The role of the Audit Committee shall include the following:

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (d) Reviewing, the financial statements with respect to its unlisted Subsidiary(ies), in particular investments made by such Subsidiary(ies);
- (e) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms clause (c) of sub-section 3 of section 134 of the Companies Act 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions; and
  - vii. Modified opinion(s) in the draft audit report.
- (f) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (g) 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- (h) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (i) Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

**Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act 2013.

- (j) Scrutiny of inter-corporate loans and investments;
- (k) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (l) Evaluation of internal financial controls and risk management systems;
- (m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (n) 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;
- (o) Discussion with internal auditors of any significant findings and follow up there on;
- (p) 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;
- (q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (r) Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (s) Recommending to the Board of Directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (t) Reviewing the functioning of the whistle blower mechanism;
- (u) Overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (v) Approval of appointment of the chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (w) Reviewing the security and control aspects of the information technology and connectivity systems;
- (x) Reviewing compliance with internal and statutory audit reports and examine reasons for substantial defaults and delays in implementing audit recommendations;
- (y) Review of statutory compliances and legal cases; and
- (z) Carrying out any other functions required to be carried out by the Audit Committee in terms of applicable law.

C. The Audit Committee shall mandatorily review the following information:

- (a) Management discussion and analysis of financial condition and results of operations;
- (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- (c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (d) Internal audit reports relating to internal control weaknesses;
- (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
- (f) statement of deviations in terms of the SEBI Listing Regulations:
  - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations;
  - ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.”

### ***Nomination and Remuneration Committee***

Our Nomination and Remuneration Committee was constituted by a resolution of the Board dated February 4, 2017 and is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

- i. Mr. Rajiv Gulati, Independent Director (Chairman);
- ii. Mr. Shardul Suresh Shroff, Independent Director (Member); and
- iii. Mr. Sanjiv Dwarkanath Kaul, Non-Executive Non-Independent (Member).

*Scope and terms of reference:* The terms of reference of the Nomination and Remuneration Committee are set forth below:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - iii. 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.
- (b) Formulation of criteria for evaluation of independent directors and the Board;
  - (c) Devising a policy on Board diversity;
  - (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance (including independent director);
  - (e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of directors;
  - (f) To administer and superintend the ESOP scheme of the Company; and
  - (g) Carrying out any other functions required to be undertaken by the Nomination and Remuneration Committee under applicable law."

### ***Stakeholders Relationship Committee***

Our Stakeholders Relationship Committee was constituted by a resolution of the Board dated February 4, 2017 and is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders Relationship Committee currently comprises:

- i. Ms. Vijaya Sampath, Non-Executive Director (Chairman);
- ii. Mr. Himanshu Jayantbhai Shah, Executive Director (Member);
- iii. Mr. Sanjiv Dwarkanath Kaul, Non-Executive Non-Independent (Member); and
- iv. Mr. Inderjeet Singh Negi, Executive Director (Member).

*Scope and terms of reference:* The terms of reference of the Stakeholders Relationship Committee are as follows:

- (a) Considering and resolving grievances of shareholders, debenture holders and other security holders;
- (b) Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;
- (c) Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- (d) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.; and

- (e) Carrying out any other functions required to be undertaken by the Stakeholders Relationship Committee under applicable law.

***Corporate Social Responsibility Committee***

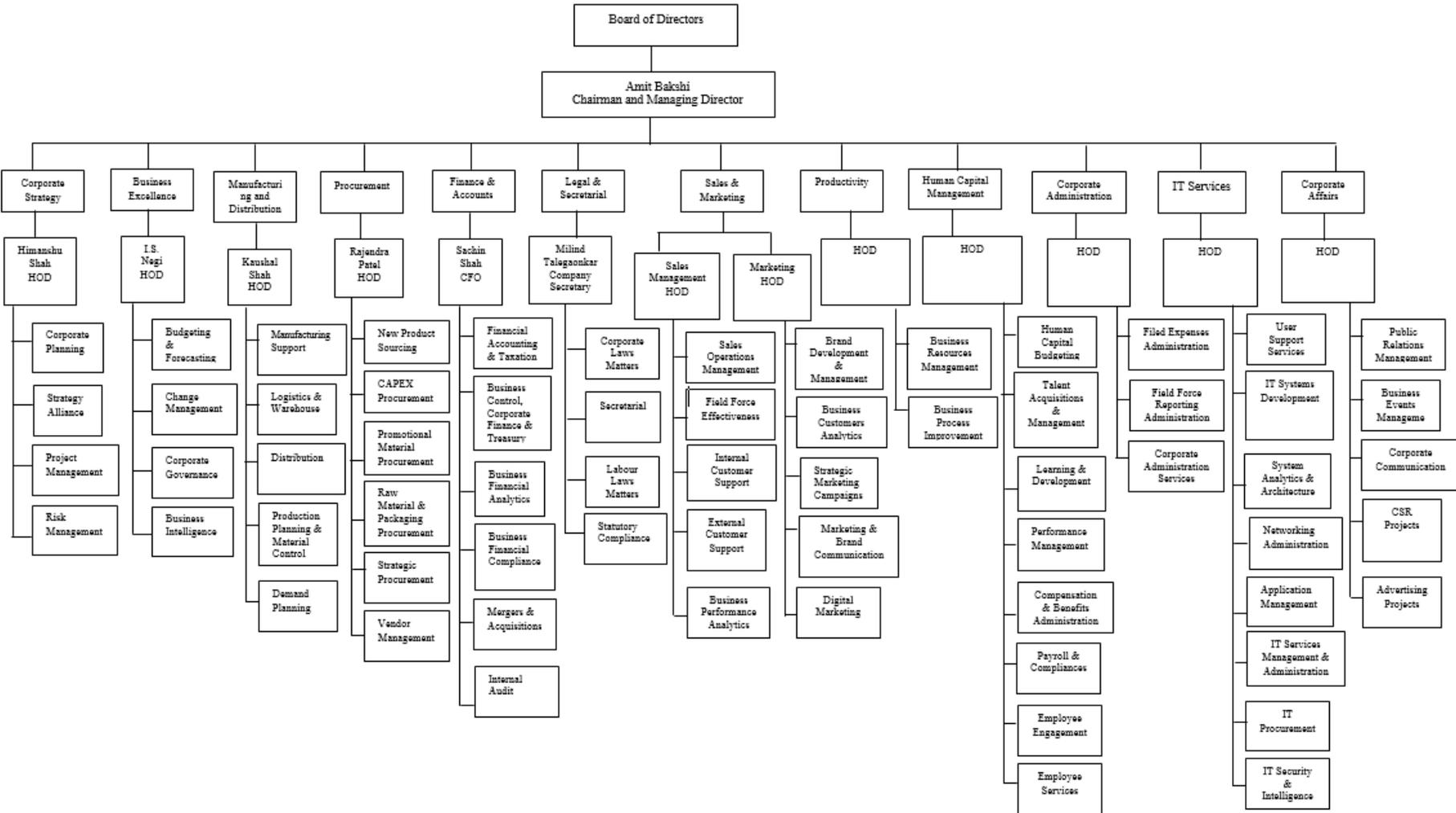
Our Corporate Social Responsibility Committee was last re-constituted by a resolution of the Board dated February 4, 2017 and is in compliance with Section 135 of the Companies Act 2013. The CSR Committee currently comprises:

- i. Mr. Inderjeet Singh Negi, Executive Director (Chairman);
- ii. Dr. Kirit Nanubhai Shelat, Independent Director (Member); and
- iii. Mr. Sanjiv Dwarkanath Kaul, Non-Executive Non-Independent (Member)

*Scope and terms of reference:* The terms of reference of the CSR Committee are as follows:

- (a) recommending the amount of expenditure to be incurred on the activities referred to in clause (a) of sub-section (3) of Section 135 of the Companies Act, 2013; and
- (b) monitoring the Corporate Social Responsibility Policy of our Company from time to time; and recommending to the Board, any amendments in the CSR policy indication activities undertaken by the Company as specified in Schedule VII to the Companies Act 2013.

# Management Organisation Structure



## **Key Managerial Personnel**

In addition to our Managing Director, Mr. Amit Indubhushan Bakshi, and our executive directors, Mr. Inderjeet Singh Negi and Mr. Himanshu Jayantbhai Shah, whose details are provided in “- *Brief Profiles of our Directors*” on page 134, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below:

### **Mr. Sachin Shah**

Mr. Sachin Shah, aged 37 years is our Chief Financial Officer. Mr. Sachin Shah is a qualified chartered accountant and he holds a bachelor’s degree in commerce. He has been associated with our Company since January 1, 2013 as a Senior Manager – Finance and Processes. Pursuant to a Board resolution dated September 28, 2016, he was appointed as the Chief Financial Officer of our Company. He has previously worked with ICICI Bank Limited and Avendus Capital Private Limited. In Fiscal 2016, he received a gross remuneration of ₹ 2.03 million.

### **Mr. Milind Talegaonkar**

Mr. Milind Talegaonkar, aged 41 years, is our Company Secretary. He has been associated with our Company since May 2013. Mr. Milind Talegaonkar holds a bachelor’s degree in arts (management) from the Barkhatullah University, Bhopal. He holds a diploma in entrepreneurship administration and business laws from the West Bengal National University of Juridical Sciences. Mr. Milind Talegaonkar is an associate of the Institute of Company Secretaries of India. He has over sixteen years of experience in various fields, including corporate legal and secretarial compliances. Pursuant to a Board resolution dated September 6, 2016 he was appointed as our Company Secretary with effect from September 21, 2016 and pursuant to a Board resolution dated February 2, 2017, Mr. Milind Talegaonkar has been designated as our Compliance Officer. He has previously worked with L&T Infrastructure Development Projects Limited as an assistant manager, secretarial; and Indo Rama as assistant manager, licensing. He has also previously worked with HEG Limited as senior officer (finance). In Fiscal 2016, he received a gross remuneration of ₹ 1.33 million.

### **Mr. Rajendrakumar Rambhai Patel**

Mr. Rajendrakumar Rambhai Patel, aged 39 years is the head of procurement at our Company. He holds a bachelor’s degree in science from North Gujarat University and a diploma in pharmacy from the Gujarat University. He has previously worked with companies in the pharmaceutical sector and has more than 10 years experience in the pharmaceutical industry. Mr. Rajendrakumar Rambhai Patel has been associated with our Company since 2007 as one the directors on the Board. He resigned from the Board on January 5, 2017. Mr. Rajendrakumar Rambhai Patel currently is a director on the board of our Subsidiaries, Eris Therapeutics Private Limited and Kinedex Healthcare Private Limited. In Fiscal 2016, he received a gross remuneration of ₹ 4.66 million.

### **Mr. Kaushal Kamlesh Shah**

Mr. Kaushal Kamlesh Shah, aged 37 years is the head of manufacturing and distribution at our Company. He holds a bachelor’s degree in commerce from the Gujarat University and a post graduate diploma in management from Som-Lalit Institute of Management Studies. He has more than 10 years experience in the pharmaceutical industry, having also have previously worked with companies in the pharmaceutical sector. Mr. Kaushal Kamlesh Shah has been associated with our Company since 2007 as one the directors on the Board. He resigned from the Board on January 5, 2017. Mr. Kaushal Kamlesh Shah currently is a director on the board of our Subsidiaries, Eris Therapeutics Private Limited and Kinedex Healthcare Private Limited. In Fiscal 2016, he received a gross remuneration of ₹ 2.99 million.

All the Key Managerial Personnel are permanent employees of our Company.

## **Relationship between Key Managerial Personnel**

None of our Key Managerial Personnel are related to each other, in terms of the definition of ‘relative’ under Section 2(77) of the Companies Act 2013.

### **Bonus or profit sharing plan for the Key Managerial Personnel**

Our Company does not have a bonus or profit sharing plan for our Key Managerial Personnel.

### **Shareholding of Key Managerial Personnel**

Except for Mr. Sachin Shah and Mr. Milind Talegaonkar, all our Key Managerial Personnel hold Equity Shares as on the date of this Draft Red Herring Prospectus. For details of the shareholding of Mr. Amit Indubhushan Bakshi Mr. Himanshu Jayantbhai Shah, Mr. Kaushal Kamlesh Shah, Mr. Rajendrakumar Rambhai Patel and Mr. Inderjeet Singh Negi, see “*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*” on page 76.

### **Service contracts with Key Managerial Personnel**

Our Company has entered into employment agreements with Mr. Rajendrakumar Rambhai Patel and Mr. Kaushal Kamlesh Shah, which set out the terms and conditions of their employment including their remuneration, leave, travel allowances and medical reimbursements. The employment agreements also provide for the provision of certain bonus and gratuity. For detailed terms and conditions of the employment agreements entered into with Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah and Mr. Inderjeet Singh Negi, see “– *Terms of Appointment of Executive Directors*” on page 135.

None of our Key Managerial Personnel are entitled to any termination or retirement benefits under the terms of their respective employment agreements.

### **Loans to and deposits from Key Managerial Personnel**

As on the date of this Draft Red Herring Prospectus, there are no outstanding loans availed by our Key Managerial Personnel from our Company.

### **Interest of Key Managerial Personnel**

Except as set forth above in “– *Interest of Directors*” on page 137 with respect to Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah and Mr. Inderjeet Singh Negi, none of our other Key Managerial Personnel has any interest in our Company except to the extent of their remuneration and reimbursement of expenses incurred by them in the ordinary course of business. Our Chief Financial Officer and Company Secretary may be interested to the extent of stock options that may be granted to them from time to time under the Eris ESOP. Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer. Further, for details of interests of Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah, Mr. Inderjeet Singh Negi, Mr. Rajendrakumar Rambhai Patel and Mr. Kaushal Kamlesh Shah, who are also our Promoters, see “*Our Promoters, Promoter Group and Group Companies*” on page 147.

### **Contingent and deferred compensation payable to Key Managerial Personnel**

There is no contingent or deferred compensation payable to our Key Managerial Personnel, which does not form part of their remuneration.

### **Arrangements and understandings with major shareholders, customers, suppliers or others**

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or any other person.

### **Changes in Key Managerial Personnel in the last three years**

The changes in our Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

<b>Name</b>	<b>Date</b>	<b>Reason</b>
Mr. Milind Talegaonkar	September 21, 2016	Appointed as the Company Secretary
Mr. Sachin Shah	September 28, 2016	Appointed as the Chief Financial Officer
Mr. Rajendrakumar Rambhai Patel	April 1, 2016	Appointed as the Head of Procurement
Mr. Kaushal Kamlesh Shah	April 1, 2016	Appointed as the Head of Manufacturing and Distribution

#### **Employee stock option and stock purchase schemes**

For details of the employee stock option plan of our Company, Eris ESOP see “*Capital Structure – Employee Stock Option Scheme*” on page 70.

#### **Payment of non-salary related benefits to officers of our Company**

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

## OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

The Promoters of our Company are Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah, Mr. Inderjeet Singh Negi, Mr. Rajendrakumar Rambhai Patel and Mr. Kaushal Kamlesh Shah. As on the date of this Draft Red Herring Prospectus, our Promoters hold, in the aggregate, 81,373,000 Equity Shares, which constitutes 59.18% of our Company's paid-up Equity Share capital. For details of the build-up of our Promoters' shareholding in our Company, see "*Capital Structure – Notes to Capital Structure*" on page 68.

### I. Details of our Promoters

	<p>Mr. Amit Indubhushan Bakshi, aged 42 years, is one of our Promoters and our Chairman and Managing Director.</p> <p><i>Residential Address:</i> 01 Amrakadam Co-Operative Housing Society, opposite Sukan Flats, Ramdevnagar, Satellite, Ahmedabad 380 015, Gujarat, India</p> <p><i>Driver's license number:</i> GJ01 20060159822</p> <p><i>Voter identification number:</i> LPZ5404553</p> <p>For a brief profile of Mr. Amit Indubhushan Bakshi, see "<i>Our Management – Brief Profiles of our Directors</i>" on page 134.</p>
	<p>Mr. Himanshu Jayantbhai Shah, aged 40 years, is one of our Promoters and an Executive Director.</p> <p><i>Residential Address:</i> A-74, Yash Towers Part – 1, Vejalpur, Vejalpur – 380051, Tal. City, Ahmedabad, Gujarat, India</p> <p><i>Driver's license number:</i> GJ1319990575900</p> <p><i>Voter identification number:</i> LPZ5026992</p> <p>For a brief profile of Mr. Himanshu Jayantbhai Shah, see "<i>Our Management– Brief Profiles of our Directors</i>" on page 134.</p>
	<p>Mr. Inderjeet Singh Negi, aged 45 years, is one of our Promoters and an Executive Director.</p> <p><i>Residential Address:</i> 42/D, Royal Orchid, near Suyog Bunglow, Prahladnagar, Ahmedabad 380015, Gujarat, India</p> <p><i>Driver's license number:</i> I-HRI-MDS/2011-7991</p> <p><i>Voter identification number:</i> ZCU3022829</p> <p>For a brief profile of Mr. Inderjeet Singh Negi, see "<i>Our Management– Brief Profiles of our Directors</i>" on page 135.</p>
	<p>Mr. Rajendrakumar Rambhai Patel, aged 39 years, is one of our Promoters.</p> <p><i>Residential Address:</i> H-103, Akash-3, 132-FT Ring Road, near Sahajanand Complex, near AEC Naranpura, Ahmedabad 380013, Gujarat, India</p> <p><i>Driver's license number:</i> GJ01 20060108490</p> <p><i>Voter identification number:</i> CLJ7061534</p> <p>For a brief profile of Mr. Rajendrakumar Rambhai Patel, see "<i>Our Management – Key Managerial Personnel</i>" on page 144.</p>



Mr. Kaushal Kamlesh Shah, aged 37 years, is one of our Promoters.

*Residential Address:* 2-B, Paradise Park, opposite Shanti Nagar Bus stop, near Jain Agan Mandir, Ashram Road, Ahmedabad 380013, Gujarat India

*Driver's license number:* GJ01/011952/01

*Voter identification number:* CLJ678446

For a brief profile of Mr. Kaushal Kamlesh Shah, see “*Our Management – Key Managerial Personnel*” on page 144.

---

We confirm that the PAN, passport number and bank account number of each of our Promoters will be submitted to the Stock Exchanges at the time of submission of the Draft Red Herring Prospectus with them.

### **Interests of our Promoters and Related Party Transactions**

#### *Interest of our Promoters in the Promotion of our Company*

Our Promoters are interested in our Company to the extent of their respective shareholding in our Company and dividend or other distributions payable, if any, by our Company. For further details of our Promoters' shareholding, see “*Capital Structure*” on page 68. Additionally, Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah and Mr. Inderjeet Singh Negi are also interested in our Company as Directors and Mr. Rajendrakumar Rambhai Patel and Mr. Kaushal Kamlesh Shah are interested in our Company as Key Managerial Personnel and any remuneration payable to them in such capacity, respectively. For details, see “*Our Management – Terms of Appointment of Executive Directors*” and “*Our Management – Key Managerial Personnel*” on pages 135 and 144, respectively.

#### *Interest of Promoters in the Property of our Company*

Our Promoters do not have any interest in any property acquired by our Company during the two years preceding the date of filing of this Draft Red Herring Prospectus or any property proposed to be acquired by our Company or in any transaction including the acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as members of any firm or any company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares 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.

### **Payment of Benefits and Guarantees**

Other than remuneration paid to our Promoters, in accordance with the terms of their respective employment agreements, no benefit or amount has been given or paid to our Promoters or members of our Promoter Group within the two years preceding the date of filing this Draft Red Herring Prospectus or intended to be paid or given to our Promoters or members of our Promoter Group. For further details of the remuneration paid to Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah and Mr. Inderjeet Singh Negi, see “*Our Management – Terms of Appointment of Executive Directors*” on page 135.

### **Confirmations**

Our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

As on the date of this Draft Red Herring Prospectus, none of our sundry debtors are related to our Promoters. Further, none of our Promoters are related to any beneficiary of loans and advances provided by the Company.

There is no litigation or legal action pending or taken by any department of the Government or statutory authority during the last five years preceding the date of the Draft Red Herring Prospectus against our Promoters.

Our Promoters, their respective relatives and other members of the Promoter Group have not been declared as a wilful defaulters as defined under the SEBI ICDR Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authorities from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing capital markets under any order or direction made by SEBI or any other authority.

### **Common Pursuits of our Promoters**

Except in relation to our Subsidiaries, our Promoters are not involved with any venture which is in the same line of activity or business as us. However, one of our Promoter Group companies, Eris Formulations Private Limited, which has filed an application with the RoC for striking off, is authorized by its memorandum of association to carry on the same line of business as our Company.

### **Disassociation by our Promoters in the preceding three years**

As on the date of this Draft Red Herring Prospectus, none of our Promoters have disassociated themselves from any venture during the three years preceding the date of the Draft Red Herring Prospectus.

### **Disassociation by our Company in the preceding year**

Our Company was a partner in Sozin up to August 31, 2016, and pursuant to our retirement, we transferred our stake in the partnership to the other existing partners of Sozin, with a view to enhance operational efficiency and productivity by focusing on manufacturing activities at our Assam Facility.

## **II. Promoter Group**

Set forth below is a list of the members forming part of our Promoter Group, as on the date of this Draft Red Herring Prospectus:

<b>S. No.</b>	<b>Name of member of the Promoter Group</b>
<b>Mr. Amit Indubhushan Bakshi</b>	
1.	Rangoli Amit Bakshi (spouse)
2.	Indubhushan Bakshi (father)
3.	Nira Indubhushan Bakshi (mother)
4.	Gauri Sachin Shah (sister)
5.	Parv Amit Bakshi (son)
6.	Somnat Mehrotra (spouse's father)
7.	Shashi Somnat Mehrotra (spouse's mother)
8.	Amit Somnat Mehrotra (spouse's brother)
9.	Amit Bakshi (HUF)
10.	Horizon Blue Ventures LLP
11.	Eris Formulations Private Limited*
12.	Eris Foundation
13.	Eris Lifesciences Private Limited Group Gratuity Trust
14.	Indubhushan HUF
<b>Mr. Himanshu Jayantbhai Shah</b>	
1.	Nimisha Himanshu Shah (spouse)
2.	Urmila Jayantbhai Shah (mother)
3.	Saurabh Jayantbhai Shah (brother)
4.	Harsh Himanshu Shah (son)
5.	Asmi Himanshu Shah (daughter)
6.	Subodhchandra H. Shah (spouse's father)
7.	Hansaben S. Shah (spouse's mother)
8.	Hetal Vasani (spouse's sister)
9.	Vishant Shah (spouse's brother)
10.	Himanshu Jayantbhai Shah HUF
11.	Saurabh Shah HUF

12.	Eris Formulations Private Limited*
<b>Mr. Inderjeet Singh Negi</b>	
1.	Suman Negi (spouse)
2.	Dhan Singh Negi (father)
3.	Sateshwari Devi (mother)
4.	Rajeshwari Negi (sister)
5.	Rekha R. Rawat (sister)
6.	Asha Rawat (sister)
7.	Manwendra Singh Negi (brother)
8.	Sarthak Negi (son)
9.	Aditi Negi (daughter)
10.	Shiv Charan Singh Rawat (spouse's father)
11.	Rameshwari Devi Rawat (spouse's mother)
12.	Sandeepa Rawat (spouse's sister)
13.	Upender Singh Rawat (spouse's brother)
14.	Inderjeet Singh Negi HUF
<b>Mr. Rajendrakumar Rambhai Patel</b>	
1.	Parulben Patel (spouse)
2.	Rambhai Keshavlal Patel (father)
3.	Shardaben Rambhai Patel (mother)
4.	Chandrikaben Patel (sister)
5.	Sanjay Rambhai Patel (brother)
6.	Parthiv Patel (son)
7.	Dhyanvi Patel (daughter)
8.	Bholabhai Patel (spouse's father)
9.	Ambaben Bholabhai Patel (spouse's mother)
10.	Jagdish Bholabhai Patel (spouse's brother)
11.	Hetal Bholabhai Patel (spouse's brother)
12.	Rajendrakumar Rambhai Patel HUF
13.	Eris Foundation
<b>Mr. Kaushal Kamlesh Shah</b>	
1.	Sweta Kaushal Shah (spouse)
2.	Kamleshkumar Rasiklal Shah (father)
3.	Shilpaben Kamleshkumar Shah (mother)
4.	Kajal Mrudang Vakil (sister)
5.	Karmm Kaushal Shah (son)
6.	Saanvi Kaushal Shah (daughter)
7.	Bharatbhai Shah (spouse's father)
8.	Bakulaben Shah (spouse's mother)
9.	Alpana Shah (spouse's sister)
10.	Pinky Shah (spouse's sister)
11.	Pragnesh Bharatkumar Shah (spouse's brother)
12.	Pragnesh Bharatkumar Shah (HUF)
13.	Kamlesh Rasiklal Shah (HUF)
14.	Kaushal Kamlesh Shah (HUF)
15.	Mrudang Hiren Vakil (HUF)
16.	Shah & Co.

\* An application has been made to the RoC for striking off the name of Eris Formulations Private Limited.

For details of the shareholding of the members of our Promoter Group in our Company and various confirmations in relation to the members of our Promoter Group, see “*Capital Structure – Shareholding of our Promoters and our Promoter Group*” and “*Other Regulatory and Statutory Disclosures*” on pages 72 and 278, respectively.

### III. Group Companies

As per the SEBI ICDR Regulations for the purpose of identification of group companies, our Company has considered companies covered under the applicable accounting standard, i.e., Accounting Standard 18 issued by the Institute of Chartered Accountants of India (“AS 18”) as per the restated consolidated financial information as of and for the six months period ended September 30, 2016 and the Fiscals ended March 31, 2016, 2015, 2014, 2013 and 2012, and other companies as per the Materiality Policy adopted by our Board through its resolution dated February 6, 2017, for the purpose of disclosure in connection with the Offer, a company shall be considered material and disclosed as a Group Company if it:

- (i) is a member of the Promoter Group and has entered into one or more transactions with the Company in the most recent audited Fiscal or the stub period, as applicable, (in this case being the six months period ended September 30, 2016) which, individually or in the aggregate, exceed 10% of the total consolidated revenue of our Company for such Fiscal; and
- (ii) companies which, subsequent to the date of the last audited consolidated financial statements of our Company, would require disclosure in the consolidated financial statements of the Company for subsequent periods as entities covered under AS 18 in addition to/ other than those companies covered under AS 18 in the consolidated financial statements of our Company included in this Draft Red Herring Prospectus.

For avoidance of doubt, it is clarified that our Subsidiaries are not be considered as 'Group Companies'. Based on the above, as on the date of this Draft Red Herring Prospectus, there are no group companies of our Company.

## **DIVIDEND POLICY**

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder) and will depend on a number of factors, including but not limited to our profits, capital requirements, contractual obligations and the overall financial condition of our Company. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.

Except as disclosed below, our Company has not declared any dividends during the last five Fiscals.

During Fiscal 2016, interim dividend of ₹ 6,042.00 per equity share on 137,500 equity shares of our Company of face value of ₹ 10 each, amounting to a total of ₹ 830.78 million, was declared and paid.

**SECTION V – FINANCIAL INFORMATION  
FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION**

The Board of Directors

Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited)

21, New York Tower- A,  
Near Muktidham Temple,  
Thaltej Cross Road, Thaltej,  
Ahmedabad – 380054

Dear Sirs,

1. We have examined as appropriate (refer paragraphs 3 and 4 below), the attached Restated Standalone Financial Information of Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited) (the “Company”), which comprise of the Restated Summary Statement of Assets and Liabilities as at September 30, 2016 and March 31, 2016, 2015, 2014, 2013, and 2012, the Restated Summary Statements of Profit and Loss and the Restated Summary Statement of Cash Flows for the six month period ended September 30, 2016 and for each of the years ended March 31, 2016, 2015, 2014, 2013, and 2012 respectively, and the Summary of Significant Accounting Policies (collectively, the “Restated Standalone Financial Information”) as approved by the Board of Directors of the Company at their meeting held on February, 02 2017 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (“IPO”) prepared in terms of the requirements of :
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (“the Rules);
  - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the “Guidance Note”).

The preparation of the Restated Standalone Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 9 below. The management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act, the Rules, ICDR Regulations and the Guidance Note.

Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information comply with the requirements of the Act, the Rules, ICDR Regulations and the Guidance Note.

2. We have examined such Restated Standalone Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter October 10, 2016 in connection with the proposed offer of equity shares of the Company;
  - b) The Guidance Note; and

- c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Unconsolidated Financial Information.
3. These Restated Standalone Financial Information have been compiled by the management from the audited Standalone Financial Statements of the Company as at and for the six month period ended September 30, 2016 and as at and for the years ended March 31, 2016, 2015, 2014, 2013, and 2012 which have been approved by Board of directors at their meetings held on February, 02 2017, September 28, 2016, September 23, 2015, September 05, 2014, August 19, 2013, and July 18, 2012 respectively.

Audit for the financial years ended March 31, 2015, 2014, 2013 and 2012 was conducted by previous auditors, M/s R R S & Associates and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years, i.e. March 31 2015, 2014, 2013 and 2012 are based solely on the report submitted by them. M/s R R S & Associates have also confirmed that the restated financial information relating to above mentioned years:

- a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
  - b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
  - c) do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.
4. Based on our examination in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of the Rules, ICDR Regulations and the Guidance Note, we report that:
- a) The Restated Summary Statement of Assets and Liabilities of the Company, including as at March 31, 2015, 2014, 2013 and 2012 examined and reported upon by M/s R R S & Associates, and who have submitted their report on which reliance has been placed by us, and as at September 30, 2016 and March 31, 2016 examined by us, as set out in Annexure-I to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV: Statement on Adjustments to Standalone Financial Statements.
  - b) The Restated Summary Statement of Profit and Loss of the Company, including for the years ended March 31, 2015, 2014, 2013 and 2012 examined and reported upon by M/s R R S & Associates, and who have submitted their report on which reliance has been placed by us, and for the six month period ended September 30, 2016 and for the year ended March 31, 2016 examined by us, as set out in Annexure-II to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure-IV: Statement on Adjustments to Standalone Financial Statements.
  - c) The Restated Summary Statement of Cash Flows of the Company, including for the years ended March 31, 2015, 2014, 2013 and 2012 examined and reported upon by M/s R R S & Associates, and who have submitted their report on which reliance has been placed by us, and for the six month period ended September 30, 2016 and for the year ended March 31, 2016 examined by us, as set out in Annexure-III to this report are after making adjustments and

regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure-IV: Statement on Adjustments to Standalone Financial Statements.

- d) The Summary of Significant Accounting Policies and Notes to Accounts of the Company, including for the years ended March 31, 2015, 2014, 2013 and 2012 examined and reported upon by M/s R R S & Associates, who have submitted their report on which reliance has been placed by us, and for the six month period ended September 30, 2016 and for the year ended March 31, 2016 examined by us, as set out in Annexure-V to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure-IV: Statement on Adjustments to Standalone Financial Statements.
  - e) Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the previous auditors, M/s R R S & Associates for the respective years, we further report that the Restated Standalone Financial Information:
    - i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
    - ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
    - iii) do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.
5. We have also examined the following Restated Standalone Financial Information of the Company set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on February 02, 2017 for the six month period ended September 30, 2016 and for the year ended March 31, 2016. In respect of the years ended March 31 2015, 2014, 2013 and 2012 these information have been included based upon the reports submitted by previous auditors, M/s R R S & Associates and relied upon by us:
- a) Summary Statement of Restated Standalone Share Capital included in Note 2 to Annexure V;
  - b) Summary Statement of Restated Standalone Reserves and Surplus included in Note 3 to Annexure V;
  - c) Summary Statement of Restated Standalone Long-Term Borrowings included in Note 4 to Annexure V;
  - d) Summary Statement of Restated Standalone Deferred Tax Liabilities (net) included in Note 5 to Annexure V;
  - e) Summary Statement of Restated Standalone Other Long-Term Liabilities included in Note 6 to Annexure V;
  - f) Summary Statement of Restated Standalone Long-Term Provisions included in Note 7 to Annexure V;
  - g) Summary Statement of Restated Standalone Trade Payables included in Note 8 to Annexure V;
  - h) Summary Statement of Restated Standalone Other Current Liabilities included in Note 9 to Annexure V;
  - i) Summary Statement of Restated Standalone Short-Term Provisions included in Note 10 to Annexure V;

- j) Summary Statement of Restated Standalone Fixed Assets included in Note 11 to Annexure V;
- k) Summary Statement of Restated Standalone Non-Current Investments included in Note 12 to Annexure V;
- l) Summary Statement of Restated Standalone Deferred tax Assets (net) included in Note 13 to Annexure V;
- m) Summary Statement of Restated Standalone Long-Term Loans and Advances included in Note 14 to Annexure V;
- n) Summary Statement of Restated Standalone Other Non-Current Assets included in Note 15 to Annexure V;
- o) Summary Statement of Restated Standalone Current Investments included in Note 16 to Annexure V;
- p) Summary Statement of Restated Standalone Inventories included in Note 17 to Annexure V;
- q) Summary Statement of Restated Standalone Trade Receivables included in Note 18 to Annexure V;
- r) Summary Statement of Restated Standalone Cash and Cash Equivalents included in Note 19 to Annexure V;
- s) Summary Statement of Restated Standalone Loans and Advances included in Note 20 to Annexure V;
- t) Summary Statement of Restated Standalone Other Current Assets included in Note 21 to Annexure V;
- u) Summary Statement of Restated Standalone Revenue from Operations included in Note 22 to Annexure V;
- v) Summary Statement of Restated Standalone Other Income included in Note 23 to Annexure V;
- w) Summary Statement of Restated Standalone Cost of Materials Consumed included in Note 24 to Annexure V;
- x) Summary Statement of Restated Standalone Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade included in Note 25 to Annexure V;
- y) Summary Statement of Restated Standalone Employee Benefit Expenses included in Note 26 to Annexure V;
- z) Summary Statement of Restated Standalone Other Expenses included in Note 27 to Annexure V;
- aa) Summary Statement of Restated Standalone Finance Costs included in Note 28 to Annexure V;
- bb) Statement of Additional Information to Standalone Financial Statements contained in Note 29.1 to Note 29.12 to Annexure V;
- cc) Statement on Adjustments to Standalone Financial Statements included in Annexure IV;
- dd) Restated Summary Statement of Accounting Ratios included in Annexure VI;
- ee) Restated Summary Statement of Dividend Paid / Proposed by the Company included in Annexure VIII;
- ff) Restated Statement of Tax Shelters included in Annexure IX.

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, M/s R R S & Associates, in our opinion, the Restated Standalone Financial Information and the above restated financial information contained in Annexures I to VI, VIII and XI accompanying this report read with Summary of Significant Accounting Policies disclosed in Annexure-V are prepared after making adjustments and regroupings/reclassifications as considered appropriate [Refer Annexure-IV] and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and

the Guidance Note.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed 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 for inclusion in the offer document to be filed with Securities and Exchange Board of India, Bombay Stock Exchange, National Stock Exchange and Registrar of Companies, Gujarat in connection with the proposed offer of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Kartikeya Raval**  
Partner  
(Membership No. 106189)

Place: Ahmedabad  
Date: February 02, 2017

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

ANNEXURE-I

SUMMARY STATEMENT OF RESTATED STANDALONE ASSETS AND LIABILITIES

(₹ in Million)

Particulars	Note No. of Annexure V	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>I. EQUITY AND LIABILITIES :</b>							
<b>(1) Shareholders' Funds</b>							
(a) Share capital	2	137.50	1.38	1.38	1.38	1.38	1.38
(b) Reserves and surplus	3	4,185.19	3,055.91	2,676.11	1,843.58	1,188.31	530.35
<b>(2) Non current liabilities</b>							
(a) Long-term borrowings	4	-	-	5.00	-	0.37	3.81
(b) Deferred tax liabilities (net)	5	-	-	-	-	-	0.95
(c) Other long-term liabilities	6	25.37	24.85	13.37	10.73	16.20	22.00
(d) Long-term provisions	7	207.15	230.98	199.88	170.21	152.33	89.17
<b>(3) Current liabilities</b>							
(a) Trade payables	8	-	-	-	-	-	-
Due to micro and small enterprises		-	-	-	-	-	-
Due to others		594.64	278.94	360.97	326.45	191.38	155.43
(b) Other current liabilities	9	102.47	253.84	76.57	141.58	65.31	34.48
(c) Short-term provisions	10	251.72	175.30	205.50	181.90	124.31	120.33
<b>Total</b>		<b>5,504.04</b>	<b>4,021.20</b>	<b>3,538.78</b>	<b>2,675.83</b>	<b>1,739.59</b>	<b>957.90</b>
<b>II. ASSETS :</b>							
<b>(1) Non current assets</b>							
(a) Fixed assets	11	-	-	-	-	-	-
(i) Tangible assets		606.94	640.96	605.78	631.97	148.24	105.80
(ii) Intangible assets		377.37	6.95	6.90	6.57	0.79	0.55
(b) Non current investments	12	101.05	625.95	1,130.50	306.40	115.52	56.68
(c) Deferred tax assets (net)	13	49.19	54.14	32.92	1.97	2.62	-
(d) Long-term loans and advances	14	442.59	323.04	176.64	183.64	137.71	93.75
(e) Other non-current asset	15	24.00	-	-	-	-	-
<b>(2) Current assets</b>							
(a) Current investments	16	2,522.81	1,437.33	692.40	669.64	465.00	134.52
(b) Inventories	17	514.95	494.58	538.33	454.85	519.68	239.61
(c) Trade receivables	18	524.73	253.62	236.21	223.09	165.96	144.07
(d) Cash and cash equivalents	19	76.40	85.29	49.12	59.02	35.16	88.63
(e) Short-term loans and advances	20	222.25	96.98	67.71	138.68	148.91	94.29
(f) Other current assets	21	41.76	2.36	2.27	-	-	-
<b>Total</b>		<b>5,504.04</b>	<b>4,021.20</b>	<b>3,538.78</b>	<b>2,675.83</b>	<b>1,739.59</b>	<b>957.90</b>

**Note:**

The above statement should be read with the Summary of Significant Accounting Policies and Notes to the Restated Standalone Financial information, appearing in Annexure V; and statement on Adjustments to Standalone Financial Statements, appearing in Annexure IV

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Kartikeya Raval**  
Partner

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Director  
DIN: 01301025

**Place: Ahmedabad**  
**Date: 2<sup>nd</sup> February, 2017**

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary

**Place: Ahmedabad**  
**Date: 2<sup>nd</sup> February, 2017**

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

ANNEXURE-II

SUMMARY STATEMENT OF RESTATED STANDALONE PROFIT AND LOSS

(₹ in Million)

Particulars	Note No. of Annexure V	Six Months ended	Year ended	Year ended	Year ended	Year ended	Year ended
		September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>1 REVENUE:</b>							
Revenue from operations (gross)	22	3,779.01	6,232.42	5,569.16	5,204.62	4,170.19	2,858.17
Less: Excise duty	22	(105.39)	(177.59)	(89.30)	-	-	-
<b>Revenue from operations (net)</b>		<b>3,673.62</b>	<b>6,054.83</b>	<b>5,479.86</b>	<b>5,204.62</b>	<b>4,170.19</b>	<b>2,858.17</b>
<b>2 EXPENSES:</b>							
(a) Cost of materials consumed	24	211.43	381.47	317.27	-	-	-
(b) Purchases of stock-in-trade		358.87	750.78	825.43	1,162.41	1,271.19	705.61
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	78.30	21.40	(55.48)	116.34	(289.05)	(84.92)
(d) Employee benefits expense	26	623.00	1,223.56	1,237.53	878.53	653.01	416.39
(e) Other expenses	27	980.89	1,974.50	2,016.59	2,163.89	1,618.43	1,207.54
<b>Total</b>		<b>2,252.49</b>	<b>4,351.71</b>	<b>4,341.34</b>	<b>4,321.17</b>	<b>3,253.58</b>	<b>2,244.62</b>
<b>3 Restated Earnings before interest, tax, depreciation and amortisation (EBITDA) (1-2)</b>		<b>1,421.13</b>	<b>1,703.12</b>	<b>1,138.52</b>	<b>883.45</b>	<b>916.61</b>	<b>613.55</b>
4 Finance costs	28	0.43	1.20	0.06	0.37	2.66	3.87
5 Depreciation and amortisation expense	11	106.66	195.49	146.66	37.45	23.10	19.39
6 Other income	23	130.82	32.83	34.28	43.60	14.10	27.30
<b>7 Restated Profit before tax (3-4-5+6)</b>		<b>1,444.86</b>	<b>1,539.26</b>	<b>1,026.08</b>	<b>889.23</b>	<b>904.95</b>	<b>617.59</b>
<b>8 TAX EXPENSE</b>							
(a) Current tax expense		294.04	313.07	223.73	233.31	250.56	186.35
(b) (Less): MAT credit		(119.54)	(132.30)	-	-	-	-
(c) Net current tax expense		174.50	180.77	223.73	233.31	250.56	186.35
(d) Deferred tax charge / (credit)		4.95	(21.22)	(30.90)	0.65	(3.57)	(1.68)
<b>Net tax expense</b>		<b>179.45</b>	<b>159.55</b>	<b>192.83</b>	<b>233.96</b>	<b>246.99</b>	<b>184.67</b>
<b>9 Restated Profit after tax (7-8)</b>		<b>1,265.41</b>	<b>1,379.71</b>	<b>833.25</b>	<b>655.27</b>	<b>657.96</b>	<b>432.92</b>

**Note:**

The above statement should be read with the Summary of Significant Accounting Policies and Notes to the Restated Standalone Financial information, appearing in Annexure V; and statement on Adjustments to Standalone Financial Statements, appearing in Annexure IV

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Kartikeya Raval**  
Partner

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Director  
DIN: 01301025

**Place: Ahmedabad**  
**Date: 2<sup>nd</sup> February, 2017**

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary

**Place: Ahmedabad**  
**Date: 2<sup>nd</sup> February, 2017**

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**  
**ANNEXURE-III**  
**SUMMARY STATEMENT OF RESTATED STANDALONE CASH FLOWS**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b><u>A. Cash flow from operating activities</u></b>						
Profit before tax	1,444.86	1,539.26	1,026.08	889.23	904.95	617.59
Adjustments for:						
Depreciation and amortisation expense	106.66	195.49	146.66	37.45	23.10	19.39
Preliminary expenditure written off	-	-	0.26	0.26	0.32	0.32
(Profit)/Loss on sale of fixed assets	1.74	0.55	(0.17)	0.66	5.62	-
Finance costs	0.43	1.20	0.06	0.37	2.66	3.87
Interest Income	(2.61)	(3.29)	(0.18)	(1.10)	(2.37)	(11.04)
Provision for diminution in Investment	-	13.49	-	-	-	-
Debts written off	-	-	-	-	34.58	-
Dividend income	(0.18)	(0.30)	-	(0.18)	(9.52)	(3.76)
Diminution in value of Investment	3.97	-	-	-	-	-
Net gain on sale of investments	(114.45)	(29.07)	(33.15)	(42.32)	(2.17)	-
<b>Operating profit before working capital changes</b>	<b>1,440.42</b>	<b>1,717.33</b>	<b>1,139.56</b>	<b>884.37</b>	<b>957.17</b>	<b>626.37</b>
Changes in working capital:						
Adjustments for (increase) / decrease in operating assets:						
Trade receivables	(271.11)	(17.41)	(13.12)	(57.13)	(21.89)	(70.77)
Inventories	(20.37)	43.75	(83.48)	64.83	(280.07)	(77.39)
Loans & advances and other assets	(131.92)	(41.12)	66.89	(2.06)	(102.08)	(33.65)
Adjustments for increase / (decrease) in operating liabilities:						
Trade payable, liabilities and provisions	334.85	(60.48)	43.86	269.20	165.54	23.84
<b>Cash generated from operations</b>	<b>1,351.87</b>	<b>1,642.07</b>	<b>1,153.71</b>	<b>1,159.21</b>	<b>718.67</b>	<b>468.40</b>
Net income tax paid	(230.76)	(315.54)	(230.05)	(262.33)	(314.60)	(174.67)
<b>Net cash flow from operating activities (A)</b>	<b>1,121.11</b>	<b>1,326.53</b>	<b>923.66</b>	<b>896.88</b>	<b>404.07</b>	<b>293.73</b>
<b><u>B. Cash flow from investing activities</u></b>						
Purchase of Fixed assets	(445.99)	(232.16)	(130.73)	(517.25)	(72.43)	(59.95)
Purchase of long-term investments	(0.10)	(44.60)	(486.34)	(190.93)	(58.83)	(29.53)
Sale of long-term investments	-	-	-	0.05	-	-
Purchase of short-term Investment (Net)	(514.99)	(180.23)	(327.36)	(162.32)	(328.31)	(82.74)
Bank balances not considered as cash and cash equivalents- Deposits Matured / (Placed)	(0.01)	(0.48)	(0.05)	22.40	38.90	(58.26)
Interest Received	2.69	3.02	0.18	1.10	2.36	11.04
Proceeds from sale of fixed asset	0.27	0.29	0.75	0.40	1.32	-
Dividend income	0.18	0.30	-	0.18	9.52	3.76
<b>Net cash used in investing activities (B)</b>	<b>(957.95)</b>	<b>(453.86)</b>	<b>(943.55)</b>	<b>(846.37)</b>	<b>(407.47)</b>	<b>(215.68)</b>
<b><u>C. Cash flow from financing activities</u></b>						
Repayment of long-term borrowings	(2.50)	(5.00)	-	(3.88)	(8.51)	(7.99)
Proceeds from long-term borrowings	-	-	10.00	-	-	-
Finance costs	(0.43)	(1.20)	(0.06)	(0.37)	(2.66)	(3.87)
Interim dividend paid / Dividend distribution tax	(169.13)	(830.78)	-	-	-	(56.24)
<b>Net cash flow from / (used in) financing activities ( C )</b>	<b>(172.06)</b>	<b>(836.98)</b>	<b>9.94</b>	<b>(4.25)</b>	<b>(11.17)</b>	<b>(68.10)</b>
<b><u>Net increase/(decrease) in cash and cash equivalents (A+B+C)</u></b>	<b>(8.90)</b>	<b>35.69</b>	<b>(9.95)</b>	<b>46.26</b>	<b>(14.57)</b>	<b>9.95</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>84.76</b>	<b>49.07</b>	<b>59.02</b>	<b>12.76</b>	<b>27.33</b>	<b>17.38</b>
<b>Cash and cash equivalents at end of the period {Refer note-19 (a) }</b>	<b>75.86</b>	<b>84.76</b>	<b>49.07</b>	<b>59.02</b>	<b>12.76</b>	<b>27.33</b>
Notes:						
( i ) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3-Cash Flow Statements.						
( ii ) Cash and Cash Equivalents:						
Cash on hand	1.32	15.41	8.65	5.38	4.85	1.98
Balance with banks						
In Current Account	74.54	69.35	40.42	53.64	7.91	25.35
<b>Cash and Cash Equivalents as per Cash flow statement {Refer note- 19(a) }</b>	<b>75.86</b>	<b>84.76</b>	<b>49.07</b>	<b>59.02</b>	<b>12.76</b>	<b>27.33</b>

( iii )The above statement should be read with the Summary of Significant Accounting Policies and Notes to the Restated Standalone Financial information, appearing in Annexure V; and statement on Adjustments to Standalone Financial Statements, appearing in Annexure IV.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

**Kartikeya Raval**  
Partner

**Place: Ahmedabad**  
**Date: 2<sup>nd</sup> February, 2017**

**For and on behalf of the Board of Directors**

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Director  
DIN: 01301025

**Sachin Shah**  
Chief Financial  
Officer  
**Place: Ahmedabad**

**Milind Talegaonkar**  
Company Secretary

**Date: 2<sup>nd</sup> February,  
2017**

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**ANNEXURE IV**

**STATEMENT ON ADJUSTMENTS TO STANDALONE FINANCIAL STATEMENTS**

**MATERIAL RESTATEMENT ADJUSTMENTS**

The summary of results of restatements made in the audited standalone financial statements for the respective years/period and its impact on the profit of the company is as follows:

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
(A) Net Profit as per audited financial statements	1,260.52	1,156.90	831.33	661.20	687.91	491.31
<b>(B) Adjustments for:</b>	<b>7.48</b>	<b>331.13</b>	<b>(22.25)</b>	<b>(57.50)</b>	<b>(91.50)</b>	<b>(45.00)</b>
1. Add/(less): Provision for anticipated sales return (Refer Note 1A)	-	332.59	(1.55)	(78.26)	(88.07)	(42.36)
2. Add/(less): Prior Period Expense (Refer Note 1B)	7.48	61.94	(55.51)	(7.83)	(3.43)	(2.64)
3. Add/(less): Prior Period Income (Refer Note 1C)	-	(63.40)	34.81	28.59	-	-
<b>(C) Tax impact :</b>	<b>(2.59)</b>	<b>(105.38)</b>	<b>18.51</b>	<b>43.89</b>	<b>29.78</b>	<b>14.60</b>
1. on above adjustments as per (B) (Refer Note 1D)	(2.59)	(92.06)	23.27	25.81	29.78	14.60
2. on Depreciation (Refer Note 1E)	-	(13.32)	(4.76)	18.08	-	-
<b>(D) Short/(excess) provision of income taxes of earlier years (Refer Note 1F)</b>	<b>-</b>	<b>(2.94)</b>	<b>5.66</b>	<b>7.68</b>	<b>31.77</b>	<b>(27.99)</b>
<b>Total Adjustments</b>	<b>4.89</b>	<b>222.81</b>	<b>1.92</b>	<b>(5.93)</b>	<b>(29.95)</b>	<b>(58.39)</b>
<b>Restated profit for the years / period (A+B+C+D)</b>	<b>1,265.41</b>	<b>1,379.71</b>	<b>833.25</b>	<b>655.27</b>	<b>657.96</b>	<b>432.92</b>

**Note:**

The above statement should be read with the notes to summary statement of restated Standalone assets and liabilities, summary statement of restated Standalone profit and loss and summary statement of restated standalone cash flows as appearing in Annexure I,II and III respectively.

**Notes on Material Adjustments**

**1. Details of Adjustments pertaining to prior years**

**A. Provision for anticipated sales return:**

During the year ended 31<sup>st</sup> March 2016, the Company has recognised a cumulative provision for anticipated sales returns which includes provision for returns of the goods that were sold in earlier years. For the purpose of this statement, the Company has recognised this provision in the respective years in which the goods were sold.

**B. Prior period expense:**

During the period ended 30<sup>th</sup> September 2016 and 31<sup>st</sup> March 2016, certain item of expenses have been identified as prior period items. For the purpose this statement, such prior period items have been appropriately adjusted in the respective years to which such expenses relate.

**C. Prior period income:**

During the year ended 31<sup>st</sup> March 2016, certain item of incomes have been identified as prior period items. For the purpose this statement, such prior period items have been appropriately adjusted in the respective years to which such incomes relate.

**D. Tax impact on adjustment:**

Tax has been computed on adjustments on (B) as detailed above and has been adjusted in the restated statement of profit and loss for the period ended 30<sup>th</sup> September 2016, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, 31<sup>st</sup> March 2013, 31<sup>st</sup> March 2012 and the balance brought forward in the Restated Statement of Profit and Loss as at 1<sup>st</sup> April 2011.

**E. Tax impact on Depreciation:**

Effect of Tax on timing differences due to depreciation of Guwahati plant which reversed during the tax holiday period to the extent of company's total income is subject to the deduction during the tax holiday period as per requirement of section 80IE of Income tax Act, 1961.

**F. Short/excess provision of income taxes of earlier years:**

The Statement of Profit and Loss for certain financial years/period include amounts paid/ provided for or refunded/ written back, in respect of shortfall/ excess current tax arising upon filing of tax returns, assessments etc. which have now been adjusted in the respective years to which they relate.

## 2. Material Regroupings:

Appropriate adjustments have been made in the Restated Summary Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the period ended 30<sup>th</sup> September 2016, prepared in accordance with Schedule III of the Act and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). Accordingly, the Company has presented the Restated Summary Financial Information as at and for the six months ended 30<sup>th</sup> September 2016 and the year ended 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, 31<sup>st</sup> March 2013 and 31<sup>st</sup> March 2012 following the requirements of Schedule III of the Act.

## 3. Opening Reserve Reconciliation

Particulars	(₹ In Million)
A. Net surplus in statement of profit and loss as at 1 <sup>st</sup> April 2011 as per audited financial statements	194.25
<b>Adjustments:</b>	
B. Provision for anticipated sales return	(122.34)
C. Tax Impact on above adjustment	39.70
D. Short/excess provision of earlier years	(14.18)
Net surplus in the summary statement of restated standalone Profit and Loss as at 1 <sup>st</sup> April 2011.	97.43

**ANNEXURE-V**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION**

---

---

**Corporate Information:**

Eris Lifesciences Private Limited (“the Company”) was incorporated on January 25, 2007. The Company is engaged in the manufacture and trading business of pharmaceutical products. The company has a manufacturing plant located in Guwahati, Assam.

**NOTE-1 Significant accounting policies**

**1.1 Basis of accounting and preparation of financial statements:**

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention and the accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous period.

**1.2 Use of estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

**1.3 Operating cycle:**

All the assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**1.4 Revenue recognition:**

- a. Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods have been transferred to the customer. Sales are shown net of discounts and sales returns. Excise duty collected on sales is shown by way of deduction from sales.
- b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the period of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- c. Other income:
  - i) Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.
  - ii) Dividend income is recognized when the right to receive dividend is established.
  - iii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

**1.5 Fixed assets:**

Fixed assets are stated at cost of acquisition/construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition of fixed assets till assets are put to use, are capitalized. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

**1.6 Depreciation and amortization:**

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on additions/ disposals of the fixed assets during the period is provided on pro-rata basis according to the period during which assets were put to use.

Depreciation on fixed Assets (other than ‘Land’ where no depreciation is provided), is provided on the “Written Down Value Method” (WDV) based on rates provided in Schedule XIV to the Companies Act, 1956 up to 31st March 2014.

With effect from 1st April, 2014, depreciation on fixed Assets (other than ‘Land’ where no depreciation is provided), is provided on the “Written Down Value Method” (WDV) based on the useful lives as prescribed under Schedule II to the Companies Act, 2013 except in respect of some equipments, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Trade Marks and other similar rights are amortized over their estimated economic life of ten years. Brand and non-compete fees are amortized over their estimated economic life of five years. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, of the factors considered.

#### **1.7 Impairment of assets:**

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized to the extent the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

#### **1.8 Inventories:**

- a. Inventories are valued at the lower of cost and net realizable value. Cost of Raw materials, Packing materials and Stores, Spares and Consumables includes all charges in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.
- b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost (net of CENVAT and input tax credit availed), labor and relevant appropriate overheads.
- c. Stock-in-trade is valued at the lower of cost and net realizable value.

#### **1.9 Investments:**

Investments are either classified as current or non-current based on the Management's intention on the balance sheet date. Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties, if any.

#### **1.10 Cash and cash equivalents:**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **1.11 Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for 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 operating, financing, and investing activities of the company are segregated based on the available information.

#### **1.12 Borrowing cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### **1.13 Earnings Per Share:**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is the same as basic earnings per share as the company does not have any dilutive potential equity shares. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

#### **1.14 Employee Benefits:**

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

##### **(a) Long Term:**

(A) **Defined contribution plan:** The Company's contribution to provident fund, superannuation fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

(B) **Defined benefit plan:** The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the period end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognised in the Statement of Profit and Loss in the period in which they occur.

(C) Provision for compensated absences is made on the basis of actuarial valuation carried out at the Balance Sheet date.

(b) **Short term:** Short term employee benefits are recognized as an expense in the statement of Profit and Loss at the undiscounted amount of the employee benefits paid during the period. These benefits includes compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

#### **1.15 Taxes on Income:**

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing difference between estimated taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s) and is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**1.16 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liability is disclosed for:

- a. Possible obligations which will be confirmed only by future events not wholly within the control of the company, or
- b. Present obligations arising from 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.

**1.17 Leases:**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

**1.18 Foreign currency transactions and translation:**

Transactions in foreign currencies entered into by the Company are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the period are translated at the exchange rate prevailing at the end of the period. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

**1.19 EBITDA**

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expenses, finance costs, other income and tax expenses.

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**NOTE 2:SUMMARY STATEMENT OF RESTATED STANDALONE SHARE CAPITAL**

**(a) Authorised, Issued, Subscribed and Paid-up Share Capital:**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Authorised:</b>						
Equity Shares (Numbers) (Refer note -II)	30,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	20,00,000
Face Value (Refer note -II)	1	10	10	10	10	10
Amount	300.00	100.00	100.00	100.00	100.00	20.00
<b>Total</b>	<b>300.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>20.00</b>
<b>Issued, Subscribed and Fully Paid-up :</b>						
Equity Shares (Numbers) (Refer note II)	13,75,00,000	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500
Face Value (Refer note II)	1	10	10	10	10	10
Amount	137.50	1.38	1.38	1.38	1.38	1.38
<b>Total</b>	<b>137.50</b>	<b>1.38</b>	<b>1.38</b>	<b>1.38</b>	<b>1.38</b>	<b>1.38</b>

**(b) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year / period:**

Equity Shares	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Shares outstanding at the beginning of the year / period (Numbers)	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500
Amount (₹ in Million)	1.38	1.38	1.38	1.38	1.38	1.38
Issued during the year / period:						
Share Split from ₹10 to ₹1 per share (Refer Note - II) (Numbers)	12,37,500	-	-	-	-	-
Amount (₹ in Million)	-	-	-	-	-	-
Bonus shares issued during the year / period (99 fully paid-up equity shares for every 1 share held) (Refer Note II) (Numbers)	13,61,25,000	-	-	-	-	-
Amount (₹ in Million)	136.12	-	-	-	-	-
Shares outstanding at the end of the year / period (Numbers)	13,75,00,000	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500
Amount (₹ in Million)	137.50	1.38	1.38	1.38	1.38	1.38

**(c) Details of share held by each shareholder holding more than 5% shares:**

Name of the shareholder	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
1. Amit Indubhushan Bakshi	5,49,59,000	54,959	51,521	51,521	51,521	51,521
<b>% of Shareholding</b>	<b>39.97</b>	<b>39.97</b>	<b>37.47</b>	<b>37.47</b>	<b>37.47</b>	<b>37.47</b>
2. Himanshu Jayantbhai Shah	69,72,000	6,972	6,972	6,972	6,972	6,972
<b>% of Shareholding</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>
3. Inderjeet Singh Negi	69,71,000	6,971	6,971	6,971	6,971	6,971
<b>% of Shareholding</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>
4. Rajendrakumar Rambhai Patel	69,71,000	6,971	6,971	6,971	6,971	6,971
<b>% of Shareholding</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>
5. Bhikhalal Chimanlal Shah	1,24,29,000	12,429	15,867	15,867	15,867	15,867
<b>% of Shareholding</b>	<b>9.04</b>	<b>9.04</b>	<b>11.54</b>	<b>11.54</b>	<b>11.54</b>	<b>11.54</b>
6. Rakeshbhai Bhikhabhai Shah	1,58,54,000	15,854	15,854	15,854	15,854	15,854
<b>% of Shareholding</b>	<b>11.53</b>	<b>11.53</b>	<b>11.53</b>	<b>11.53</b>	<b>11.53</b>	<b>11.53</b>
7. Botticelli	2,23,44,000	22,344	22,344	22,344	22,344	22,344
<b>% of Shareholding</b>	<b>16.25</b>	<b>16.25</b>	<b>16.25</b>	<b>16.25</b>	<b>16.25</b>	<b>16.25</b>

**Notes:**

**I. Terms / Rights attached to the equity shares:**

The Company has only one class of equity shares. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**II. Sub-division, bonus issue and increase in authorised share capital:**

In the EGM held on September 05, 2016;

i) the authorised share capital of the company has been increased to ₹ 30 crore,

ii) every fully paid-up equity share of ₹ 10 each of the company has been sub-divided into 10 fully paid-up equity shares of ₹ 1 each

iii) 136,125,000 equity shares of ₹ 1 each have been resolved to be issued as fully paid-up bonus shares (99 bonus shares for every 1 fully paid-up equity share held)for consideration other than cash.

The above events has been approved by the Board of directors in their meeting held on August 11, 2016 which has further been approved by the shareholders in their extraordinary general meeting held on September 05, 2016.

The allotment of bonus shares was approved and concluded by the Board in their meeting held on September 06, 2016.

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**NOTE 3:SUMMARY STATEMENT OF RESTATED STANDALONE RESERVES AND SURPLUS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>General reserve (A)</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>-</b>
<b>Surplus in the Restated Summary Statement of Profit and Loss (B)</b>						
Opening balance	3,048.91	2,669.11	1,836.58	1,181.31	530.35	97.43
Less: Utilised for issue of bonus shares	(136.13)	-	-	-	-	-
Less: Depreciation charged to reserve (Net of deferred tax ₹ 0.06 million) (Refer note below)	-	-	(0.72)	-	-	-
Add: Restated Profit for the year / period	1,265.41	1,379.71	833.25	655.27	657.96	432.92
Less: Transfer to general reserve	-	-	-	-	(7.00)	-
Less: Interim dividend (₹ 6,042 per share)	-	(830.78)	-	-	-	-
Less: Tax on interim dividend	-	(169.13)	-	-	-	-
<b>Closing balance</b>	<b>4,178.19</b>	<b>3,048.91</b>	<b>2,669.11</b>	<b>1,836.58</b>	<b>1,181.31</b>	<b>530.35</b>
<b>Total (A+B)</b>	<b>4,185.19</b>	<b>3,055.91</b>	<b>2,676.11</b>	<b>1,843.58</b>	<b>1,188.31</b>	<b>530.35</b>

Effective from 1st April, 2014, the Company has charged depreciation based on the remaining useful life of the assets as per the requirements of Schedule II of the Companies Act, 2013 ("the Act"). In accordance with the transitional provisions provided in Note 7(b) of Schedule II of the Act, an amount of ₹ 0.78 million, net of deferred tax - ₹ 0.72 million was adjusted against the opening balance as on April 1, 2014 of retained earnings in respect of assets wherein the remaining useful life of the assets is Nil.

**NOTE 4:SUMMARY STATEMENT OF RESTATED STANDALONE LONG-TERM BORROWINGS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Term loan</b>						
Secured term loan from bank (Refer note below)	2.50	5.00	10.00	-	3.88	12.39
Less: Current maturities of long-term debt (Refer note-9)	(2.50)	(5.00)	(5.00)	-	(3.51)	(8.58)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5.00</b>	<b>-</b>	<b>0.37</b>	<b>3.81</b>

**Principal terms and conditions of secured loans as at 30th September 2016.**

The term loan of ₹ 2.5 million obtained for expansion at Guwahati, is secured by pledge of Debt Mutual Fund units with the bank. The term loan is repayable in balance 2 equal quarterly installments and the current interest rate is 11.55% p.a.

**NOTE 5:SUMMARY STATEMENT OF RESTATED STANDALONE DEFERRED TAX LIABILITIES (NET)**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Deferred tax liabilities:</b>						
On difference between book balance and tax balance of fixed assets	-	-	-	-	-	1.81
<b>Deferred tax asset:</b>						
Compensated absences	-	-	-	-	-	(0.86)
<b>Net Deferred tax Liabilities / (Assets)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.95</b>

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**NOTE 6:SUMMARY STATEMENT OF RESTATED STANDALONE OTHER LONG-TERM LIABILITIES:**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Trade deposits	16.67	17.37	7.74	7.75	15.39	22.00
Operating Lease Liabilities	8.70	7.48	5.63	2.98	0.81	-
<b>Total</b>	<b>25.37</b>	<b>24.85</b>	<b>13.37</b>	<b>10.73</b>	<b>16.20</b>	<b>22.00</b>

**NOTE 7:SUMMARY STATEMENT OF RESTATED STANDALONE LONG-TERM PROVISIONS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits						
Compensated absences	38.14	50.86	55.43	6.93	3.39	2.64
Provision for sales returns	169.01	180.12	144.45	163.28	148.94	86.53
<b>Total</b>	<b>207.15</b>	<b>230.98</b>	<b>199.88</b>	<b>170.21</b>	<b>152.33</b>	<b>89.17</b>

**NOTE 8:SUMMARY STATEMENT OF RESTATED STANDALONE TRADE PAYABLES**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Trade payables</b>						
Other than acceptances						
Due to micro and small enterprises	-	-	-	-	-	-
Due to others	594.64	278.94	360.97	326.45	191.38	155.43
<b>Total</b>	<b>594.64</b>	<b>278.94</b>	<b>360.97</b>	<b>326.45</b>	<b>191.38</b>	<b>155.43</b>

**NOTE 9:SUMMARY STATEMENT OF RESTATED STANDALONE OTHER CURRENT LIABILITIES**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Current maturities of long-term debt ( <i>Refer note-4</i> )	2.50	5.00	5.00	-	3.51	8.58
<b>Other payables:</b>						
Dividend distribution tax payable	-	169.13	-	-	-	-
Statutory liabilities	54.14	42.64	39.77	40.52	23.58	15.61
Advances from customers	2.21	3.42	5.92	3.62	2.86	2.23
Payable on purchase of fixed assets	1.79	1.62	2.63	23.33	0.01	0.58
Book overdraft	41.83	32.03	23.25	74.11	35.35	7.48
<b>Total</b>	<b>102.47</b>	<b>253.84</b>	<b>76.57</b>	<b>141.58</b>	<b>65.31</b>	<b>34.48</b>

**NOTE 10: SUMMARY STATEMENT OF RESTATED STANDALONE SHORT-TERM PROVISIONS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits						
Compensated absences	22.19	20.32	8.37	3.99	1.87	-
Gratuity ( <i>Refer note-29.3</i> )	15.23	5.58	8.98	7.44	8.22	-
Provision for income tax (net of advance tax)	54.04	-	-	2.71	10.38	42.16
Provision for sales returns	160.26	149.40	188.15	167.76	103.84	78.17
<b>Total</b>	<b>251.72</b>	<b>175.30</b>	<b>205.50</b>	<b>181.90</b>	<b>124.31</b>	<b>120.33</b>

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)  
NOTE 11: SUMMARY STATEMENT OF RESTATED STANDALONE FIXED ASSETS

(₹ in Million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1st April 2011	Additions	Deductions	Balance as at 31st March 2012	Balance as at 1st April 2011	Additions	Adjustments	Deductions	Balance as at 31st March 2012	Balance as at 31st March 2012	Balance as at 31st March 2011
<b>(a) Tangible Assets</b>											
Land	8.05	-	-	8.05	-	-	-	-	-	8.05	8.05
Building	-	22.65	-	22.65	-	0.98	-	-	0.98	21.67	-
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-
Vehicles	46.31	31.73	-	78.04	11.97	11.95	-	-	23.92	54.12	34.34
Furniture and fixtures	8.81	1.76	-	10.57	1.25	1.62	-	-	2.87	7.70	7.56
Equipment	24.59	3.99	-	28.58	9.60	4.72	-	-	14.32	14.26	14.99
<b>Total</b>	<b>87.76</b>	<b>60.13</b>	<b>-</b>	<b>147.89</b>	<b>22.82</b>	<b>19.27</b>	<b>-</b>	<b>-</b>	<b>42.09</b>	<b>105.80</b>	<b>64.94</b>
<b>(b) Intangible Assets</b>											
Trademarks	0.22	0.35	-	0.57	0.01	0.08	-	-	0.09	0.48	0.21
Computer Software – Acquired	0.19	-	-	0.19	0.08	0.04	-	-	0.12	0.07	0.11
<b>Total</b>	<b>0.41</b>	<b>0.35</b>	<b>-</b>	<b>0.76</b>	<b>0.09</b>	<b>0.12</b>	<b>-</b>	<b>-</b>	<b>0.21</b>	<b>0.55</b>	<b>0.32</b>
<b>Grand Total</b>	<b>88.17</b>	<b>60.48</b>	<b>-</b>	<b>148.65</b>	<b>22.91</b>	<b>19.39</b>	<b>-</b>	<b>-</b>	<b>42.30</b>	<b>106.35</b>	<b>65.26</b>

**NOTE 11: SUMMARY STATEMENT OF RESTATED STANDALONE FIXED ASSETS**

(₹ in Million)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at April 1, 2012	Additions	Deductions	Balance as at March 31, 2013	Balance as at April 1, 2012	Additions	Adjustments	Deductions	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
<b>(a)Tangible Assets</b>											
Land	8.05	-	-	8.05	-	-	-	-	-	8.05	8.05
Building	22.65	-	-	22.65	0.98	1.08	-	-	2.06	20.59	21.67
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-
Vehicles	78.04	32.07	9.55	100.56	23.92	13.90	-	4.59	33.23	67.33	54.12
Furniture and fixtures	10.57	22.46	-	33.03	2.87	2.73	-	-	5.60	27.43	7.70
Equipment	28.58	17.80	2.70	43.68	14.32	5.24	-	0.72	18.84	24.84	14.26
<b>Total</b>	<b>147.89</b>	<b>72.33</b>	<b>12.25</b>	<b>207.97</b>	<b>42.09</b>	<b>22.95</b>	<b>-</b>	<b>5.31</b>	<b>59.73</b>	<b>148.24</b>	<b>105.80</b>
<b>(b)Intangible Assets</b>											
Trademarks	0.57	0.39	-	0.96	0.09	0.12	-	-	0.21	0.75	0.48
Computer Software - Acquired	0.19	-	-	0.19	0.12	0.03	-	-	0.15	0.04	0.07
<b>Total</b>	<b>0.76</b>	<b>0.39</b>	<b>-</b>	<b>1.15</b>	<b>0.21</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>0.36</b>	<b>0.79</b>	<b>0.55</b>
<b>Grand Total</b>	<b>148.65</b>	<b>72.72</b>	<b>12.25</b>	<b>209.12</b>	<b>42.30</b>	<b>23.10</b>	<b>-</b>	<b>5.31</b>	<b>60.09</b>	<b>149.03</b>	<b>106.35</b>

**NOTE 11: SUMMARY STATEMENT OF RESTATED STANDALONE FIXED ASSETS**

(₹ in Million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at April 1, 2013	Additions	Deductions	Balance as at March 31, 2014	Balance as at April 1, 2013	Additions	Adjustments	Deductions	Balance as at March 31, 2014	Balance as at March 31, 2014	Balance as at March 31, 2013
<b>(a) Tangible Assets</b>											
Land	8.05	22.98	-	31.03	-	-	-	-	-	31.03	8.05
Building	22.65	200.63	-	223.28	2.06	1.40	-	-	3.46	219.82	20.59
Plant and machinery	-	247.34	-	247.34	-	0.63	-	-	0.63	246.71	-
Vehicles	100.56	12.75	0.85	112.46	33.23	18.23	-	0.47	50.99	61.47	67.33
Furniture and fixtures	33.03	12.51	1.09	44.45	5.60	5.15	-	0.64	10.11	34.34	27.43
Equipment	43.68	24.95	0.45	68.18	18.84	10.96	-	0.22	29.58	38.60	24.84
<b>Total</b>	<b>207.97</b>	<b>521.16</b>	<b>2.39</b>	<b>726.74</b>	<b>59.73</b>	<b>36.37</b>	<b>-</b>	<b>1.33</b>	<b>94.77</b>	<b>631.97</b>	<b>148.24</b>
<b>(b) Intangible Assets</b>											
Trademarks	0.96	0.57	-	1.53	0.21	0.20	-	-	0.41	1.12	0.75
Computer Software - Acquired	0.19	6.29	-	6.48	0.15	0.88	-	-	1.03	5.45	0.04
<b>Total</b>	<b>1.15</b>	<b>6.86</b>	<b>-</b>	<b>8.01</b>	<b>0.36</b>	<b>1.08</b>	<b>-</b>	<b>-</b>	<b>1.44</b>	<b>6.57</b>	<b>0.79</b>
<b>Grand Total</b>	<b>209.12</b>	<b>528.02</b>	<b>2.39</b>	<b>734.75</b>	<b>60.09</b>	<b>37.45</b>	<b>-</b>	<b>1.33</b>	<b>96.21</b>	<b>638.54</b>	<b>149.03</b>

**NOTE 11: SUMMARY STATEMENT OF RESTATED  
STANDALONE FIXED ASSETS**

(₹ in Million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at April 1, 2014	Additions	Deductions	Balance as at March 31, 2015	Balance as at April 1, 2014	Additions	Adjustments	Deductions	Balance as at March 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2014
<b>(a)Tangible Assets</b>											
Land	31.03	-	-	31.03	-	-	-	-	-	31.03	31.03
Building	223.28	10.02	-	233.30	3.46	20.68	-	-	24.14	209.16	219.82
Plant and machinery	247.34	22.30	-	269.64	0.63	47.87	-	-	48.50	221.14	246.71
Vehicles	112.46	49.83	1.68	160.61	50.99	32.78	-	1.10	82.67	77.94	61.47
Furniture and fixtures	44.45	4.50	-	48.95	10.11	10.01	-	-	20.12	28.83	34.34
Equipment	68.18	27.53	-	95.71	29.58	31.59	0.78	-	61.95	33.76	38.60
Electrical installation	-	4.91	-	4.91	-	0.99	-	-	0.99	3.92	-
<b>Total</b>	<b>726.74</b>	<b>119.09</b>	<b>1.68</b>	<b>844.15</b>	<b>94.77</b>	<b>143.92</b>	<b>0.78</b>	<b>1.10</b>	<b>238.37</b>	<b>605.78</b>	<b>631.97</b>
<b>(b)Intangible Assets</b>											
Trademarks	1.53	0.22	-	1.75	0.41	0.32	-	-	0.73	1.02	1.12
Computer Software – Acquired	6.48	2.85	-	9.33	1.03	2.42	-	-	3.45	5.88	5.45
<b>Total</b>	<b>8.01</b>	<b>3.07</b>	<b>-</b>	<b>11.08</b>	<b>1.44</b>	<b>2.74</b>	<b>-</b>	<b>-</b>	<b>4.18</b>	<b>6.90</b>	<b>6.57</b>
<b>Grand Total</b>	<b>734.75</b>	<b>122.16</b>	<b>1.68</b>	<b>855.23</b>	<b>96.21</b>	<b>146.66</b>	<b>0.78</b>	<b>1.10</b>	<b>242.55</b>	<b>612.68</b>	<b>638.54</b>

**NOTE 11: SUMMARY STATEMENT OF RESTATED STANDALONE FIXED ASSETS**

(₹ in Million)

Particulars	Gross block				Accumulated depreciation				Net block		
	As at April 1, 2015	Additions	Deductions	Balance as at March 31, 2016	Balance as at April 1, 2015	Additions	Adjustments	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>(a) Tangible assets</b>											
Land	31.03	-	-	31.03	-	-	-	-	-	31.03	31.03
Building	233.30	-	-	233.30	24.14	19.01	-	-	43.15	190.15	209.16
Plant and machinery	269.64	3.24	-	272.88	48.50	40.28	-	-	88.78	184.10	221.14
Vehicles	160.61	2.13	4.78	157.96	82.67	25.23	-	3.94	103.96	54.00	77.94
Furniture and fixtures	48.95	2.56	-	51.51	20.12	8.20	-	-	28.32	23.19	28.83
Equipment	95.71	220.48	-	316.19	61.95	98.67	-	-	160.62	155.57	33.76
Electrical installation	4.91	0.02	-	4.93	0.99	1.02	-	-	2.01	2.92	3.92
<b>Total</b>	<b>844.15</b>	<b>228.43</b>	<b>4.78</b>	<b>1,067.80</b>	<b>238.37</b>	<b>192.41</b>	<b>-</b>	<b>3.94</b>	<b>426.84</b>	<b>640.96</b>	<b>605.78</b>
<b>(b) Intangible assets</b>											
Trademarks	1.75	0.22	-	1.97	0.73	0.29	-	-	1.02	0.95	1.02
Computer Software - Acquired	9.33	2.91	-	12.24	3.45	2.79	-	-	6.24	6.00	5.88
<b>Total</b>	<b>11.08</b>	<b>3.13</b>	<b>-</b>	<b>14.21</b>	<b>4.18</b>	<b>3.08</b>	<b>-</b>	<b>-</b>	<b>7.26</b>	<b>6.95</b>	<b>6.90</b>
<b>Grand total</b>	<b>855.23</b>	<b>231.56</b>	<b>4.78</b>	<b>1,082.01</b>	<b>242.55</b>	<b>195.49</b>	<b>-</b>	<b>3.94</b>	<b>434.10</b>	<b>647.91</b>	<b>612.68</b>

**NOTE 11: SUMMARY STATEMENT OF RESTATED STANDALONE FIXED ASSETS**

(₹ in Million)

Fixed Assets	Gross Block			Balance as at September 30, 2016	Accumulated Depreciation				Net Block		
	Balance as at April 1, 2016	Additions	Deductions		Balance as at April 1, 2016	Additions	Adjustments	Deductions	Balance as at September 30, 2016	Balance as at September 30, 2016	Balance as at March 31, 2016
<b>(a) Tangible Assets</b>											
Land	31.03	-	-	31.03	-	-	-	-	-	31.03	31.03
Building	233.30	-	-	233.30	43.15	8.64	-	-	51.79	181.51	190.15
Plant and Machinery	272.88	3.57	-	276.45	88.78	16.81	-	-	105.59	170.86	184.10
Vehicles	157.96	1.67	4.35	155.28	103.96	8.55	-	3.54	108.97	46.31	54.00
Furnitures and Fixtures	51.51	-	-	51.51	28.32	3.11	-	-	31.43	20.08	23.19
Equipment	316.19	57.50	23.92	349.77	160.62	57.27	-	22.73	195.16	154.61	155.57
Electrical Installation	4.93	-	-	4.93	2.01	0.38	-	-	2.39	2.54	2.92
<b>Total</b>	<b>1,067.80</b>	<b>62.74</b>	<b>28.27</b>	<b>1,102.27</b>	<b>426.84</b>	<b>94.76</b>	<b>-</b>	<b>26.27</b>	<b>495.33</b>	<b>606.94</b>	<b>640.96</b>
<b>(b) Intangible Assets</b>											
Trademarks	1.97	0.03	-	2.00	1.02	0.07	-	-	1.09	0.91	0.95
Computer Software - Acquired	12.24	3.60	0.19	15.65	6.24	0.83	-	0.18	6.89	8.76	6.00
Brand	-	328.70	-	328.70	-	9.55	-	-	9.55	319.15	-
Non-compete fees	-	50.00	-	50.00	-	1.45	-	-	1.45	48.55	-
<b>Total</b>	<b>14.21</b>	<b>382.33</b>	<b>0.19</b>	<b>396.35</b>	<b>7.26</b>	<b>11.90</b>	<b>-</b>	<b>0.18</b>	<b>18.98</b>	<b>377.37</b>	<b>6.95</b>
<b>Grand Total</b>	<b>1,082.01</b>	<b>445.07</b>	<b>28.46</b>	<b>1,498.62</b>	<b>434.10</b>	<b>106.66</b>	<b>-</b>	<b>26.45</b>	<b>514.31</b>	<b>984.31</b>	<b>647.91</b>

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 12:SUMMARY STATEMENT OF RESTATED STANDALONE NON CURRENT INVESTMENTS

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Trade investments (unquoted) (valued at cost) (Refer note 29.4)</b>						
Investment in equity instruments	25.95	25.95	-	-	-	-
Investment in equity instruments of subsidiary	0.10	-	-	-	-	1.06
Investment in partnership firm	-	-	157.75	136.40	115.47	55.58
<b>Non-trade investment (valued at cost) (Refer note 29.4)</b>						
Investment in equity instruments (quoted)	15.00	15.00	15.00	-	-	-
Investment in National Saving Certificate	-	-	-	-	0.05	0.04
Investment in Mutual Fund (unquoted)	60.00	585.00	957.75	170.00	-	-
	101.05	625.95	1,130.50	306.40	115.52	56.68
Aggregate value of quoted investments	15.00	15.00	15.00	-	-	-
Aggregate Market value of quoted investments	11.79	11.58	13.00	-	-	-
Aggregate value of unquoted investments	86.05	610.95	1,115.50	306.40	115.52	56.68

NOTE 13:SUMMARY STATEMENT OF RESTATED STANDALONE DEFERRED TAX ASSETS (NET)

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Deferred tax assets</b>						
On difference between book balance and tax balance of fixed assets	46.18	26.92	8.90	0.69	0.56	-
Disallowances under Section 43B of the Income Tax Act, 1961	-	24.63	22.08	3.71	1.79	-
Others	3.01	2.59	1.94	1.01	0.27	-
<b>Deferred tax liability</b>						
Others	-	-	-	(3.44)	-	-
<b>Net Deferred tax Assets / (Liabilities)</b>	<b>49.19</b>	<b>54.14</b>	<b>32.92</b>	<b>1.97</b>	<b>2.62</b>	<b>-</b>

NOTE 14:SUMMARY STATEMENT OF RESTATED STANDALONE LONG-TERM LOANS AND ADVANCES

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Unsecured, considered good</b>						
<b>Loans and advances to related party (Refer note-29.1)</b>						
To subsidiary	-	-	5.86	5.86	-	-
Security deposits	44.08	42.49	40.79	43.26	34.69	28.70
Advance income tax (net of provision)	110.18	110.18	116.95	113.36	92.01	59.75
Minimum Alternate Tax credit entitlement	251.84	132.30	-	-	-	-
Advances recoverable in cash or kind or for value to be received	36.49	38.07	13.04	21.16	11.01	5.30
<b>Total</b>	<b>442.59</b>	<b>323.04</b>	<b>176.64</b>	<b>183.64</b>	<b>137.71</b>	<b>93.75</b>

NOTE 15:SUMMARY STATEMENT OF RESTATED STANDALONE OTHER NON-CURRENT ASSET

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Receivable on sale of Investment in subsidiary	24.00	-	-	-	-	-
<b>Total</b>	<b>24.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 16: SUMMARY STATEMENT OF RESTATED STANDALONE CURRENT INVESTMENTS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Trade investments</b>						
Investment in partnership firm	-	162.90	-	-	-	-
<b>Non-trade investment (unquoted) (valued at lower of cost and fair value) (Refer note 29.5)</b>						
Investment in mutual funds	2,519.61	1,271.23	692.40	669.64	465.00	134.52
Investment in tax free bonds	3.20	3.20	-	-	-	-
<b>Total</b>	<b>2,522.81</b>	<b>1,437.33</b>	<b>692.40</b>	<b>669.64</b>	<b>465.00</b>	<b>134.52</b>

**NOTE 17: SUMMARY STATEMENT OF RESTATED STANDALONE INVENTORIES**

(At lower of cost and net realisable value)

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Raw Material and Packing Material *	154.40	55.88	79.03	51.51	-	-
Work-in-progress	28.29	19.89	28.71	-	-	-
Finished goods	203.34	205.34	222.93	-	-	-
Stock-in-trade **	127.49	212.19	207.18	403.34	519.68	230.63
Stores, spares & consumables	1.43	1.28	0.48	-	-	8.98
<b>Total</b>	<b>514.95</b>	<b>494.58</b>	<b>538.33</b>	<b>454.85</b>	<b>519.68</b>	<b>239.61</b>

\* Goods in transit included in Raw material and Packing material

56.25      8.53      11.79      22.46      -      -

\*\* Goods in transit included in Stock-in-trade

6.08      0.25      -      -      31.14      18.79

**NOTE 18: SUMMARY STATEMENT OF RESTATED STANDALONE TRADE RECEIVABLES**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Unsecured, considered good</b>						
Outstanding for a period exceeding six months from the date they were due for payment	2.17	2.20	1.98	1.66	2.02	0.70
Others	522.56	251.42	234.23	221.43	163.94	143.37
<b>Total</b>	<b>524.73</b>	<b>253.62</b>	<b>236.21</b>	<b>223.09</b>	<b>165.96</b>	<b>144.07</b>

**NOTE 19: SUMMARY STATEMENT OF RESTATED STANDALONE CASH AND CASH EQUIVALENTS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>(a) Cash and cash equivalents</b>						
Cash on hand	1.32	15.41	8.65	5.38	4.85	1.98
Balances with banks in current accounts	74.54	69.35	40.42	53.64	7.91	25.35
<b>(b) Other bank balances</b>						
In fixed deposit accounts having original maturity of more than 3 months	0.54	0.53	0.05	-	22.40	61.30
<b>Total</b>	<b>76.40</b>	<b>85.29</b>	<b>49.12</b>	<b>59.02</b>	<b>35.16</b>	<b>88.63</b>

**NOTE 20: SUMMARY STATEMENT OF RESTATED STANDALONE SHORT-TERM LOANS AND ADVANCES**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Unsecured, considered good</b>						
<b>Loans and advances to related party (Refer note-29)</b>						
To subsidiaries	90.00	5.86	-	-	-	14.83
Security deposits	0.14	0.23	5.42	44.15	21.00	0.72
Loans and advances to employees	17.21	15.40	8.08	8.90	8.77	5.17
Prepaid expenses	4.78	9.30	7.99	8.38	8.03	4.00
Advance income tax (net of provision)	-	9.24	-	-	-	-
<b>Balances with government authorities</b>						
Cenvat credit receivable	15.11	9.61	11.32	21.35	0.41	-
Others	2.73	1.26	0.56	0.53	-	-
Advance recoverable in cash or kind or for value to be received (includes advances to suppliers)	92.28	46.08	34.34	55.37	110.70	69.57
<b>Total</b>	<b>222.25</b>	<b>96.98</b>	<b>67.71</b>	<b>138.68</b>	<b>148.91</b>	<b>94.29</b>

**NOTE 21: SUMMARY STATEMENT OF RESTATED STANDALONE OTHER CURRENT ASSETS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Insurance claim receivable	0.57	2.09	2.27	-	-	-
Interest accrued	0.19	0.27	-	-	-	-
Receivable on sale of Investment in subsidiary	41.00	-	-	-	-	-
<b>Total</b>	<b>41.76</b>	<b>2.36</b>	<b>2.27</b>	<b>-</b>	<b>-</b>	<b>-</b>

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 22: SUMMARY STATEMENT OF RESTATED STANDALONE REVENUE FROM OPERATIONS

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Sale of products <sup>(21.1), (21.2)</sup>	3,664.83	6,023.25	5,472.41	5,084.53	3,929.76	2,739.09
Less: Excise duty	(105.39)	(177.59)	(89.30)	-	-	-
<b>Sale of Products (net) (A)</b>	<b>3,559.44</b>	<b>5,845.66</b>	<b>5,383.11</b>	<b>5,084.53</b>	<b>3,929.76</b>	<b>2,739.09</b>
Excise duty refund	65.57	119.15	64.29	-	-	-
Profit from partnership firm	45.95	85.29	24.64	116.44	239.89	119.08
Others	2.66	4.73	7.82	3.65	0.54	-
<b>Other operating income (B)</b>	<b>114.18</b>	<b>209.17</b>	<b>96.75</b>	<b>120.09</b>	<b>240.43</b>	<b>119.08</b>
<b>Total (A+B)</b>	<b>3,673.62</b>	<b>6,054.83</b>	<b>5,479.86</b>	<b>5,204.62</b>	<b>4,170.19</b>	<b>2,858.17</b>

(21.1) Details of Products sold

Tablets and Capsules	3,448.66	5,641.77	5,152.36	4,832.93	3,787.25	2,659.67
Other	216.17	381.48	320.05	251.60	142.51	79.42
<b>Total</b>	<b>3,664.83</b>	<b>6,023.25</b>	<b>5,472.41</b>	<b>5,084.53</b>	<b>3,929.76</b>	<b>2,739.09</b>

(21.2) Details of Products sold

Sale of manufactured products	1,875.02	3,105.62	1,538.76	-	-	-
Sale of traded products	1,789.81	2,917.63	3,933.65	5,084.53	3,929.76	2,739.09
<b>Total</b>	<b>3,664.83</b>	<b>6,023.25</b>	<b>5,472.41</b>	<b>5,084.53</b>	<b>3,929.76</b>	<b>2,739.09</b>

NOTE 23: SUMMARY STATEMENT OF RESTATED STANDALONE OTHER INCOME

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Interest income (Recurring)	2.61	3.29	0.18	1.10	2.37	11.04
Dividend income from non current Investment (Recurring)	0.18	0.30	-	0.18	9.52	3.76
Dividend income from subsidiary (Recurring)	-	-	-	-	-	12.50
Net gain on non current investments sold (Recurring)	100.55	-	-	-	-	-
Net gain on current investments sold (Recurring)	13.90	29.07	33.15	42.32	2.17	-
Provision for diminution in value of investment written back (Non Recurring)	13.50	-	-	-	-	-
Profit on fixed assets sold (Non Recurring)	-	-	0.17	-	-	-
Miscellaneous income (Recurring)	0.08	0.17	0.78	-	0.04	-
<b>Total</b>	<b>130.82</b>	<b>32.83</b>	<b>34.28</b>	<b>43.60</b>	<b>14.10</b>	<b>27.30</b>

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 24: SUMMARY STATEMENT OF RESTATED STANDALONE COST OF MATERIAL CONSUMED

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>Raw materials and packing materials</b>						
Opening stock	55.88	79.03	51.51	-	-	-
Add: Purchases during the year / period	309.95	358.32	344.79	51.51	-	-
Less: Closing stock	(154.40)	(55.88)	(79.03)	(51.51)	-	-
<b>Total</b>	<b>211.43</b>	<b>381.47</b>	<b>317.27</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE 25: SUMMARY STATEMENT OF RESTATED STANDALONE CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>Opening stock</b>						
Stock-in-trade	212.19	207.18	403.34	519.68	230.63	145.71
Finished goods	205.34	222.93	-	-	-	-
Work-in-progress	19.89	28.71	-	-	-	-
	<b>437.42</b>	<b>458.82</b>	<b>403.34</b>	<b>519.68</b>	<b>230.63</b>	<b>145.71</b>
<b>Less: Closing stock</b>						
Stock-in-trade	127.49	212.19	207.18	403.34	519.68	230.63
Finished goods	203.34	205.34	222.93	-	-	-
Work-in-progress	28.29	19.89	28.71	-	-	-
	<b>359.12</b>	<b>437.42</b>	<b>458.82</b>	<b>403.34</b>	<b>519.68</b>	<b>230.63</b>
<b>Net (Increase) / decrease in stocks</b>	<b>78.30</b>	<b>21.40</b>	<b>(55.48)</b>	<b>116.34</b>	<b>(289.05)</b>	<b>(84.92)</b>

**NOTE 26: SUMMARY STATEMENT OF RESTATED STANDALONE EMPLOYEE BENEFITS EXPENSES**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, wages and bonus	593.09	1,131.17	1,105.81	823.94	611.30	392.41
Contribution to provident and other funds	21.72	57.44	103.55	33.12	27.34	18.00
Staff welfare expenses	8.19	34.95	28.17	21.47	14.37	5.98
<b>Total</b>	<b>623.00</b>	<b>1,223.56</b>	<b>1,237.53</b>	<b>878.53</b>	<b>653.01</b>	<b>416.39</b>

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**NOTE 27: SUMMARY STATEMENT OF RESTATED STANDALONE OTHER EXPENSES**

(₹ in Million)

Particulars	Six Months ended	Year ended	Year ended	Year ended	Year ended	Year ended
	Sept 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Power and fuel	16.05	27.38	41.31	2.36	1.48	0.98
Consumption of stores and spares (Indigenous)	9.12	20.82	14.85	5.82	-	-
Labour and security	9.49	13.13	12.08	-	-	-
Testing charges	3.16	9.07	8.32	3.36	-	-
Excise duties	11.70	7.85	55.03	-	-	-
Rent	21.75	56.62	38.51	27.49	20.80	10.63
Freight and forwarding	35.25	64.01	62.45	40.31	30.02	23.93
Commission	69.04	117.60	104.62	109.65	86.67	76.66
Advertising, publicity and awareness	177.21	444.40	336.77	730.60	276.76	126.38
<b>Repairs and maintenance</b>						
Buildings	8.70	15.13	16.67	2.53	-	6.23
Machinery	0.22	0.52	0.12	-	-	-
Other	6.99	5.37	5.75	4.80	22.55	3.26
Selling and distribution	60.49	197.49	200.84	246.86	234.36	196.45
Travelling and conveyance	318.42	615.68	718.83	650.66	583.01	552.66
Communication	12.40	22.14	22.75	14.01	37.54	27.45
Legal and professional	182.02	300.29	331.98	299.17	267.07	169.30
Rates and taxes	13.71	25.97	32.99	19.46	9.59	7.11
Insurance	2.96	6.95	4.98	3.31	2.67	2.12
Payments to statutory auditor-for audit	-	1.38	0.93	0.93	0.56	0.50
Payments to cost auditor-for audit	-	0.09	-	-	-	-
Loss on fixed assets sold	1.74	0.55	-	0.66	5.62	-
Debts written off	-	-	-	-	34.58	-
Preliminary expenses	-	-	0.26	0.26	0.32	0.32
Donations	0.08	0.60	1.06	0.37	0.19	-
Bank charges	0.24	1.57	0.02	0.25	0.51	0.82
Diminution in value of Investment	3.97	-	-	-	-	-
Loss on sale of partnership firm	13.49	-	-	-	-	-
Provision for diminution in non current investment	-	13.49	-	-	1.06	-
Miscellaneous	2.69	6.40	5.47	1.03	3.07	2.74
<b>Total</b>	<b>980.89</b>	<b>1,974.50</b>	<b>2,016.59</b>	<b>2,163.89</b>	<b>1,618.43</b>	<b>1,207.54</b>

**NOTE 28: SUMMARY STATEMENT OF RESTATED STANDALONE FINANCE COST**

(₹ in Million)

Particulars	Six Months ended	Year ended	Year ended	Year ended	Year ended	Year ended
	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Interest expense on borrowings	0.43	1.20	0.06	0.37	2.66	3.87
<b>Total</b>	<b>0.43</b>	<b>1.20</b>	<b>0.06</b>	<b>0.37</b>	<b>2.66</b>	<b>3.87</b>

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**NOTE 29: OTHER NOTES**

**Note 29.1 Related Party Disclosures**

List of Related Parties and description of their relationship is as follows:

Sr. No	Name of the entity	Relationship
1	Mr. Amit Bakshi, Managing Director	Key Managerial Personnel
2	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund	Enterprise controlled by the Company
3	Sozin Flora Pharma	Enterprise controlled by the Company (Upto August 31, 2016)
4	Eris Therapeutics Private Limited	Subsidiary
5	Aprica Healthcare Private Limited	Subsidiary

**Transactions with related parties are as follows:**

(₹ in Million)

Sr. No	Particulars	Relationship	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>1</b>	<b>Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund</b>	<b>Enterprise controlled by the Company</b>						
	Contribution to gratuity fund		10.47	5.58	8.99	7.44	8.32	3.01
<b>2</b>	<b>Mr. Amit Bakshi</b>	<b>Key Managerial Personnel</b>						
	Salary and commission		9.82	25.39	54.90	49.93	24.91	15.82
<b>3</b>	<b>Sozin Flora Pharma</b>	<b>Enterprise controlled by the Company</b>						
	Purchases of Stock-in-trade		172.71	440.18	216.72	500.80	761.31	338.43
	Sales of material		0.16	2.87	11.99	-	-	-
	Purchase of material		4.61	1.36	5.55	-	-	-
	Purchase of asset		3.14	-	1.28	-	-	-
	Share of profit from partnership		45.95	85.30	24.64	116.44	239.89	119.08
<b>4</b>	<b>Eris Therapeutics Private Limited</b>	<b>Subsidiary</b>						
	Advances written off		-	-	-	-	15.53	-
	Loans given		-	-	-	5.86	-	3.73
	Dividend received		-	-	-	-	-	12.50
	Interest Income		-	-	-	-	-	2.03
<b>5</b>	<b>Aprica Healthcare Private Limited</b>	<b>Subsidiary</b>						
	Loans and Advances Given		90.00	-	-	-	-	-
	Royalty Income		0.81	-	-	-	-	-

## Balances with related parties as at end of the year / period

(₹ in Million)

Sr. No	Particulars	Relationship	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>1</b>	<b>Sozin Flora Pharma</b>	<b>Enterprise controlled by the Company</b>						
	Trade payable		N.A.	55.04	41.61	34.76	40.28	40.67
	Investment in partnership firm			176.40	157.75	136.40	115.47	55.58
<b>2</b>	<b>Eris Therapeutics Private Limited</b>	<b>Subsidiary</b>						
	Loans and advances Given		-	5.86	5.86	5.86	-	14.83

<b>3</b>	<b>Aprica Healthcare Private Limited</b>	<b>Subsidiary</b>						
	Loans and advances Given		90.00	-	-	-	-	-
	Trade Receivable		0.81	-	-	-	-	-

**Note 29.2 Segment Reporting**

The primary and secondary reportable segments considered are business segments and geographical segments respectively. The company operates in a solitary business segment i.e. pharmaceuticals. Accordingly, no further disclosures for business segments have been given. Since the company has its operations in India only, there are no disclosures relating to geographical segment. Hence, the financial statements are reflective of the information required by Accounting Standard 17 specified under Section 133 of the Companies Act, 2013.

**Note 29.3 Retirement benefit plans:****A) Defined contribution plans:**

The company makes Provident Fund contributions, which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to fund the benefits. The company recognised following amounts as an expense included in Note-26 'Contribution to Provident Fund and Other funds' in the statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of schemes. The company makes contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The company recognised following amounts in note 26 'contribution to Provident Fund and Other Funds' in the statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of scheme.

(₹ in Million)

Particulars	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Provident Fund Contribution	20.57	41.65	33.91	19.86	16.28	12.00
Contribution to ESIC	1.52	1.98	1.36	0.15	0.13	0.01

**B) Defined benefit plans:**

The company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 4.5 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

The following table sets out the status of the gratuity plan as required under AS-15 and the amounts recognized in the Company's restated financial statements:

(₹ in Million)

Particulars	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Change in present value of obligations :</b>						
Obligations at beginning of the year / period	45.33	38.16	26.07	17.98	8.86	5.12
Service Cost	5.22	9.72	9.52	7.63	4.47	2.69
Interest Cost	1.69	2.57	1.86	1.44	0.71	0.41
Actuarial (gain)/loss	4.27	2.33	6.46	(0.37)	3.94	0.64
Benefits paid	(1.99)	(7.45)	(5.75)	(0.61)	-	-
Obligations at the end of the year / period	<b>54.52</b>	<b>45.33</b>	<b>38.16</b>	<b>26.07</b>	<b>17.98</b>	<b>8.86</b>
<b>Change in plan assets :</b>						
Fair value of plan assets at the beginning of the year / period	39.75	29.18	18.63	9.76	8.89	2.73
Expenses deducted from the fund	(0.61)	(1.02)	-	-	-	-
Expected returns on plan assets	1.48	2.00	2.18	1.26	0.81	0.72
Actuarial (loss)/gain	(0.17)	0.67	-	-	-	-
Employer Contributions	0.83	9.82	14.12	8.22	0.06	5.44
Benefits paid	(1.99)	(7.45)	(5.75)	(0.61)	-	-
Adjustment to the fund	-	6.55	-	-	-	-
Fair Value of plan assets at the end of the year / period	<b>39.29</b>	<b>39.75</b>	<b>29.18</b>	<b>18.63</b>	<b>9.76</b>	<b>8.89</b>
<b>Reconciliation of Present Value of Obligation and the fair value of plan assets :</b>						
Present value of the defined benefit obligation at the end of the year / period	54.52	45.33	38.16	26.07	17.98	8.86
Less : Fair value of plan assets	39.29	39.75	29.18	18.63	9.76	8.89
Funded status [Surplus/(deficit)]	(15.23)	(5.58)	(8.98)	(7.44)	(8.22)	0.03
Net liability recognised in the Balance Sheet	(15.23)	(5.58)	(8.98)	(7.44)	(8.22)	0.03
<b>Gratuity Cost for the year / period</b>						
Service Cost	5.22	9.72	9.52	7.63	4.47	2.69
Interest Cost	1.69	2.57	1.86	1.44	0.71	0.41
Expected returns on plan assets	(1.48)	(2.00)	(2.18)	(1.26)	(0.81)	(0.72)
Actuarial (gain)/loss	4.44	1.66	6.46	(0.37)	3.94	0.64
Expenses deducted from the fund	0.61	1.02	-	-	-	-
Adjustment to the fund	-	(6.55)	-	-	-	-
Net Gratuity cost charged to Statement of Profit and Loss	<b>10.48</b>	<b>6.42</b>	<b>15.66</b>	<b>7.44</b>	<b>8.31</b>	<b>3.02</b>
<b>Assumptions: <sup>(1)</sup></b>						
Discount rate	6.80%	7.45%	8.00%	8.00%	8.00%	8.00%
Estimated rate of return on plan assets	6.80%	7.45%	8.00%	8.00%	9.15%	9.15%
Annual increase in salary costs	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

(1) The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets is determined on the nature of assets and prevailing economic scenario.

The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.

(₹ in Million)

Particulars	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Experience Adjustment</b>						
Defined benefit obligation	54.52	45.33	38.16	26.07	17.98	8.86
Plan assets	39.29	39.75	29.18	18.63	9.76	8.89
Surplus/(deficit)	(15.23)	(5.58)	(8.98)	(7.44)	(8.22)	0.03
Experience adjustments on plan liabilities [ (Gains) / Losses ]	4.27	2.33	6.46	(0.37)	3.94	0.64
Experience adjustments on plan assets [ Gains / (Losses) ]	(0.17)	0.67	-	-	-	-

**Investment details of plan assets:**

The plan assets are managed by Insurance Company viz Life Insurance Corporation of India who has invested the funds substantially as under:

Particulars	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
	%	%	%	%	%	%
Policy of insurance	79%	84%	100%	100%	100%	100%
Deposits with banks in saving account	21%	16%	-	-	-	-

**Note 29.4 Non current investments**

(₹ in Million)

Particulars	Face value per unit/share)	As at September 30, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
		Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)
<b>A. Trade investments in equity instruments (unquoted) (valued at cost)</b>													
<b>(i) of subsidiaries</b>													
Investment in Equity Instrument of Eris Therapeutics Private Limited (Subsidiary), fully paid equity shares of ₹ 10 each	10	10,000	1.06	10,000	1.06	10,000	1.06	10,000	1.06	10,000	1.06	10,000	1.06
Less: Provision for diminution in value of investments			(1.06)		(1.06)		(1.06)		(1.06)		(1.06)		-
Investment in Equity Instrument of Aprica	1	1,00,000	0.10	-	-	-	-	-	-	-	-	-	-

Particulars	Face value per unit/share)	As at September 30, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
		Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)
Healthcare Private Limited (Subsidiary), fully paid equity shares													
<b>(ii) of other entities</b>													
Investment in equity instruments of S3V Vascular Technologies Private Limited, fully paid equity shares of Rs.10 each	10	3,81,588	25.95	3,81,588	25.95	-	-	-	-	-	-	-	-
<b>B. Investment in partnership firm</b> (29.4.1)		-	-	-	-	-	157.75	-	136.40	-	115.47	-	55.58
<b>C. Non-trade investment (valued at cost)</b>													
Investment in equity instruments of HCL Technologies, fully paid equity shares of Rs.2 each (quoted)	2	14,745	15.00	14,745	15.00	14,745	15.00	-	-	-	-	-	-
Investment in National Saving Certificate		-	-	-	-	-	-	-	-	-	0.05	-	0.04

Particulars	Face value per unit/share)	As at September 30, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at Marh 31, 2012	
		Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)
<b>Investment in Mutual Fund (unquoted)</b>													
Reliance Fixed Horizon Fund XXV S17	10	-	-	60,00,000	60.00	60,00,000	60.00	60,00,000	60.00	-	-	-	-
BSL FTP-Series JX-Growth	10	60,00,000	60.00	60,00,000	60.00	60,00,000	60.00	60,00,000	60.00	-	-	-	-
ICICI Prudential FMP Series 74	10	-	-	1,65,00,000	165.00	1,65,00,000	165.00	-	-	-	-	-	-
BSL FTP Series LU	10	-	-	1,00,00,000	100.00	1,00,00,000	100.00	-	-	-	-	-	-
Reliance FMP-XXVII-Series 3 (1109 days)	10	-	-	1,00,00,000	100.00	1,00,00,000	100.00	-	-	-	-	-	-
Reliance FMP-XXVII-Series 4 (1105 days)	10	-	-	1,00,00,000	100.00	1,00,00,000	100.00	-	-	-	-	-	-
LIC Nomura MF FMP Series 64	10	-	-	-	-	50,00,000	50.00	50,00,000	50.00	-	-	-	-
Kotak FMP Series 105	10	-	-	-	-	1,25,00,000	125.00	-	-	-	-	-	-
HDFC FMP 370D July 2013	10	-	-	-	-	82,74,980	82.75	-	-	-	-	-	-
Birla Sun Life Fixed Term Plan-Series IC	10	-	-	-	-	65,00,000	65.00	-	-	-	-	-	-
Sundaram Fixed Term Plan-DY	10	-	-	-	-	50,00,000	50.00	-	-	-	-	-	-
			101.05		625.95		1,130.50		306.40		115.52		56.68

Particulars	Face value per unit/share)	As at September 30, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
		Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)
Aggregate value of quoted investments			15.00		15.00		15.00		-		-		-
Aggregate Market value of quoted investments			11.79		11.58		13.00		-		-		-
Aggregate value of unquoted investments			86.05		610.95		1,115.50		306.40		115.52		56.68

(29.4.1) Details relating to restated investment in partnership firm:

Name of the firm: Sozin Flora Pharma		(₹ in Million)											
Names of partners in the firm		As at September 30, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
		Profit sharing ratio (%)	Closing capital										
Eris Lifesciences Private Limited		N.A.		99.00%	176.40	99.00%	157.75	99.00%	136.40	99.00%	115.47	99.00%	55.58
Mr. Dinesh Jain			0.40%	1.28	0.40%	0.93	0.40%	3.54	0.40%	4.86	0.40%	6.69	
Mr. Sukhmal Jain			0.30%	0.38	0.30%	0.12	0.30%	2.65	0.30%	3.64	0.30%	5.02	
Mr. Rajesh Jain			0.30%	2.92	0.30%	2.66	0.30%	5.20	0.30%	6.15	0.30%	6.37	
<b>Total</b>			<b>100.00%</b>	<b>180.97</b>	<b>100.00%</b>	<b>161.46</b>	<b>100.00%</b>	<b>147.80</b>	<b>100.00%</b>	<b>130.11</b>	<b>100.00%</b>	<b>73.64</b>	

The Board of directors, in their meeting held on August 11, 2016 decided to dispose of the investment in partnership firm "Sozin Flora Pharma" at a consideration of ₹65 Million. The retirement in the partnership resulted in a loss of ₹ 13.49 Million to the company.

**ERIS LIFESCIENCES LIMITED**  
(Formerly known as Eris  
Lifesciences Private Limited)

**Note 29.5 Current investments**

(₹ in Million)

Particulars	Face value (per unit/share)	As at September 30, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
		Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)
Trade investments (unquoted) (valued at lower of cost and fair value)													
Investment in partnership firm (29.4.1)		-	-	-	176.40	-	-	-	-	-	-	-	-
Less: Provision for diminution in value of investments		-	-	-	(13.49)	-	-	-	-	-	-	-	-
Non-trade investment (unquoted) (valued at lower of cost and fair value)													
Investment in mutual funds													

Particulars	Face value (per unit/share)	As at September 30, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
		Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)
Birla Sun Life Cash Manager - IP	100	-	-	-	-	-	-	-	-	-	-	2,54,057	25.41
Birla Sun Life Dynamic Bond Fund	10	-	-	-	-	-	-	-	-	-	-	11,19,263	20.00
HDFC Cash Management Fund	10	-	-	-	-	-	-	-	-	-	-	47,45,719	47.61
IDFC Money Manager Fund-Treasury Plan B	10	-	-	-	-	-	-	-	-	-	-	41,20,663	41.50
IDFC Dynamic Bond Fund	10	-	-	-	-	-	-	1,12,18,562	150.00	1,12,18,562	150.00	-	-
Birla Sunlife Fixed Term Plan Series FN-G	10	-	-	-	-	-	-	-	-	20,00,000	20.00	-	-
HDFC FMP 370D May 2012 (1) Series XXI	10	-	-	-	-	-	-	-	-	10,00,000	10.00	-	-
HDFC FMP 371D July-2012(2)-G-Series 22	10	-	-	-	-	-	-	-	-	30,00,000	30.00	-	-
HDFC FMP 371D June-2012(1)-G-Series 22	10	-	-	-	-	-	-	-	-	20,00,000	20.00	-	-
ICICI Pru. FMP Series 64-367 Days Plan B	10	-	-	-	-	-	-	-	-	20,00,000	20.00	-	-
SBI Debt Fund Series 366D-10	10	-	-	-	-	-	-	-	-	50,00,000	50.00	-	-
SBI Debt Fund Series 366D-15	10	-	-	-	-	-	-	-	-	75,00,000	75.00	-	-

Particulars	Face value (per unit/share)	As at September 30, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
		Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)
SBI Debt Fund Series 366D-2	10	-	-	-	-	-	-	-	-	40,00,000	40.00	-	-
SBI Debt Fund Series 366D-6	10	-	-	-	-	-	-	-	-	20,00,000	20.00	-	-
Sundaram MF FMP Plan CT 367 Days	10	-	-	-	-	-	-	-	-	20,00,000	20.00	-	-
TATA FMP Series 40 Scheme-H	10	-	-	-	-	-	-	-	-	10,00,000	10.00	-	-
DWS Treasury Fund - Bonus	100	-	-	-	-	-	-	4,07,524	4.06	-	-	-	-
LIC Nomura MF FMP Series 64	10	-	-	57,62,500	59.18	-	-	-	-	-	-	-	-
Kotak FMP Series 105	10	-	-	1,27,08,000	127.54	-	-	1,25,00,000	125.00	-	-	-	-
HDFC FMP 370D July 2013	10	-	-	93,66,640	96.05	-	-	82,74,980	82.75	-	-	-	-
Birla Sun Life Fixed Term Plan-Series IC	10	-	-	65,00,000	65.00	-	-	65,00,000	65.00	-	-	-	-
Sundaram Fixed Term Plan-DY	10	50,00,000	50.00	50,00,000	50.00	-	-	50,00,000	50.00	-	-	-	-
Reliance FMP Series 10	10	-	-	17,00,000	20.75	-	-	-	-	-	-	-	-
Reliance FMP Series 11	10	-	-	7,62,500	9.31	-	-	-	-	-	-	-	-
Sundaram Money Fund	10	12,89,414	11.63	12,89,414	15.60	12,89,414	15.60	7,53,541	15.60	-	-	-	-
Sundaram Select Debt Short Term Plan	10	9,58,168	10.00	9,58,168	10.00	9,58,168	10.00	9,58,168	10.00	-	-	-	-
J.M. Arbitrage Advantage Fund	10	-	-	22,84,222	22.80	22,84,222	22.80	-	-	-	-	-	-

Particulars	Face value (per unit/share)	As at September 30, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
		Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)	Units/Shares (Numbers)	(₹ in Million)
HDFC Corporate Debt Opportunity Fund	10	1,81,93,890	200.00	1,81,93,890	200.00	1,81,93,890	200.00	-	-	-	-	-	-
Franklin India Corporate Bond Opportunities Fund	10	1,64,51,486	230.00	1,64,51,486	230.00	1,64,51,486	230.00	-	-	-	-	-	-
BSL Short Term Opportunities Fund	10	23,52,597	45.00	23,52,597	45.00	23,52,597	45.00	23,52,597	45.00	-	-	-	-
Kotak Medium Term Fund	10	2,78,96,191	320.00	2,78,96,191	320.00	-	-	-	-	-	-	-	-
BSL Floating Rate STP	10	-	-	-	-	9,09,477	169.00	7,23,073	122.23	-	-	-	-
Reliance Fixed Horizon Fund XXV S17	10	60,00,000	60.00	-	-	-	-	-	-	-	-	-	-
ICICI Prudential FMP Series	10	1,65,00,000	165.00	-	-	-	-	-	-	-	-	-	-
BSL FTP Series LU	10	1,00,00,000	100.00	-	-	-	-	-	-	-	-	-	-
Reliance FMP-XXVII-Series 3 (1109 days)	10	1,00,00,000	100.00	-	-	-	-	-	-	-	-	-	-
Reliance FMP-XXVII-Series 4 (1105 days)	10	1,00,00,000	100.00	-	-	-	-	-	-	-	-	-	-
ICICI Prudential Liquid Fund	10	13,27,148	306.80	-	-	-	-	-	-	-	-	-	-
Kotak Mahindra Liquid Fund	10	75,460	238.68	-	-	-	-	-	-	-	-	-	-
SBI Premier Liquid Fund	10	1,17,022	285.00	-	-	-	-	-	-	-	-	-	-

		<u>As at September 30, 2016</u>		<u>As at March 31, 2016</u>		<u>As at March 31, 2015</u>		<u>As at March 31, 2014</u>		<u>As at March 31, 2013</u>		<u>As at March 31, 2012</u>	
<b>Particulars</b>	<b>Face value (per unit/share)</b>	<b>Units/Shares (Numbers)</b>	<b>(₹ in Million)</b>	<b>Units/Shares (Numbers)</b>	<b>(₹ in Million)</b>	<b>Units/Shares (Numbers)</b>	<b>(₹ in Million)</b>	<b>Units/Shares (Numbers)</b>	<b>(₹ in Million)</b>	<b>Units/Shares (Numbers)</b>	<b>(₹ in Million)</b>	<b>Units/Shares (Numbers)</b>	<b>(₹ in Million)</b>
Axis Liquid Fund A/c	10	1,72,527	297.50	-	-	-	-	-	-	-	-	-	-
<b>Investment in Tax Free Bonds</b>													
REC Tax Free Bonds	1,000	1,000.00	1.07	1,000	1.07	-	-	-	-	-	-	-	-
IRFC Tax Free Bonds	1,000	1,000.00	1.08	1,000	1.08	-	-	-	-	-	-	-	-
HUDCO Tax Free Bonds	1,000	1,000.00	1.05	1,000	1.05	-	-	-	-	-	-	-	-
			2,522.81		1,437.33		692.40		669.64		465.00		134.52
Aggregate value of unquoted investments			2,522.81		1,437.33		692.40		669.64		465.00		134.52

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**Note 29.6 Details of leasing agreements:**

The Company has entered into operating leases for office premises & warehouses.

(₹ in Million)

Particulars	Six Months ended	Year ended	Year ended	Year ended	Year ended	Year ended
	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Lease payments recognised in the statement of profit & loss as 'Rent' under Other expenses.	21.75	56.62	38.51	27.49	20.80	10.63

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
	The total future minimum lease payments under non-cancellable leases are as below:					
- Not later than one year	20.85	24.95	19.01	18.20	14.50	-
- Later than one year and not later than 5 years	80.33	90.31	84.63	80.21	76.55	-
- Later than five years	11.52	21.89	45.97	69.41	91.26	-

**Note 29.7 Contingent Liability:**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
	Demands by Income Tax disputed by Company	-	-	3.12	-	0.53

**Note 29.8 Micro Small & Medium Enterprises:**

Based on the information available with the Company, there are no enterprises covered under the definition of Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This has been relied upon by the Auditors.

**Note 29.9: CSR expenditure**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
	(a) Gross amount required to be spent by the company during the year	*	19.94	17.37	N.A.	N.A.
(b) Gross amount spent by the company during the year	-	-	-	-	-	-

\* Amount required for the year hence for six months ended September 30, 2016 not mentioned.

**Note 29.10: CIF Value of Imports**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012
	Acquisition of fixed assets	-	9.05	-	-	-
Other	0.31	22.87	-	-	-	-

**Note 29.11: Employee stock option scheme**

The Company has introduced 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") through the resolution passed by the Board of Directors on 2 February, 2017 subject to shareholders approval. Under the scheme, board of director is authorised to create, offer and grant from time to time up to 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) Employee Stock Options in one or more tranches to the permanent employees, existing and future, including the Directors (but excluding the Independent Directors) of the Company, as may be decided solely by the Board under the Plan, exercisable into not more than 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) fully paid-up Equity Shares of the Company in aggregate of face value of ₹ 1 each, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**Note 29.12: Earnings per share**

(₹ in million)

Sr. No.	Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
1	Profit after tax as restated (₹. in million)	1,265.41	1,379.71	833.25	655.27	657.96	432.92
2	Weighted average number of equity shares outstanding*	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000
3	Basic and diluted earnings per share (in ₹)	**9.20	10.03	6.06	4.77	4.79	3.15
4	Face value per equity share (in ₹)	1.00	1.00	1.00	1.00	1.00	1.00

\*Number of shares considered are after giving effect of share split and issue of bonus shares.

\*\* Not annualised

**For and on behalf of the Board of Directors**

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Director  
DIN: 01301025

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary

**Place: Ahmedabad**

**Date: 2<sup>nd</sup> February, 2017**

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**ANNEXURE: VI**

**RESTATED SUMMARY STATEMENT OF ACCOUNTING RATIOS**

Particulars		Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>A.</b>	Net Profit after tax as restated - attributable to equity shareholders - (₹ In Million)	1,265.41	1,379.71	833.25	655.27	657.96	432.92
<b>B.</b>	Net Worth - (₹ In Million)	4,322.69	3,057.29	2,677.49	1,844.96	1,189.69	531.73
<b>C.</b>	Total number of shares outstanding at the end of the year / period - (in numbers)(without giving effect of share split and issue of bonus share )	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500
<b>D.</b>	Share Split from ₹10 to ₹1 per share (Refer Note 5)	12,37,500	12,37,500	12,37,500	12,37,500	12,37,500	12,37,500
<b>E.</b>	Total number of Bonus shares issued (Refer Note 5)	13,61,25,000	13,61,25,000	13,61,25,000	13,61,25,000	13,61,25,000	13,61,25,000
<b>F.</b>	Weighted average number of equity shares outstanding during the year / period - (in numbers) - (C+D+E)	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000
<b>G.</b>	Total number of shares outstanding at the end of the year / period - (in numbers)(after giving effect of split of share and issue of bonus share ) - (C+D+E)	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000
<b>H.</b>	Basic Earnings per share (In ₹) (A/F)	9.20*	10.03	6.06	4.77	4.79	3.15
<b>I.</b>	Return on Net Worth (In %) (A/B)	29.27%	45.13%	31.12%	35.52%	55.31%	81.42%
<b>J.</b>	Net asset value per equity share (In ₹)(without giving effect of share split and issue of bonus shares ) (B/C)	31,437.78	22,234.87	19,472.67	13,417.89	8,652.29	3,867.13
<b>K.</b>	Net asset value per equity share (In ₹)(after giving effect of share split and issue of bonus shares ) (B/G)	31.44	22.23	19.47	13.42	8.65	3.87

\* Not Annualised

**Notes:**

- 1 Diluted Earnings Per Share (EPS) is the same as the Basic EPS.
- 2 Net Profit after tax denotes Net Profit after tax, as restated, as disclosed in the Annexure II.
- 3 The ratios have been computed as below:

**i)Earnings per Share (₹)**

Net profit attributable to equity shareholders  
Weighted average number of equity shares (including Split and Bonus Shares) outstanding during the year / period

**ii)Return on net worth (%)**

Net profit / (loss) after tax  
Net worth excluding revaluation reserve at the end of the year / period

**iii)Net asset value per equity share (₹)**

Net worth excluding revaluation reserve and preference share capital at the end of the year / period  
Number of equity shares outstanding at the end of the year / period

- 4 Net profit, as appearing in the Restated Summary Statement of profit and loss, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the Standalone restated financial statements of the Company.
- 5 Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share". Every fully paid-up equity share of ₹ 10 each of the company has been sub-divided into 10 fully paid-up equity shares of ₹ 1 each and the Company has issued bonus shares (136,125,000 equity shares) in the ratio of 99:1 (99 bonus shares for every 1 equity share held) and as approved by Board of Directors pursuant to a resolution passed at their meeting held on August 11, 2016 and resolution passed by Shareholders at the Extraordinary General Meeting held on September 05, 2016 by utilising balance in surplus in the statement of profit and loss. These equity shares have been allotted on September 06, 2016. As per the requirements of AS 20 Earnings Per Share, the weighted average number of equity shares considered for calculation of Earnings per Share includes the bonus shares issued and share split and the Earnings per Share for all comparative periods has been presented giving the effect of this issue of bonus shares and share split.

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**ANNEXURE: VII**

**STATEMENT OF CAPITALISATION**

(₹ in Million)

<b>Particulars</b>	<b>Pre-issue as at September 30, 2016</b>	<b>Post- issue</b>
Short-term borrowings	-	(*)
Long-term borrowings	-	(*)
Current maturities of long-term borrowings	2.50	
<b>Total borrowings</b>	<b>2.50</b>	<b>(*)</b>
<b>Shareholder's funds</b>		
Share Capital	137.50	(*)
Reserves and Surplus	4,185.19	(*)
<b>Total Shareholders' fund</b>	<b>4,322.69</b>	<b>(*)</b>
Long term borrowings / Shareholders' Funds	0.06%	(*)

**Notes:**

\* Post Issue Capitalization will be determined after finalization of issue price

1. The above have been computed on the basis of restated statement of accounts.

2. For the purpose of Long term debt / Equity ratio, Long term debt has been considered including current maturities of long term debt.

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**ANNEXURE: VIII**

**RESTATED SUMMARY STATEMENT OF DIVIDEND PAID / PROPOSED BY THE COMPANY**

<b>Particulars</b>	<b>Six Months ended September 30, 2016</b>	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
<b>Class of Shares</b>						
<b>Equity Shares</b>						
Equity Shares - Numbers	13,75,00,000	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500
Face Value (₹)	1	10	10	10	10	10
Amount (₹ in Million)	137.50	1.38	1.38	1.38	1.38	1.38
<b>Final Dividend</b>						
Rate of Dividend (%)	-	60420%	-	-	-	-
Dividend per Share (₹)	-	6,042.00	-	-	-	-
Amount of Dividend (₹ in Million)	-	830.78	-	-	-	-
Corporate Dividend Tax (₹ in Million)	-	169.13	-	-	-	-

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

ANNEXURE IX  
RESTATED STATEMENT OF TAX SHELTERS

(₹ in Million)

Particulars		Six months ended 30th September 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>Profit before taxes, as restated</b>	<b>A</b>	<b>1,444.86</b>	<b>1,539.26</b>	<b>1,026.08</b>	<b>889.23</b>	<b>904.95</b>	<b>617.59</b>
Business profession			1,510.19	992.93	846.91	902.78	617.59
Short term capital gain			29.07	18.30	13.73	0.03	-
Long term capital gain			-	14.85	28.60	2.14	-
<b>Applicable tax rate</b>	<b>B</b>	<b>34.61%</b>	<b>34.61%</b>	<b>33.99%</b>	<b>33.99%</b>	<b>32.45%</b>	<b>32.45%</b>
Business profession			34.61%	33.99%	33.99%	32.45%	32.45%
Short term capital gain						32.45%	
Long term capital gain						21.63%	
<b>Tax Expense at applicable rate</b>	<b>C</b>	<b>500.04</b>	<b>532.71</b>	<b>348.76</b>	<b>302.25</b>	<b>293.71</b>	<b>200.38</b>
Business profession			532.71	348.76	302.25	293.61	200.38
Short term capital gain						0.01	
Long term capital gain						0.09	
<b>Adjustments</b>							
<b>Permanent Differences</b>							
Section 80IE-Special provision for undertakings in North Eastern States		(791.30)	(862.93)	(404.83)	-	-	-
Share of Profit from Partnership firm		(45.95)	(85.29)	(24.64)	(116.44)	(239.89)	(119.08)
Difference between book depreciation and tax depreciation (Reversal during tax holiday period)		4.44	13.52	14.01	-	-	-
Dividend Income		(0.18)	(0.52)	-	(0.18)	(9.52)	(16.26)
Long Term Capital Gain Exempt/Setoff against carried forward losses		(85.72)	-	(14.85)	(28.60)	(2.14)	-
Short Term Capital Gain Exempt/Setoff against carried forward losses		1.34	(29.07)	(18.30)	(13.73)	(0.03)	
Loss/(Profit) on sale of fixed assets		0.53	0.55	(0.17)	0.66	5.62	-
Expenses Disallowed		(0.76)	15.50	1.86	1.15	108.15	86.96
<b>Total Permanent Differences</b>	<b>D</b>	<b>(917.60)</b>	<b>(948.24)</b>	<b>(446.92)</b>	<b>(157.14)</b>	<b>(137.81)</b>	<b>(48.38)</b>
<b>Timing Differences</b>							
Difference between book depreciation and tax depreciation		(8.30)	51.05	23.55	(53.52)	1.82	2.50
Provision for Leave Encashment & Lease Equalization Rent		(9.62)	7.38	55.51	7.84	3.43	2.64
<b>Total Timing Differences</b>	<b>E</b>	<b>(17.92)</b>	<b>58.43</b>	<b>79.06</b>	<b>(45.68)</b>	<b>5.25</b>	<b>5.14</b>
<b>Items Having Difference Tax Rate</b>							
Long Term Capital Gain on Sale of Investment		(14.83)	-	-	-	(0.43)	-
Short Term Capital Gain on Sale of Investment		(15.24)	-	-	-	(0.03)	-
<b>Total items having different tax rate</b>	<b>F</b>	<b>(30.07)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.46)</b>	<b>-</b>
<b>Net Adjustment (D+E+F)</b>	<b>G</b>	<b>(965.59)</b>	<b>(889.81)</b>	<b>(367.86)</b>	<b>(202.82)</b>	<b>(133.02)</b>	<b>(43.24)</b>
<b>TOTAL INCOME (A+D+E+F)</b>		479.27	649.45	658.22	686.41	771.91	574.35
Tax Saving thereon (G * B)	<b>H</b>	(334.17)	(307.94)	(125.04)	(68.94)	(43.16)	(14.03)
Tax Liability (C+H)	<b>I</b>	165.87	224.77	223.73	233.31	250.56	186.35
<b>Tax on Capital Gain</b>	<b>J</b>	8.63				0.10	
Tax Liability as per Minimum Alternate Tax under section 115JB of Income Tax Act(including Surcharge and applicable cess)	<b>K</b>	294.04	313.07	209.91	161.94	137.40	101.08
<b>Current Tax Provision for the Year/ Period - Amount Higher of (I) or (K)</b>	<b>L</b>	294.04	313.07	223.73	233.31	250.56	186.35
<b>MAT Credit Entitlement</b>		119.54	88.30	-	-	-	-
<b>Net Current Tax Expense</b>		294.04	313.07	223.73	233.31	250.56	186.35

## **INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION**

The Board of Directors

Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited)

21, New York Tower- A,  
Near Muktidham Temple,  
Thaltej Cross Road, Thaltej,  
Ahmedabad – 380054

Dear Sirs,

1. We have examined, as appropriate (refer paragraphs 3 and 4 below), the attached Restated Consolidated Financial Information of Eris Lifesciences Limited (Formerly known as Eris Lifesciences Private Limited) (the “Company”), and its subsidiaries (collectively known as the “Group”), which comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at September 30, 2016, and as at March 31, 2016, 2015, 2014, 2013 and 2012, the Restated Consolidated Summary Statements of Profit and Loss and the Restated Consolidated Summary Statements of Cash Flows for six month period ended September 30, 2016 and for each of the years ended March 31, 2016, 2015, 2014, 2013 and 2012 and the Summary of Significant Accounting Policies (collectively, the “Consolidated Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on February 02, 2017 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (“IPO”) prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”) read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (“the Rules”);
  - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“ICDR Regulations”); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the “Guidance Note”).

The preparation of the Restated Consolidated Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 9 below. The management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Rules, ICDR Regulations and the Guidance Note.

Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the Act, the Rules, ICDR Regulations and the Guidance Note.

2. We have examined such Restated Consolidated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 10<sup>th</sup> October, 2016 in connection with the proposed offer of equity shares of the Company;

- b) The Guidance Note; and
  - c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Unconsolidated Financial Information.
3. These Restated Consolidated Financial Information have been compiled by the management from the audited consolidated financial statements as at and for the six month period ended September 30, 2016, as at and for the years ended March 31, 2016, and 2015 which have been approved by Board of directors at their meetings held on February 02, 2017, September 28,2016 and September 23, 2015 respectively and the audited financial statements as at and for the year ended March 31, 2014, 2013 and 2012 which have been approved by the Board of directors at their meeting held on January 05,2017.

Audit of the consolidated financial statements for the financial years ended March 31, 2015, 2014, 2013 and 2012 was conducted by previous auditors, M/s R R S & Associates and accordingly reliance has been placed on the consolidated financial information examined by them for the said years. The financial report included for these years, i.e. March 31, 2015, 2014, 2013 and 2012 are based solely on the report submitted by them.

We did not audit the financial statements of the subsidiaries for the six month period ended September 30, 2016 and for the financial year ended March 31, 2016, (details furnished in Appendix I). The financial statements and other financial information for the subsidiaries have been audited by other firm of Chartered Accountants, M/s R R S & Associates and M/s Khandhar Mehta and Shah, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in the Restated Consolidated Financial Information of the subsidiaries is based solely on the report of such other auditors.

These other auditors, as mentioned in paragraphs 3, 4 and 5 (of the Company/Group, and the subsidiaries), have confirmed that the restated consolidated financial information:

- a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
  - b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
  - c) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Financial Information and do not contain any qualification requiring adjustments.
4. Based on our examination in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of the Rules, ICDR Regulations, and the Guidance Note, we report that:
- a) The Restated Consolidated Summary Statement of Assets And Liabilities of the Group, including as at March 31, 2015, 2014, 2013 and 2012 examined and reported upon by M/s R R S & Associates, on which reliance has been placed by us, and as at September 30, 2016 and March 31, 2016 examined by us, as set out in Annexure-I to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Notes to Restated Consolidated Summary Statement of Adjustments to Consolidated Financial Statements as set out in Annexure-IV.
  - b) The Restated Consolidated Summary Statement of Profits And Loss of the Group, including for the years ended March 31, 2015, 2014, 2013 and 2012 examined and reported upon by M/s R R S & Associates,

on which reliance has been placed by us, and for the six month period ended September 30, 2016 and for the year ended March 31, 2016 examined by us, as set out in Annexure-II to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Notes to Consolidated Restated Summary Statement of Adjustments to Consolidated Financial Statements as set out in Annexure-IV.

- c) The Restated Consolidated Summary Statement of Cash Flows of the Group, including for the years ended March 31, 2015, 2014, 2013 and 2012 examined and reported upon by M/s R R S & Associates, on which reliance has been placed by us, and for the six month period ended September 30, 2016 and for the year ended March 31, 2016 examined by us, as set out in Annexure-III to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Notes to Consolidated Restated Summary Statement of Adjustments to Consolidated Financial Statements as set out in Annexure-IV.
- d) The Summary of Significant Accounting Policies and Notes to Accounts of the Group, including for the years ended March 31, 2015, 2014, 2013 and 2012 examined and reported upon by M/s R R S & Associates, who have submitted their report on which reliance has been placed by us, and for the six month period ended September 30, 2016 and for the year ended March 31, 2016 examined by us, as set out in Annexure-V to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Notes to Consolidated Restated Summary Statement of Adjustments to Consolidated Financial Statements as set out in Annexure-IV.
- e) Based on the above, according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, M/s R R S & Associates for the respective years, we further report that the Restated Consolidated Financial Information:
  - a. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
  - b. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
  - c. do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments.

5. We have also examined the following restated consolidated financial information of the Group set out in the Annexures, proposed to be included in the offer document, prepared by the management and approved by the Board of Directors on February 02, 2017 for the six month period ended September 30, 2016 and years ended March 31, 2016, 2015, 2014, 2013, and 2012. In respect of the years ended March 31 2015, 2014, 2013 and 2012 these information have been included based upon the reports submitted by previous auditors, M/s R R S & Associates and relied upon by us:

- a) Summary Statement of Restated Consolidated Share Capital included in Note 2 to Annexure V;
- b) Summary Statement of Restated Consolidated Reserves and Surplus included in Note 3 to Annexure V;
- c) Summary Statement of Restated Consolidated Long-Term Borrowings included in Note 4 to Annexure V;
- d) Summary Statement of Restated Consolidated Deferred Tax Liabilities (net) included in Note 5 to Annexure V;
- e) Summary Statement of Restated Consolidated Other Long-Term Liabilities included in Note 6 to

- Annexure V;
- f) Summary Statement of Restated Consolidated Long Term Provisions included in Note 7 to Annexure V;
- g) Summary Statement of Restated Consolidated Trade Payables included in Note 8 to Annexure V;
- h) Summary Statement of Restated Consolidated Other Current Liabilities included in Note 9 to Annexure V;
- i) Summary Statement of Restated Consolidated Short-Term Provisions included in Note 10 to Annexure V;
- j) Summary Statement of Restated Consolidated Fixed Assets included in Note 11 to Annexure V;
- k) Summary Statement of Restated Consolidated Non-Current Investments included in Note 12 to Annexure V;
- l) Summary Statement of Restated Consolidated Deferred Tax Assets (net) included in Note 13 to Annexure V;
- m) Summary Statement of Restated Consolidated Long-Term Loans and Advances included in Note 14 to Annexure V;
- n) Summary Statement of Restated Consolidated Other Non-Current Assets included in Note 15 to Annexure V;
- o) Summary Statement of Restated Consolidated Current Investments included in Note 16 to Annexure V;
- p) Summary Statement of Restated Consolidated Inventories included in Note 17 to Annexure V;
- q) Summary Statement of Restated Consolidated Trade Receivables included in Note 18 to Annexure V;
- r) Summary Statement of Restated Consolidated Cash and Cash Equivalents included in Note 19 to Annexure V;
- s) Summary Statement of Restated Consolidated Short Term Loans and Advances included in Note 20 to Annexure V;
- t) Summary Statement of Restated Consolidated Other Current Assets included in Note 21 to Annexure V;
- u) Summary Statement of Restated Consolidated Revenue from Operations included in Note 22 to Annexure V;
- v) Summary Statement of Restated Consolidated Other Income included in Note 23 to Annexure V;
- w) Summary Statement of Restated Consolidated Cost of Materials Consumed included in Note 24 to Annexure V;
- x) Summary Statement of Restated Consolidated Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade included in Note 25 to Annexure V;
- y) Summary Statement of Restated Consolidated Employee Benefit Expenses included in Note 26 to Annexure V;
- z) Summary Statement of Restated Consolidated Other Expenses included in Note 27 to Annexure V;
- aa) Summary Statement of Restated Consolidated Finance Costs included in Note 28 to Annexure V;
- bb) Statement of Additional Information to the Consolidated Financial Statements contained in Notes 29.1 to Note 29.12;
- cc) Statement on Adjustments to Consolidated Financial Statements included in Annexure IV;
- dd) Restated Summary Statement of Accounting Ratios included in Annexure VI;
- ee) Restated Summary Statement of Dividend Paid / Proposed included in Annexure VIII

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, M/s R R S & Associates, in our opinion, the Restated Consolidated Financial Information and the above restated consolidated financial information contained in Annexures I to VI and VIII accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure-V, are prepared after making adjustments and regroupings/reclassifications as considered appropriate [Refer Annexure-IV] and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and the Guidance Note.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed 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 for inclusion in the offer document to be filed with Securities and Exchange Board of India, Bombay Stock Exchange, National Stock Exchange and Registrar of Companies, Gujarat in connection with the proposed offer of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Kartikeya Raval**  
Partner  
(Membership No. 106189)

Place: Ahmedabad  
Date: February 02, 2017

**APPENDIX I**

Group's share of total assets, total revenues, and net cash flows pertaining to the subsidiaries for the relevant period/year not audited by us is tabulated below:

Particulars	(₹ in million)			
	For the six month period ended September 30, 2016		For the year ended March 31, 2016	
	Gross of Elimination	Net of Elimination	Gross of Elimination	Net of Elimination
Total Assets	99.81	99.81	222.46	167.43
Total Revenues	257.23	81.75	436.28	2.03
Net Cash Inflows / (Outflows)	18.91	18.91	2.99	2.99

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

ANNEXURE-I  
SUMMARY STATEMENT OF RESTATED CONSOLIDATED ASSETS AND LIABILITIES

(₹ in Million)

Particulars	Note No. of Annexure V	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>I. EQUITY AND LIABILITIES :</b>							
<b>(1) Shareholders' Funds</b>							
(a) Share capital	2	137.50	1.38	1.38	1.38	1.38	1.38
(b) Reserves and surplus	3	4,155.24	2,994.85	2,659.06	1,767.44	1,059.50	477.52
<b>(2) Minority Interest</b>							
(b) Reserves and surplus		-	32.01	39.24	43.55	47.48	50.08
<b>(3) Non current liabilities</b>							
(a) Long-term borrowings	4	-	-	5.00	-	5.63	25.75
(b) Deferred tax liabilities (net)	5	-	-	-	-	-	0.95
(c) Other long-term liabilities	6	25.47	24.85	13.37	10.73	16.20	22.00
(d) Long-term provisions	7	207.20	230.98	199.87	170.21	152.33	89.17
<b>(4) Current liabilities</b>							
(a) Trade payables	8	-	-	-	-	-	-
Due to micro and small enterprises		-	-	-	-	-	-
Due to others		608.35	245.67	367.11	373.83	220.17	180.92
(b) Other current liabilities	9	105.41	266.23	77.41	147.66	90.02	50.95
(c) Short-term provisions	10	251.72	177.62	210.41	191.19	125.34	120.95
<b>Total</b>		<b>5,490.89</b>	<b>3,973.59</b>	<b>3,572.85</b>	<b>2,705.99</b>	<b>1,718.05</b>	<b>1,019.67</b>
<b>II. ASSETS :</b>							
<b>(1) Non current assets</b>							
(a) Fixed assets	11						
(i) Tangible assets		610.43	706.70	674.99	710.51	235.17	198.23
(ii) Intangible assets		377.37	6.96	6.90	6.58	0.82	0.64
(b) Goodwill on Consolidation		-	-	35.53	32.16	32.84	32.97
(c) Non current investments	12	100.97	625.97	972.77	170.02	0.07	0.06
(d) Deferred tax assets (net)	13	53.41	57.42	33.09	2.14	2.62	0.79
(e) Long-term loans and advances	14	443.79	354.13	214.79	229.80	182.98	93.78
(f) Other non current assets	15	24.00	-	-	-	-	-
<b>(2) Current assets</b>							
(a) Current investments	16	2,522.80	1,274.45	692.40	669.64	465.00	134.52
(b) Inventories	17	507.46	476.22	576.05	448.11	431.98	225.71
(c) Trade receivables	18	561.39	253.69	236.66	223.40	165.96	144.46
(d) Cash and cash equivalents	19	97.41	96.94	57.21	72.85	48.97	93.26
(e) Short-term loans and advances	20	150.10	117.92	69.36	140.78	151.64	95.25
(f) Other current assets	21	41.76	3.19	3.10	-	-	-
<b>Total</b>		<b>5,490.89</b>	<b>3,973.59</b>	<b>3,572.85</b>	<b>2,705.99</b>	<b>1,718.05</b>	<b>1,019.67</b>

**Note:**

The above statement should be read with the Summary of Significant Accounting Policies and Notes to Restated Consolidated Financial Information, appearing in Annexure V; and Statement on Adjustments to Consolidated Financial Statements appearing in Annexure IV.

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Kartikeya Raval**  
Partner

**Place: Ahmedabad**  
**Date: 2<sup>nd</sup> February, 2017**

**For and on behalf of the Board of Directors**

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Director  
DIN: 01301025

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary

**Place: Ahmedabad**  
**Date: 2<sup>nd</sup> February, 2017**

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

ANNEXURE-II  
SUMMARY STATEMENT OF RESTATED CONSOLIDATED PROFIT AND LOSS

(₹ in Million)

Particulars	Note No. of Annexure V	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>1 REVENUE:</b>							
Revenue from operations (gross)	22	3,813.36	6,147.80	5,544.88	5,088.22	3,930.64	2,739.40
Less: Excise duty	22	(105.39)	(177.59)	(89.30)	-	-	-
<b>Revenue from operations (net)</b>		<b>3,707.97</b>	<b>5,970.21</b>	<b>5,455.58</b>	<b>5,088.22</b>	<b>3,930.64</b>	<b>2,739.40</b>
<b>2 EXPENSES:</b>							
(a) Cost of materials consumed	24	262.25	582.30	442.07	276.61	433.55	161.75
(b) Purchases of stock-in-trade		220.14	317.13	606.39	669.49	517.53	381.40
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	60.12	77.56	(106.20)	41.18	(213.80)	(48.14)
(d) Employee benefits expense	26	666.76	1,246.67	1,256.30	905.43	673.05	429.71
(e) Other expenses	27	1,027.77	2,031.07	2,042.49	2,206.32	1,661.44	1,229.85
<b>Total</b>		<b>2,237.04</b>	<b>4,254.73</b>	<b>4,241.05</b>	<b>4,099.03</b>	<b>3,071.77</b>	<b>2,154.57</b>
<b>3 Restated Earnings before interest, tax, depreciation and amortisation (EBITDA)(1-2)</b>		<b>1,470.93</b>	<b>1,715.48</b>	<b>1,214.53</b>	<b>989.19</b>	<b>858.87</b>	<b>584.83</b>
4 Finance costs	28	0.78	1.20	0.18	2.46	7.12	10.96
5 Depreciation and amortisation expense	11	109.65	203.56	155.14	47.68	34.85	32.11
6 Other income	23	132.69	33.72	34.94	44.20	14.49	13.09
<b>7 Restated Profit before tax (3-4-5+6)</b>		<b>1,493.19</b>	<b>1,544.44</b>	<b>1,094.15</b>	<b>983.25</b>	<b>831.39</b>	<b>554.85</b>
<b>8 TAX EXPENSE</b>							
(a) Current tax expense		306.76	352.50	232.45	273.65	250.56	186.69
(b) (Less): MAT credit		(119.54)	(132.30)	-	-	-	-
(c) Net current tax expense		187.22	220.20	232.45	273.65	250.56	186.69
(d) Deferred tax (credit) / charge		4.01	(24.34)	(30.89)	0.48	(3.57)	(2.47)
<b>Net tax expense</b>		<b>191.23</b>	<b>195.86</b>	<b>201.56</b>	<b>274.13</b>	<b>246.99</b>	<b>184.22</b>
<b>9 Restated Profit after tax before share of profit of minority interest (7-8)</b>		<b>1,301.96</b>	<b>1,348.58</b>	<b>892.59</b>	<b>709.12</b>	<b>584.40</b>	<b>370.63</b>
10 Less : Share of profit attributable to Minority Interest		5.44	12.88	0.25	1.18	2.42	1.20
<b>11 Restated Profit attributable to the shareholders of the company (9-10)</b>		<b>1,296.52</b>	<b>1,335.70</b>	<b>892.34</b>	<b>707.94</b>	<b>581.98</b>	<b>369.43</b>

**Note:**

The above statement should be read with the Summary of Significant Accounting Policies and Notes to Restated Consolidated Financial Information, appearing in Annexure V; and Statement on Adjustments to Consolidated Financial Statements appearing in Annexure IV.

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Kartikeya Raval**  
Partner

**Place: Ahmedabad**  
**Date: 2<sup>nd</sup> February, 2017**

**For and on behalf of the Board of Directors**

**Amit I. Bakshi**      **Himanshu J. Shah**  
Managing Director      Director  
DIN: 01250925      DIN: 01301025

**Sachin Shah**      **Milind Talegaonkar**  
Chief Financial      Company Secretary  
Officer

**Place: Ahmedabad**  
**Date: 2<sup>nd</sup> February, 2017**

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)  
ANNEXURE-III  
SUMMARY STATEMENT OF RESTATED CONSOLIDATED CASH FLOW

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>A. Cash flow from operating activities</b>						
Profit before tax	1,493.19	1,544.44	1,094.15	983.25	831.39	554.85
Adjustments for:						
Depreciation and amortisation expense	109.65	203.56	155.14	47.68	34.85	32.11
Preliminary expenditure written off	-	-	0.26	0.27	0.32	0.33
(Profit)/Loss on sale of fixed assets	1.74	0.56	(0.13)	0.66	5.62	-
Finance costs	0.78	1.20	0.18	2.46	7.12	10.96
Interest Income	(4.07)	(4.18)	(0.84)	(1.70)	(2.76)	(9.01)
Impairment of goodwill on consolidation	-	27.41	-	-	0.96	-
Debts written off	-	-	-	-	34.58	-
Profit on disposal of investment in subsidiary	(13.92)	-	-	-	-	-
Diminution in value of Investment	3.97	-	-	-	-	-
Dividend income	(0.18)	(0.30)	-	(0.18)	(9.52)	(3.76)
Net gain on sale of investments	(114.45)	(29.07)	(33.15)	(42.32)	(2.07)	(0.32)
<b>Operating profit before working capital changes</b>	<b>1,476.71</b>	<b>1,743.62</b>	<b>1,215.61</b>	<b>990.12</b>	<b>900.49</b>	<b>585.16</b>
Changes in working capital:						
Adjustments for (increase) / decrease in operating assets:						
Trade receivables	(307.70)	(17.03)	(13.26)	(57.44)	(21.50)	(0.02)
Inventories	(31.24)	99.83	(127.94)	(16.13)	(206.27)	(41.89)
Loans & advances and other assets	(33.33)	(64.50)	65.83	4.28	(102.87)	(28.78)
Adjustments for increase / (decrease) in operating liabilities:						
Trade payable, liabilities and provisions	368.35	(100.35)	(5.26)	276.55	170.14	(37.27)
<b>Cash generated from operations</b>	<b>1,472.79</b>	<b>1,661.57</b>	<b>1,134.98</b>	<b>1,197.38</b>	<b>739.99</b>	<b>477.20</b>
Net income tax paid	(241.26)	(346.78)	(234.41)	(301.14)	(359.84)	(176.02)
<b>Net cash flow from operating activities (A)</b>	<b>1,231.53</b>	<b>1,314.79</b>	<b>900.57</b>	<b>896.24</b>	<b>380.15</b>	<b>301.18</b>
<b>B. Cash flow from investing activities</b>						
Purchase of Fixed assets	(450.37)	(236.41)	(130.84)	(519.33)	(78.43)	(66.39)
Purchase of long-term investments	-	(25.95)	(465.00)	(170.00)	-	-
Sale of long-term investments	-	-	-	0.05	-	0.05
Purchase of short-term Investment (Net)	(612.89)	(180.23)	(327.36)	(162.32)	(328.41)	(82.42)
Bank balances not considered as cash and cash equivalents-Deposits Matured / (Placed)	7.73	(1.05)	(0.55)	21.89	36.56	(58.52)
Interest Received	4.15	3.91	0.84	1.70	2.75	9.01
Proceeds from sale of fixed assets	0.28	0.30	1.58	0.40	1.32	-
Dividend income	0.18	0.30	-	0.18	9.52	3.76
<b>Net cash used in investing activities (B)</b>	<b>(1,050.92)</b>	<b>(439.13)</b>	<b>(921.33)</b>	<b>(827.43)</b>	<b>(356.69)</b>	<b>(194.51)</b>
<b>C. Cash flow from financing activities</b>						
Repayment of long-term borrowings	(2.50)	(5.00)	(5.25)	(20.58)	(24.07)	(27.41)
Proceeds from long-term borrowings	-	-	10.00	-	-	-
Finance costs	(0.78)	(1.20)	(0.18)	(2.46)	(7.12)	(10.96)
Interim dividend paid/ Dividend distribution tax	(169.13)	(830.78)	-	-	-	(58.32)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(172.41)</b>	<b>(836.98)</b>	<b>4.57</b>	<b>(23.04)</b>	<b>(31.19)</b>	<b>(96.69)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>8.20</b>	<b>38.68</b>	<b>(16.19)</b>	<b>45.77</b>	<b>(7.73)</b>	<b>9.98</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>88.67</b>	<b>49.99</b>	<b>66.18</b>	<b>20.41</b>	<b>28.14</b>	<b>18.16</b>
<b>Cash and cash equivalents at end of the period{Refer note-19 (a) }</b>	<b>96.87</b>	<b>88.67</b>	<b>49.99</b>	<b>66.18</b>	<b>20.41</b>	<b>28.14</b>
Notes:						
( i ) The Cash Flow Statement has been prepared as per the "Indirect Method" as set out in Accounting Standard 3-Cash Flow Statements.						
( ii ) Cash and Cash Equivalents:						
Cash on hand	1.49	16.84	9.22	5.78	5.56	2.50

Balance with banks						
In Current Account	95.38	71.83	40.77	60.40	14.85	25.64
<b>Cash and Cash Equivalents as per</b>	<b>96.87</b>	<b>88.67</b>	<b>49.99</b>	<b>66.18</b>	<b>20.41</b>	<b>28.14</b>
<b>Cash flow statement {Refer note-19(a) }</b>						

( iii ) The above statement should be read with the Summary of Significant Accounting Policies and Notes to Restated Consolidated Financial Information, appearing in Annexure V; and Statement on Adjustments to Consolidated Financial Statements appearing in Annexure IV.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**Kartikeya Raval**

Partner

**Place: Ahmedabad**

**Date: 2<sup>nd</sup> February, 2017**

**Amit I. Bakshi**

Managing Director  
DIN: 01250925

**Sachin Shah**

Chief Financial Officer

**Place: Ahmedabad**

**Date: 2<sup>nd</sup> February, 2017**

**Himanshu J. Shah**

Director  
DIN: 01301025

**Milind  
legaonkar**  
Company  
retary

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**Annexure IV  
STATEMENT ON ADJUSTMENTS TO CONSOLIDATED FINANCIAL STATEMENTS**

**MATERIAL RESTATEMENT ADJUSTEMENTS:**

The summary of results of restatements made in the audited consolidated financial statements for the respective years/period and its impact on the profit of the group is as under:

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>(A) Net Profit as per audited consolidated financial statements</b>	1,291.63	1,112.16	890.32	713.68	612.30	428.30
<b>(B) Adjustments for</b>	<b>7.48</b>	<b>331.87</b>	<b>(22.32)</b>	<b>(57.48)</b>	<b>(91.88)</b>	<b>(45.33)</b>
1. Add/(less): Provision for anticipated sales return (Refer Note 1A)	-	332.59	(1.55)	(78.26)	(88.08)	(42.36)
2. Add/(less): Prior Period Expense (Refer Note 1B)	7.48	62.68	(55.58)	(7.81)	(3.80)	(2.97)
3. Add/(less): Prior Period Income (Refer Note 1C)	-	(63.40)	34.81	28.59	-	-
<b>(C) Tax impact :</b>	<b>(2.59)</b>	<b>(105.53)</b>	<b>18.49</b>	<b>44.07</b>	<b>29.78</b>	<b>14.60</b>
1. on above adjustments as per B (Refer Note 1D)	(2.59)	(92.21)	23.25	25.99	29.78	14.60
2. on Depreciation (Refer Note 1E)	-	(13.32)	(4.76)	18.08	-	-
<b>(D) Short/(excess) provision of income taxes of earlier years (Refer Note 1F)</b>	<b>-</b>	<b>(2.80)</b>	<b>5.85</b>	<b>7.67</b>	<b>31.78</b>	<b>(28.14)</b>
<b>Total Adjustments</b>	<b>4.89</b>	<b>223.54</b>	<b>2.02</b>	<b>(5.74)</b>	<b>(30.32)</b>	<b>(58.87)</b>
<b>Restated profit for the years (A+B+C+D)</b>	<b>1,296.52</b>	<b>1,335.70</b>	<b>892.34</b>	<b>707.94</b>	<b>581.98</b>	<b>369.43</b>

**Note:**

The above statement should be read with the notes to summary statement of restated consolidated assets and liabilities, summary statement of restated consolidated profit and loss and summary statement of restated consolidated cash flows as appearing in Annexure I , II and III respectively.

**Notes on Material Adjustments**

**1. Details of Adjustments pertaining to prior years**

**A. Provision for anticipated sales return:**

During the year ended 31<sup>st</sup> March 2016, the Holding Company has recognised a cumulative provision for anticipated sales returns which includes provision for returns of the goods that were sold in earlier years. For the purpose of this statement, the Holding Company has recognised this provision in the respective years in which the goods were sold.

**B. Prior period expense:**

During the period ended 30<sup>th</sup> September 2016 and 31<sup>st</sup> March 2016, certain item of expenses have been identified as prior period items. For the purpose this statement, such prior period items have been appropriately adjusted in the respective years to which such expenses relate.

**C. Prior period income:**

During the year ended 31<sup>st</sup> March 2016, certain item of incomes have been identified as prior period items. For the purpose this statement, such prior period items have been appropriately adjusted in the respective years to which such incomes relate.

**D. Tax impact :**

Tax has been computed on adjustments on (B) as detailed above and has been adjusted in the Summary statement of Restated Consolidated profit and loss for the period ended 30<sup>th</sup> September 2016, 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, 31<sup>st</sup> March 2013, 31<sup>st</sup> March 2012 and the balance brought forward in the Summary statement of Restated Consolidated profit and loss as at 1<sup>st</sup> April 2011.

**E. Tax impact on Depreciation:**

Effect of Tax on timing differences due to depreciation of Guwahati plant which reversed during the tax holiday period to the extent of company's total income is subject to the deduction during the tax holiday period as per requirement of section 80IE of Income tax Act, 1961.

**F. Short/excess provision of income taxes of earlier years:**

The Statement of Profit and Loss for certain periods include amounts paid/ provided for or refunded/ written back, in respect of shortfall/ excess current tax arising upon filing of tax returns, assessments etc. which have now been adjusted in the respective years to which they relate.

**2. Material Regroupings:**

Appropriate adjustments have been made in the Restated Summary Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited consolidated financial statements of the Company as at and for the period ended 30<sup>th</sup> September 2016, prepared in accordance with Schedule III of the Act and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). Accordingly, the Company has presented the Restated Summary Financial Information as at and for the six months ended 30<sup>th</sup> September 2016 and the year ended 31<sup>st</sup> March 2016, 31<sup>st</sup> March 2015, 31<sup>st</sup> March 2014, 31<sup>st</sup> March 2013 and 31<sup>st</sup> March 2012 following the requirements of Schedule III of the Act.

### 3. Opening reserve reconciliation

Particulars	(₹ in Million)
A. Net surplus in statement of profit and loss as at 1 <sup>st</sup> April 2011 as per audited financial statements	<b>205.09</b>
<b>Adjustments:</b>	
B. Provision for anticipated sales return	(122.34)
C. Tax impact on above adjustment	39.70
D. Short/excess provision of earlier years	(14.36)
Net surplus in the summary statement of restated consolidated Profit and Loss as at 1 <sup>st</sup> April 2011	<b>108.09</b>

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**ANNEXURE-V  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION**

**Corporate Information:**

Eris Lifesciences Private Limited ("the Company") was incorporated on January 25, 2007. The Company is engaged in the manufacture and trading business of pharmaceutical products. The company has a manufacturing plant located in Guwahati, Assam.

**Note 1: Significant accounting policies**

**1.1 Basis of accounting and preparation of consolidated financial statements:**

The consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention and the accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous period.

**1.2 Principles of Consolidation:**

- a. The Consolidated Financial Statements are prepared in accordance with principles and procedures required for preparation and presentation of Consolidated Financial Statements as laid down under Accounting Standard 21 "Consolidated Financial Statements". The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- b. The financial statement of the subsidiary companies and partnership firm used in the consolidation have been drawn upto the same reporting date as that of the company. The Financial Statements of the company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits or losses unless cost can't be recovered.
- c. As per the terms of partnership deed, the company has differential interest in the assets and liabilities in the partnership firm. Adjustment to the interest arising due to change in assets and liabilities are adjusted to goodwill and minority interest of the Group.
- d. The excess / shortfall of cost to the Parent Company of its investment over its share of equity in the consolidated entities at the respective dates on which the investment in such entities was made is recognized in the consolidated financial statements as goodwill / capital reserve. Goodwill is tested for impairment at the end of each accounting period.
- e. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiaries were made and further movement in their share in the equity, subsequent to the dates of investments. Net profit / loss for the period of subsidiaries attributable to the minority interest is identified and adjusted against the profit after tax of the group in order to arrive at the income attributable to shareholders of the Company.
- f. Following subsidiaries (incorporated in India) have been considered in the preparation of the consolidated financial statements:

Sr.No	Name of Entity	% of ownership held by the Company as at					
		September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
a	Sozin Flora Pharma - Partnership firm (in profit ratio)	N.A.	99%	99%	99%	99%	99%
b	Eris Therapeutics Private Limited	100%	100%	100%	100%	100%	100%
c	Aprica Healthcare Pvt. Ltd.	100%	N.A.	N.A.	N.A.	N.A.	N.A.

**1.3 Use of estimates:**

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

**1.4 Revenue recognition:**

- a. Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods have been transferred to the customer. Sales are shown net of discounts and sales returns. Excise duty collected on sales is shown by way of deduction from sales.
- b. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the period of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.
- c. Other income:
  - i) Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists.
  - ii) Dividend income is recognized when the right to receive dividend is established.
  - iii) Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

## **ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

### **1.5 Fixed assets:**

Fixed assets are stated at cost of acquisition/construction net of recoverable taxes less accumulated depreciation / amortization and impairment loss, if any. All costs attributable to acquisition of fixed assets till assets are put to use, are capitalized. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

### **1.6 Depreciation and amortization:**

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on additions/ disposals of the fixed assets during the period is provided on pro-rata basis according to the period during which assets were put to use.

Depreciation on fixed Assets (other than 'Land' where no depreciation is provided), was provided on the "Written Down Value Method" (WDV) based on rates provided in Schedule XIV to the Companies Act, 1956 upto 31st March 2014.

With effect from 1st April, 2014, depreciation on fixed Assets (other than 'Land' where no depreciation is provided), is provided on the "Written Down Value Method" (WDV) based on the useful lives as prescribed under Schedule II to the Companies Act, 2013 except in respect of some equipments, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

In case of sozin flora pharma depreciation on fixed assets is provided as per rates specified in section 32 of Income Tax Act 1961, based on the useful life assessed by the management taking into account the nature of asset, estimated usage of asset, operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Trade Marks and other similar rights are amortized over their estimated economic life of ten years. Brand and non-compete fees are amortized over their estimated economic life of five years. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, of the factors considered.

### **1.7 Impairment of assets:**

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized to the extent the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

### **1.8 Inventories:**

- a. Inventories are valued at the lower of cost and net realizable value. Cost of Raw materials, Packing materials and Stores, Spares and Consumables includes all charges in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges.
- b. Costs of Finished Goods and Work-in-Progress are determined on specific identification basis by taking material cost (net of CENVAT and input tax credit availed), labor and relevant appropriate overheads.
- c. Stock-in-trade is valued at the lower of cost and net realizable value.

### **1.9 Investments:**

Investments are either classified as current or non-current based on the Management's intention on the balance sheet date. Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties, if any.

### **1.10 Cash and cash equivalents:**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### **1.11 Cash flow statement:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for 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 operating, financing, and investing activities of the company are segregated based on the available information.

### **1.12 Borrowing cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## **ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

### **1.13 Earnings Per Share:**

Basic earnings per share is computed by dividing the profit attributable to the shareholders of company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is the same as basic earnings per share as the company does not have any dilutive potential equity shares. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

### **1.14 Employee Benefits:**

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

#### **(a) Long Term:**

(A) **Defined contribution plan:** The group's contribution to provident fund, superannuation fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

(B) **Defined benefit plan:** The gratuity scheme is administered through the Life Insurance Corporation of India [LIC]. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the period end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the period in which they occur.

(C) Provision for compensated absences is made on the basis of actuarial valuation as at the Balance Sheet date.

(b) **Short term:** Short term employee benefits are recognized as an expense in the statement of Profit and Loss at the undiscounted amount of the employee benefits paid or expected to be paid during the period. These benefits includes compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

### **1.15 Taxes on Income:**

Current Tax is the aggregation of the tax charge appearing in the group companies as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax in future. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity.

Deferred tax is recognized on timing difference between estimated taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s) and is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### **1.16 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liability is disclosed for:

- a. Possible obligations which will be confirmed only by future events not wholly within the control of the group, or
- b. Present obligations arising from 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.

### **1.17 Leases:**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

### **1.18 Foreign currency transactions and translation:**

Transactions in foreign currencies entered into are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the period are translated at the exchange rate prevailing at the end of the period. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

### **1.19 EBITDA**

The Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Group measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expenses, finance costs, other income and tax expenses.

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 2:SUMMARY STATEMENT OFRESTATED CONSOLIDATED SHARE CAPITAL

(a) Authorised, Issued, Subscribed and Paid-up Share Capital:

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Authorised:</b>						
Equity Shares (Numbers) (Refer note II)	30,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	20,00,000
Face Value (Refer note II)	1	10	10	10	10	10
Amount	300.00	100.00	100.00	100.00	100.00	20.00
<b>Total</b>	<b>300.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>20.00</b>
<b>Issued, Subscribed and Fully Paid-up :</b>						
Equity Shares (Numbers) (Refer note II)	13,75,00,000	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500
Face Value (Refer note II)	1	10	10	10	10	10
Amount	137.50	1.38	1.38	1.38	1.38	1.38
<b>Total</b>	<b>137.50</b>	<b>1.38</b>	<b>1.38</b>	<b>1.38</b>	<b>1.38</b>	<b>1.38</b>

(b) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the year / period:

Equity Shares	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Shares outstanding at the beginning of the year / period (Numbers)	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500
Amount (₹ in million)	1.38	1.38	1.38	1.38	1.38	1.38
Issued during the year / period :						
Share Split from ₹10 to ₹1 per share (Refer Note II) (Numbers)	12,37,500	-	-	-	-	-
Amount (₹ in million)	-	-	-	-	-	-
Bonus shares issued during the year / period (99 fully paid-up equity shares for every 1 share held) (Refer Note II) (Numbers)	13,61,25,000	-	-	-	-	-
Amount (₹ in million)	136.12	-	-	-	-	-
Shares outstanding at the end of the year / period (Numbers)	13,75,00,000	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500
Amount (₹ in million)	137.50	1.38	1.38	1.38	1.38	1.38

(c) Details of shares held by each shareholder holding more than 5% shares:

Name of the shareholder	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
1. Amit Indubhushan Bakshi	5,49,59,000	54,959	51,521	51,521	51,521	51,521
<b>% of Shareholding</b>	<b>39.97</b>	<b>39.97</b>	<b>37.47</b>	<b>37.47</b>	<b>37.47</b>	<b>37.47</b>
2. Himanshu Jayantbhai Shah	69,72,000	6,972	6,972	6,972	6,972	6,972
<b>% of Shareholding</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>
3. Inderjeet Singh Negi	69,71,000	6,971	6,971	6,971	6,971	6,971
<b>% of Shareholding</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>
4. Rajendrakumar Rambhai Patel	69,71,000	6,971	6,971	6,971	6,971	6,971
<b>% of Shareholding</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>	<b>5.07</b>
5. Bhikhalal Chimanlal Shah	1,24,29,000	12,429	15,867	15,867	15,867	15,867
<b>% of Shareholding</b>	<b>9.04</b>	<b>9.04</b>	<b>11.54</b>	<b>11.54</b>	<b>11.54</b>	<b>11.54</b>
6. Rakeshbhai Bhikhabhai Shah	1,58,54,000	15,854	15,854	15,854	15,854	15,854
<b>% of Shareholding</b>	<b>11.53</b>	<b>11.53</b>	<b>11.53</b>	<b>11.53</b>	<b>11.53</b>	<b>11.53</b>
7. Botticelli	2,23,44,000	22,344	22,344	22,344	22,344	22,344
<b>% of Shareholding</b>	<b>16.25</b>	<b>16.25</b>	<b>16.25</b>	<b>16.25</b>	<b>16.25</b>	<b>16.25</b>

Notes:

**I. Terms / Rights attached to the equity shares:**

The Company has only one class of equity shares. Each holder of equity share is eligible for one vote per share. The final dividend, if any, proposed by the Board of Directors of the Company is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**II. Sub-division, bonus issue and increase in authorised share capital:**

In the EGM held on September 05, 2016:

i) the authorised share capital of the company has been increased to ₹ 30 crore,

ii) Every Fully paid-up equity share of ₹ 10 each of the company has been sub-divided into 10 fully paid equity shares of ₹ 1 each

iii) 136,125,000 equity shares of ₹ 1 each have been resolved to be issued as fully paid-up bonus shares (99 bonus shares for every 1 fully paid-up equity share held) for consideration other than cash.

The above events has been approved by the Board of directors in their meeting held on August 11, 2016 which has further been approved by the shareholders in their extraordinary general meeting held on September 05, 2016.

The allotment of bonus shares was approved and concluded by the Board in their meeting held on September 06, 2016.

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**NOTE 3:SUMMARY STATEMENT OF RESTATED CONSOLIDATED RESERVES AND SURPLUS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>General reserve (A)</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>-</b>
<b>Surplus in the Restated Summary Statement of Profit and Loss (B)</b>						
Opening balance	2,987.85	2,652.06	1,760.44	1,052.50	477.52	108.09
Less: Utilised for issue of bonus shares	(136.13)	-	-	-	-	-
Less: Depreciation charged to reserve (Net of deferred tax ₹ 0.06 million) (Refer note below)	-	-	(0.72)	-	-	-
Add: Restated Profit for the year / period	1,296.52	1,335.70	892.34	707.94	581.98	369.43
Less: Transfer to general reserve	-	-	-	-	(7.00)	-
Less: Interim dividend [₹ 6,042 per share]	-	(830.78)	-	-	-	-
Less: Tax on interim dividend	-	(169.13)	-	-	-	-
<b>Closing balance</b>	<b>4,148.24</b>	<b>2,987.85</b>	<b>2,652.06</b>	<b>1,760.44</b>	<b>1,052.50</b>	<b>477.52</b>
<b>Total (A+B)</b>	<b>4,155.24</b>	<b>2,994.85</b>	<b>2,659.06</b>	<b>1,767.44</b>	<b>1,059.50</b>	<b>477.52</b>

Effective from 1st April, 2014, the Holding Company has charged depreciation based on the remaining useful life of the assets as per the requirements of Schedule II of the Companies Act, 2013 ("the Act"). In accordance with the transitional provisions provided in Note 7(b) of Schedule II of the Act, an amount of ₹ 0.78 million, net of deferred tax - ₹ 0.72 million was adjusted against the opening balance as on April 1, 2014 of retained earnings in respect of assets wherein the remaining useful life of the assets is Nil.

**NOTE 4:SUMMARY STATEMENT OF RESTATED CONSOLIDATED LONG-TERM BORROWINGS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Term loan</b>						
Secured term loan from bank (Refer note below)	2.50	5.00	10.00	5.25	25.83	49.90
Less: Current maturities of long-term debt (Refer note-9)	(2.50)	(5.00)	(5.00)	(5.25)	(20.20)	(24.15)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5.00</b>	<b>-</b>	<b>5.63</b>	<b>25.75</b>

**Principal terms and conditions of secured loans as at 30th September 2016.**

The term loan of ₹ 2.50 million obtained for expansion at Guwahati, is secured by pledge of Debt Mutual Funds units with the bank. The term loan is repayable in balance 2 equal quarterly installments and the current interest rate is 11.55% p.a.

**NOTE 5:SUMMARY STATEMENT OF RESTATED CONSOLIDATED DEFERRED TAX LIABILITIES (NET)**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Deferred tax liability:</b>						
On difference between book balance and tax balance of fixed assets	-	-	-	-	-	1.81
<b>Deferred tax asset:</b>						
Compensated absences	-	-	-	-	-	(0.86)
<b>Net deferred tax Liabilities/(Assets)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.95</b>

**NOTE 6:SUMMARY STATEMENT OF RESTATED CONSOLIDATED OTHER LONG-TERM LIABILITIES**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Trade deposits	16.67	17.37	7.74	7.74	15.39	22.00
Operating lease liabilities	8.80	7.48	5.63	2.99	0.81	-
<b>Total</b>	<b>25.47</b>	<b>24.85</b>	<b>13.37</b>	<b>10.73</b>	<b>16.20</b>	<b>22.00</b>

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**NOTE 7:SUMMARY STATEMENT OF RESTATED CONSOLIDATED LONG-TERM PROVISIONS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits						
Compensated absences	38.14	50.86	55.42	6.93	3.39	2.64
Gratuity (Refer note 29.3)	0.05	-	-	-	-	-
Provision for sales returns	169.01	180.12	144.45	163.28	148.94	86.53
<b>Total</b>	<b>207.20</b>	<b>230.98</b>	<b>199.87</b>	<b>170.21</b>	<b>152.33</b>	<b>89.17</b>

**NOTE 8:SUMMARY STATEMENT OF RESTATED CONSOLIDATED TRADE PAYABLES**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Trade payables</b>						
Other than acceptances						
Due to micro and small enterprises	-	-	-	-	-	-
Due to others	608.35	245.67	367.11	373.83	220.17	180.92
<b>Total</b>	<b>608.35</b>	<b>245.67</b>	<b>367.11</b>	<b>373.83</b>	<b>220.17</b>	<b>180.92</b>

**NOTE 9:SUMMARY STATEMENT OF RESTATED CONSOLIDATED OTHER CURRENT LIABILITIES**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Current maturities of long-term debt (Refer note-4)	2.50	5.00	5.00	5.25	20.20	24.15
<b>Other payables:</b>						
Dividend distribution tax payable	-	169.13	-	-	-	-
Statutory liabilities	56.91	54.68	40.21	41.27	24.45	16.22
Advances from customers	2.38	3.42	5.92	3.62	2.86	2.23
Payable on purchase of fixed assets	1.79	1.97	2.72	23.41	0.51	0.70
Book overdraft	41.83	32.03	23.56	74.11	42.00	7.65
<b>Total</b>	<b>105.41</b>	<b>266.23</b>	<b>77.41</b>	<b>147.66</b>	<b>90.02</b>	<b>50.95</b>

**NOTE 10: SUMMARY STATEMENT OF RESTATED CONSOLIDATED SHORT-TERM PROVISIONS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits						
Compensated absences	22.19	20.32	8.37	4.00	1.86	-
Gratuity (Refer note-29.3)	15.23	6.55	9.71	8.10	8.91	0.28
Provision for income tax (net of advance tax)	54.04	1.35	4.18	11.33	10.72	42.50
Provision for sales returns	160.26	149.40	188.15	167.76	103.85	78.17
<b>Total</b>	<b>251.72</b>	<b>177.62</b>	<b>210.41</b>	<b>191.19</b>	<b>125.34</b>	<b>120.95</b>

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 11: SUMMARY STATEMENT OF RESTATED CONSOLIDATED FIXED ASSETS

(₹ in Million)

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Balance as at 1st April 2011	Additions	Deductions	Balance as at 31st March 2012	Balance as at 1st April 2011	Additions	Adjustments	Deductions	Balance as at 31st March 2012	Balance as at 31st March 2012	Balance as at 31st March 2011
<b>(a) Tangible Assets</b>											
Land	21.06	-	-	21.06	-	-	-	-	-	21.06	21.06
Building	36.93	22.77	-	59.70	8.51	3.83	-	-	12.34	47.36	28.42
Plant and machinery	70.56	5.89	-	76.45	22.69	8.59	-	-	31.28	45.17	47.87
Vehicles	46.79	31.73	-	78.52	12.14	11.99	-	-	24.13	54.39	34.65
Furniture and fixtures	9.18	2.02	-	11.20	1.32	1.66	-	-	2.98	8.22	7.86
Equipment	25.48	4.26	-	29.74	9.83	5.00	-	-	14.83	14.91	15.65
Electrical Installation	10.26	0.01	-	10.27	2.36	0.79	-	-	3.15	7.12	7.90
<b>Total</b>	<b>220.26</b>	<b>66.68</b>	<b>-</b>	<b>286.94</b>	<b>56.85</b>	<b>31.86</b>	<b>-</b>	<b>-</b>	<b>88.71</b>	<b>198.23</b>	<b>163.41</b>
<b>(b) Intangible Assets</b>											
Trademarks	0.22	0.36	-	0.58	0.01	0.08	-	-	0.09	0.49	0.21
Computer Software - Acquired	0.50	-	-	0.50	0.18	0.17	-	-	0.35	0.15	0.32
<b>Total</b>	<b>0.72</b>	<b>0.36</b>	<b>-</b>	<b>1.08</b>	<b>0.19</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>0.44</b>	<b>0.64</b>	<b>0.53</b>
<b>Grand Total</b>	<b>220.98</b>	<b>67.04</b>	<b>-</b>	<b>288.02</b>	<b>57.04</b>	<b>32.11</b>	<b>-</b>	<b>-</b>	<b>89.15</b>	<b>198.87</b>	<b>163.94</b>

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 11: SUMMARY STATEMENT OF RESTATED CONSOLIDATED FIXED ASSETS

(₹ in Million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at April 1, 2012	Additions	Deductions	Balance as at March 31, 2013	Balance as at April 1, 2012	Additions	Adjustments	Deductions	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
<b>(a) Tangible Assets</b>											
Land	21.06	-	-	21.06	-	-	-	-	-	21.06	21.06
Building	59.70	-	-	59.70	12.34	3.65	-	-	15.99	43.71	47.36
Plant and machinery	76.45	4.73	-	81.18	31.28	7.87	-	-	39.15	42.03	45.17
Vehicles	78.52	33.28	9.55	102.25	24.13	14.12	-	4.59	33.66	68.59	54.39
Furniture and fixtures	11.20	22.52	-	33.72	2.98	2.79	-	-	5.77	27.95	8.22
Equipment	29.74	17.99	2.70	45.03	14.83	5.50	-	0.72	19.61	25.42	14.91
Electrical Installation	10.27	-	-	10.27	3.15	0.71	-	-	3.86	6.41	7.12
<b>Total</b>	<b>286.94</b>	<b>78.52</b>	<b>12.25</b>	<b>353.21</b>	<b>88.71</b>	<b>34.64</b>	<b>-</b>	<b>5.31</b>	<b>118.04</b>	<b>235.17</b>	<b>198.23</b>
<b>(b) Intangible Assets</b>											
Trademarks	0.58	0.39	-	0.97	0.09	0.13	-	-	0.22	0.75	0.49
Computer Software - Acquired	0.50	-	-	0.50	0.35	0.08	-	-	0.43	0.07	0.15
<b>Total</b>	<b>1.08</b>	<b>0.39</b>	<b>-</b>	<b>1.47</b>	<b>0.44</b>	<b>0.21</b>	<b>-</b>	<b>-</b>	<b>0.65</b>	<b>0.82</b>	<b>0.64</b>
<b>Grand Total</b>	<b>288.02</b>	<b>78.91</b>	<b>12.25</b>	<b>354.68</b>	<b>89.15</b>	<b>34.85</b>	<b>-</b>	<b>5.31</b>	<b>118.69</b>	<b>235.99</b>	<b>198.87</b>

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 11: SUMMARY STATEMENT OF RESTATED CONSOLIDATED FIXED ASSETS

(₹ in Million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at April 1, 2013	Additions	Deductions	Balance as at March 31, 2014	Balance as at April 1, 2013	Additions	Adjustments	Deductions	Balance as at March 31, 2014	Balance as at March 31, 2014	Balance as at March 31, 2013
<b>(a) Tangible Assets</b>											
Land	21.06	22.98	-	44.04	-	-	-	-	-	44.04	21.06
Building	59.70	200.63	-	260.33	15.99	3.71	-	-	19.70	240.63	43.71
Plant and machinery	81.18	249.04	-	330.22	39.15	7.46	-	-	46.61	283.61	42.03
Vehicles	102.25	12.81	0.85	114.21	33.66	18.43	-	0.47	51.62	62.59	68.59
Furniture and fixtures	33.72	12.50	1.09	45.13	5.77	5.20	-	0.64	10.33	34.80	27.95
Equipment	45.03	25.01	0.45	69.59	19.61	11.13	-	0.22	30.52	39.07	25.42
Electrical Installation	10.27	-	-	10.27	3.86	0.64	-	-	4.50	5.77	6.41
<b>Total</b>	<b>353.21</b>	<b>522.97</b>	<b>2.39</b>	<b>873.79</b>	<b>118.04</b>	<b>46.57</b>	<b>-</b>	<b>1.33</b>	<b>163.28</b>	<b>710.51</b>	<b>235.17</b>
<b>(b) Intangible Assets</b>											
Trademarks	0.97	0.57	-	1.54	0.22	0.20	-	-	0.42	1.12	0.75
Computer Software - Acquired	0.50	6.30	-	6.80	0.43	0.91	-	-	1.34	5.46	0.07
<b>Total</b>	<b>1.47</b>	<b>6.87</b>	<b>-</b>	<b>8.34</b>	<b>0.65</b>	<b>1.11</b>	<b>-</b>	<b>-</b>	<b>1.76</b>	<b>6.58</b>	<b>0.82</b>
<b>Grand Total</b>	<b>354.68</b>	<b>529.84</b>	<b>2.39</b>	<b>882.13</b>	<b>118.69</b>	<b>47.68</b>	<b>-</b>	<b>1.33</b>	<b>165.04</b>	<b>717.09</b>	<b>235.99</b>

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 11: SUMMARY STATEMENT OF RESTATED CONSOLIDATED FIXED ASSETS

(₹ in Million)

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block		
	Balance as at April 1, 2014	Additions	Deductions	Balance as at March 31, 2015	Balance as at April 1, 2014	Additions	Adjustments	Deductions	Balance as at March 31, 2015	Balance as at March 31, 2015	Balance as at March 31, 2014
<b>(a) Tangible Assets</b>											
Land	44.04	-	-	44.04	-	-	-	-	-	44.04	44.04
Building	260.33	10.02	-	270.35	19.70	22.76	-	-	42.46	227.89	240.63
Plant and machinery	330.22	22.13	-	352.35	46.61	53.44	-	-	100.05	252.30	283.61
Vehicles	114.21	49.84	2.55	161.50	51.62	32.82	-	1.10	83.34	78.16	62.59
Furniture and fixtures	45.13	4.50	-	49.63	10.33	10.06	-	-	20.39	29.24	34.80
Equipment	69.59	27.72	-	97.31	30.52	31.75	0.78	-	63.05	34.26	39.07
Electrical installation	10.27	4.89	-	15.16	4.50	1.56	-	-	6.06	9.10	5.77
<b>Total</b>	<b>873.79</b>	<b>119.10</b>	<b>2.55</b>	<b>990.34</b>	<b>163.28</b>	<b>152.39</b>	<b>0.78</b>	<b>1.10</b>	<b>315.35</b>	<b>674.99</b>	<b>710.51</b>
<b>(b) Intangible Assets</b>											
Trademarks	1.54	0.22	-	1.76	0.42	0.32	-	-	0.74	1.02	1.12
Computer Software - Acquired	6.80	2.85	-	9.65	1.34	2.43	-	-	3.77	5.88	5.46
<b>Total</b>	<b>8.34</b>	<b>3.07</b>	<b>-</b>	<b>11.41</b>	<b>1.76</b>	<b>2.75</b>	<b>-</b>	<b>-</b>	<b>4.51</b>	<b>6.90</b>	<b>6.58</b>
<b>Grand Total</b>	<b>882.13</b>	<b>122.17</b>	<b>2.55</b>	<b>1,001.75</b>	<b>165.04</b>	<b>155.14</b>	<b>0.78</b>	<b>1.10</b>	<b>319.86</b>	<b>681.89</b>	<b>717.09</b>

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 11: SUMMARY STATEMENT OF RESTATED CONSOLIDATED FIXED ASSETS

(₹ in Million)

Particulars	Gross block				Accumulated depreciation				Net block		
	As at April 1, 2015	Additions	Deductions	Balance as at March 31, 2016	Balance as at April 1, 2015	Additions	Adjustments	Deductions	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
<b>(a) Tangible assets</b>											
Land	44.04	-	-	44.04	-	-	-	-	-	44.04	44.04
Building	270.35	-	-	270.35	42.46	20.88	-	-	63.34	207.01	227.89
Plant and machinery	352.35	6.10	0.02	358.43	100.05	45.62	-	-	145.67	212.76	252.30
Vehicles	161.50	3.78	4.78	160.50	83.34	25.37	-	3.94	104.77	55.73	78.16
Furniture and fixtures	49.63	2.56	-	52.19	20.39	8.24	-	-	28.63	23.56	29.24
Equipment	97.31	220.58	-	317.89	63.05	98.82	-	-	161.87	156.02	34.26
Electrical installation	15.16	0.02	-	15.18	6.06	1.54	-	-	7.60	7.58	9.10
<b>Total</b>	<b>990.34</b>	<b>233.04</b>	<b>4.80</b>	<b>1,218.58</b>	<b>315.35</b>	<b>200.47</b>	<b>-</b>	<b>3.94</b>	<b>511.88</b>	<b>706.70</b>	<b>674.99</b>
<b>(b) Intangible assets</b>											
Trademarks	1.76	0.24	-	2.00	0.74	0.29	-	-	1.03	0.97	1.02
Computer Software - Acquired	9.65	2.91	-	12.56	3.77	2.80	-	-	6.57	5.99	5.88
<b>Total</b>	<b>11.41</b>	<b>3.15</b>	<b>-</b>	<b>14.56</b>	<b>4.51</b>	<b>3.09</b>	<b>-</b>	<b>-</b>	<b>7.60</b>	<b>6.96</b>	<b>6.90</b>
<b>Grand total</b>	<b>1,001.75</b>	<b>236.19</b>	<b>4.80</b>	<b>1,233.14</b>	<b>319.86</b>	<b>203.56</b>	<b>-</b>	<b>3.94</b>	<b>519.48</b>	<b>713.66</b>	<b>681.89</b>

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 11: SUMMARY STATEMENT OF RESTATED CONSOLIDATED FIXED ASSETS

(₹ in Million)

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at April 1, 2016	Additions	Deductions	Balance as at September 30, 2016	Balance as at April 1, 2016	Additions	Adjustments	Deductions	Balance as at September 30, 2016	Balance as at September 30, 2016	Balance as at March 31, 2016
<b>(a) Tangible Assets</b>											
Land	44.04	-	13.01	31.03	-	-	-	-	-	31.03	44.04
Building	270.35	-	37.05	233.30	63.34	9.35	-	20.90	51.79	181.51	207.01
Plant and Machinery	358.43	3.84	85.81	276.46	145.67	18.53	-	58.62	105.58	170.88	212.76
Vehicles	160.50	1.68	6.88	155.30	104.77	8.56	-	4.38	108.95	46.35	55.73
Furnitures and Fixtures	52.19	-	0.69	51.50	28.63	3.13	-	0.33	31.43	20.07	23.56
Equipment	317.89	61.27	25.65	353.51	161.87	57.61	-	24.01	195.47	158.04	156.02
Electrical Installation	15.18	-	10.25	4.93	7.60	0.57	-	5.79	2.38	2.55	7.58
<b>Total</b>	<b>1,218.58</b>	<b>66.79</b>	<b>179.34</b>	<b>1,106.03</b>	<b>511.88</b>	<b>97.75</b>	<b>-</b>	<b>114.03</b>	<b>495.60</b>	<b>610.43</b>	<b>706.70</b>
<b>(b) Intangible Assets</b>											
Trademarks	2.00	0.03	-	2.03	1.03	0.07	-	-	1.10	0.93	0.97
Computer Software - Acquired	12.56	3.59	0.51	15.64	6.57	0.83	-	0.50	6.90	8.74	5.99
Brand	-	328.70	-	328.70	-	9.55	-	-	9.55	319.15	-
Non-compete fees	-	50.00	-	50.00	-	1.45	-	-	1.45	48.55	-
<b>Total</b>	<b>14.56</b>	<b>382.32</b>	<b>0.51</b>	<b>396.37</b>	<b>7.60</b>	<b>11.90</b>	<b>-</b>	<b>0.50</b>	<b>19.00</b>	<b>377.37</b>	<b>6.96</b>
<b>Grand Total</b>	<b>1,233.14</b>	<b>449.11</b>	<b>179.85</b>	<b>1,502.40</b>	<b>519.48</b>	<b>109.65</b>	<b>-</b>	<b>114.53</b>	<b>514.60</b>	<b>987.80</b>	<b>713.66</b>

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 12: SUMMARY STATEMENT OF RESTATED CONSOLIDATED NON CURRENT INVESTMENTS

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Trade investments (unquoted) (valued at cost) (Refer note 29.4)</b>						
Investment in equity instruments	25.95	25.95	-	-	-	-
<b>Non-trade investment (valued at cost)(Refer note 29.4)</b>						
Investment in equity instruments (quoted)	15.00	15.00	15.00	-	-	-
Investment in National Saving Certificate	0.02	0.02	0.02	0.02	0.07	0.06
Investment in Mutual Fund (unquoted)	60.00	585.00	957.75	170.00	-	-
	100.97	625.97	972.77	170.02	0.07	0.06
Aggregate value of quoted investments	15.00	15.00	15.00	-	-	-
Aggregate Market value of quoted investments	11.79	11.58	13.00	-	-	-
Aggregate value of unquoted investments	85.97	610.97	957.77	170.02	0.07	0.06

NOTE 13: SUMMARY STATEMENT OF RESTATED CONSOLIDATED DEFERRED TAX ASSETS (NET)

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Deferred tax assets</b>						
On difference between book balance and tax balance of fixed assets	50.17	26.91	8.90	0.69	0.55	0.79
Disallowances under Section 43B of the Income Tax Act, 1961	-	24.86	22.24	3.89	1.79	-
Others	3.24	5.65	1.95	1.01	0.28	-
<b>Deferred tax liability</b>						
Others	-	-	-	(3.45)	-	-
<b>Net deferred tax Assets / (Liabilities)</b>	<b>53.41</b>	<b>57.42</b>	<b>33.09</b>	<b>2.14</b>	<b>2.62</b>	<b>0.79</b>

NOTE 14: SUMMARY STATEMENT OF RESTATED CONSOLIDATED LONG-TERM LOANS AND ADVANCES

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Unsecured, considered good</b>						
Security deposits	44.81	43.20	41.56	43.26	34.70	28.70
Advance income tax (net of provision)	110.65	110.18	122.81	119.21	92.08	59.78
Minimum Alternate Tax credit entitlement	251.84	132.30	-	-	-	-
Alternate Minimum Tax credit entitlement	-	30.38	37.38	46.17	45.20	-
Advances recoverable in cash or kind or for value to be received	36.49	38.07	13.04	21.16	11.00	5.30
<b>Total</b>	<b>443.79</b>	<b>354.13</b>	<b>214.79</b>	<b>229.80</b>	<b>182.98</b>	<b>93.78</b>

NOTE 15: SUMMARY STATEMENT OF RESTATED CONSOLIDATED OTHER NON CURRENT ASSETS

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Receivable on sale of Investment in subsidiary	24.00	-	-	-	-	-
<b>Total</b>	<b>24.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

NOTE 16: SUMMARY STATEMENT OF RESTATED CONSOLIDATED CURRENT INVESTMENT

(₹ in Million)

Particulars	As at					
-------------	-------	-------	-------	-------	-------	-------

	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Non-trade investment (unquoted) (valued at lower of cost and fair value) (Refer note 29.5)</b>						
Investment in mutual funds	2,519.60	1,271.25	692.40	669.64	465.00	134.52
Investment in tax free bonds	3.20	3.20	-	-	-	-
<b>Total</b>	<b>2,522.80</b>	<b>1,274.45</b>	<b>692.40</b>	<b>669.64</b>	<b>465.00</b>	<b>134.52</b>

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**NOTE 17: SUMMARY STATEMENT OF RESTATED CONSOLIDATED INVENTORIES**

(At lower of cost and net realisable value)

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Raw Material and Packing Material *	154.40	62.31	84.93	63.96	6.26	4.88
Work-in-progress	28.29	43.28	73.97	55.03	32.66	31.63
Finished goods	203.34	205.92	224.71	0.30	-	-
Stock-in-trade **	120.00	162.55	190.63	327.78	391.63	178.86
Stores, spares & consumables	1.43	2.16	1.81	1.04	1.43	10.34
<b>Total</b>	<b>507.46</b>	<b>476.22</b>	<b>576.05</b>	<b>448.11</b>	<b>431.98</b>	<b>225.71</b>

\* Goods in transit included in Raw material and Packing material

\*\* Goods in transit included in Stock in Trade

**NOTE 18: SUMMARY STATEMENT OF RESTATED CONSOLIDATED TRADE RECEIVABLES**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Unsecured, considered good</b>						
Outstanding for a period exceeding six months from the date they were due for payment	2.17	2.20	1.98	1.66	2.02	0.70
Others	559.22	251.49	234.68	221.74	163.94	143.76
<b>Total</b>	<b>561.39</b>	<b>253.69</b>	<b>236.66</b>	<b>223.40</b>	<b>165.96</b>	<b>144.46</b>

**NOTE 19: SUMMARY STATEMENT OF RESTATED CONSOLIDATED CASH AND CASH EQUIVALENTS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>(a) Cash and cash equivalents</b>						
Cash on hand	1.49	16.84	9.22	5.78	5.56	2.50
Balances with banks in current accounts	95.38	71.83	40.77	60.40	14.85	25.64
<b>(b) Other bank balances</b>						
In fixed deposit accounts having original maturity of more than 3 months	0.54	8.27	7.22	6.67	28.56	65.12
<b>Total</b>	<b>97.41</b>	<b>96.94</b>	<b>57.21</b>	<b>72.85</b>	<b>48.97</b>	<b>93.26</b>

**NOTE 20: SUMMARY STATEMENT OF RESTATED CONSOLIDATED SHORT-TERM LOANS AND ADVANCES**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
<b>Unsecured, considered good</b>						
Security deposits	0.14	0.23	5.42	44.89	22.12	1.70
Loans and advances to employees	17.66	15.44	8.50	9.15	9.33	5.82
Prepaid expenses	5.91	9.81	8.38	8.97	8.03	3.96
Advance income tax (net of provision)	-	15.10	-	-	-	-
<b>Balances with government authorities</b>						
Cenvat credit receivable	15.11	9.61	11.32	21.35	0.86	-
Others	2.76	1.42	0.93	0.91	-	-
Advance recoverable in cash or kind or for value to be received (includes advances to suppliers)	108.52	66.31	34.81	55.51	111.30	83.77
<b>Total</b>	<b>150.10</b>	<b>117.92</b>	<b>69.36</b>	<b>140.78</b>	<b>151.64</b>	<b>95.25</b>

**NOTE 21: SUMMARY STATEMENT OF RESTATED CONSOLIDATED OTHER CURRENT ASSETS**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Insurance claim receivable	0.57	2.92	3.10	-	-	-
Interest accrued	0.19	0.27	-	-	-	-
Receivable on sale of Investment in subsidiary	41.00	-	-	-	-	-
<b>Total</b>	<b>41.76</b>	<b>3.19</b>	<b>3.10</b>	<b>-</b>	<b>-</b>	<b>-</b>

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**NOTE 22: SUMMARY STATEMENT OF RESTATED CONSOLIDATED REVENUE FROM OPERATIONS**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Sale of products <sup>(22.1), (22.2)</sup>	3,745.71	6,023.25	5,472.42	5,084.54	3,929.75	2,739.09
Less: Excise duty	(105.39)	(177.59)	(89.30)	-	-	-
<b>Sale of Products (net) (A)</b>	<b>3,640.32</b>	<b>5,845.66</b>	<b>5,383.12</b>	<b>5,084.54</b>	<b>3,929.75</b>	<b>2,739.09</b>
Excise duty refund	65.57	119.15	64.29	-	-	-
Others	2.08	5.40	8.17	3.68	0.89	0.31
<b>Other operating income (B)</b>	<b>67.65</b>	<b>124.55</b>	<b>72.46</b>	<b>3.68</b>	<b>0.89</b>	<b>0.31</b>
<b>Total (A+B)</b>	<b>3,707.97</b>	<b>5,970.21</b>	<b>5,455.58</b>	<b>5,088.22</b>	<b>3,930.64</b>	<b>2,739.40</b>

**(22.1) Details of Products sold**

Tablets and Capsules	3,526.19	5,641.77	5,152.36	4,832.93	3,787.25	2,659.67
Other	219.52	381.48	320.06	251.61	142.50	79.42
<b>Total</b>	<b>3,745.71</b>	<b>6,023.25</b>	<b>5,472.42</b>	<b>5,084.54</b>	<b>3,929.75</b>	<b>2,739.09</b>

**(22.2) Details of Products sold**

Sale of manufactured products	1,875.02	3,105.62	1,538.76	-	-	-
Sale of traded products	1,870.69	2,917.63	3,933.66	5,084.54	3,929.75	2,739.09
<b>Total</b>	<b>3,745.71</b>	<b>6,023.25</b>	<b>5,472.42</b>	<b>5,084.54</b>	<b>3,929.75</b>	<b>2,739.09</b>

**NOTE 23: SUMMARY STATEMENT OF RESTATED CONSOLIDATED OTHER INCOME**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Interest income (Recurring)	4.07	4.18	0.84	1.70	2.76	9.01
Dividend income from non current Investment (Recurring)	0.18	0.30	-	0.18	9.52	3.76
Net gain on non current investments sold (Recurring)	100.55	-	-	-	-	-
Net gain on current investments sold (Recurring)	13.90	29.07	33.15	42.32	2.17	0.32
Profit on disposal of the investment in subsidiary (Non Recurring)	13.92	-	-	-	-	-
Profit on fixed assets sold (Non Recurring)	-	-	0.17	-	-	-
Miscellaneous income (Recurring)	0.07	0.17	0.78	-	0.04	-
<b>Total</b>	<b>132.69</b>	<b>33.72</b>	<b>34.94</b>	<b>44.20</b>	<b>14.49</b>	<b>13.09</b>

**NOTE 24: SUMMARY STATEMENT OF RESTATED CONSOLIDATED COST OF MATERIAL CONSUMED**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>Raw materials and packing materials</b>						
Opening stock	62.31	84.93	63.96	6.26	4.88	4.97
Add: Purchases during the year / period	354.34	559.68	463.04	334.31	434.93	161.66
Less: Closing stock	(154.40)	(62.31)	(84.93)	(63.96)	(6.26)	(4.88)
<b>Total</b>	<b>262.25</b>	<b>582.30</b>	<b>442.07</b>	<b>276.61</b>	<b>433.55</b>	<b>161.75</b>

**NOTE 25: SUMMARY STATEMENT OF RESTATED CONSOLIDATED CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>Opening stock</b>						
Stock-in-trade	162.55	190.63	327.78	391.63	178.86	142.61
Finished goods	205.92	224.71	0.30	-	-	-
Work-in-progress	43.28	73.97	55.03	32.66	31.63	19.74
	<b>411.75</b>	<b>489.31</b>	<b>383.11</b>	<b>424.29</b>	<b>210.49</b>	<b>162.35</b>
<b>Less: Closing stock</b>						
Stock-in-trade	120.00	162.55	190.63	327.78	391.63	178.86
Finished goods	203.34	205.92	224.71	0.30	-	-
Work-in-progress	28.29	43.28	73.97	55.03	32.66	31.63
	<b>351.63</b>	<b>411.75</b>	<b>489.31</b>	<b>383.11</b>	<b>424.29</b>	<b>210.49</b>
<b>Net (Increase) / decrease in stocks</b>	<b>60.12</b>	<b>77.56</b>	<b>(106.20)</b>	<b>41.18</b>	<b>(213.80)</b>	<b>(48.14)</b>

**NOTE 26: SUMMARY STATEMENT OF RESTATED CONSOLIDATED EMPLOYEE BENEFITS EXPENSES**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, wages and bonus	629.56	1,151.93	1,122.27	847.66	629.07	404.48
Contribution to provident and other funds	23.78	58.88	104.73	33.82	28.19	18.65
Staff welfare expenses	13.42	35.86	29.30	23.95	15.79	6.58
<b>Total</b>	<b>666.76</b>	<b>1,246.67</b>	<b>1,256.30</b>	<b>905.43</b>	<b>673.05</b>	<b>429.71</b>

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**NOTE 27: SUMMARY STATEMENT OF RESTATED CONSOLIDATED OTHER EXPENSES**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Power and fuel	16.50	35.88	48.91	13.16	11.45	8.40
Consumption of stores and spares (Indigenous)	13.06	28.95	19.48	16.36	13.05	2.51
Labour and security	10.64	15.77	13.01	3.77	3.85	1.89
Testing charges	3.75	10.92	10.37	6.08	2.71	1.38
Excise duties	11.70	7.85	55.03	-	-	-
Rent	22.71	56.90	38.75	27.65	20.95	10.69
Freight and forwarding	36.06	64.88	62.81	41.12	30.91	24.57
Commission	73.37	117.60	104.62	109.87	86.79	76.73
Advertising, publicity and awareness	185.72	444.47	336.78	730.61	276.80	126.43
<b>Repairs and maintenance</b>						
Buildings	8.71	15.27	16.73	2.62	0.07	6.37
Machinery	0.45	1.42	1.33	1.82	1.67	0.13
Other	11.71	6.33	6.89	6.10	24.97	6.73
Selling and distribution	66.92	200.59	204.82	252.79	239.72	199.90
Travelling and conveyance	331.72	616.27	720.06	652.16	583.01	553.02
Communication	12.85	22.44	23.02	14.23	37.71	27.60
Legal and professional	194.15	300.91	333.08	299.50	268.00	169.85
Rates and taxes	14.63	38.37	33.17	20.09	9.72	7.33
Insurance	3.08	7.28	5.30	3.81	2.96	2.20
Payments to statutory auditor-for audit	-	1.38	0.93	0.93	0.56	0.50
Payments to cost auditor-for audit	-	0.09	-	-	-	-
Loss on fixed assets sold	1.74	0.56	0.04	0.66	5.62	-
Debts written off	-	-	-	-	34.58	-
Preliminary expenses	-	-	0.26	0.27	0.32	0.33
Donations	0.08	0.60	1.07	0.37	0.19	-
Bank charges	0.24	1.57	0.04	0.29	0.55	0.89
Diminution in value of Investment	3.97	-	-	-	0.10	-
Impairment of goodwill on consolidation	-	27.41	-	-	0.96	-
Miscellaneous	4.01	7.36	5.99	2.06	4.22	2.40
<b>Total</b>	<b>1,027.77</b>	<b>2,031.07</b>	<b>2,042.49</b>	<b>2,206.32</b>	<b>1,661.44</b>	<b>1,229.85</b>

**NOTE 28: SUMMARY STATEMENT OF RESTATED CONSOLIDATED FINANCE COST**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Interest expense on borrowings	0.78	1.20	0.18	2.46	7.12	10.96
<b>Total</b>	<b>0.78</b>	<b>1.20</b>	<b>0.18</b>	<b>2.46</b>	<b>7.12</b>	<b>10.96</b>

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**NOTE 29: OTHER NOTES**

**Note 29.1 RELATED PARTY DISCLOSURES**

List of Related Parties and description of their relationship is as follows:

Sr. No	Name of the entity	Relationship
1	Mr. Amit Bakshi, Managing Director	Key Managerial Personnel
2	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund	Enterprise controlled by the Company

Transactions with related parties are as follows:

(₹ in Million)

Sr. No	Particulars	Relationship	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
1	Eris Lifesciences Private Limited Employees Group Gratuity Trust Fund	Enterprise controlled by the Company						
	Contribution to gratuity fund		10.47	5.58	8.99	7.44	8.32	3.01
2	Mr. Amit Bakshi	Key Managerial Personnel						
	Salary and commission		9.82	25.39	54.90	49.93	24.91	15.82

**Balances with related parties:**

There are no outstanding balances with related parties at the end of aforesaid year / period.

**Note 29.2 SEGMENT REPORTING**

The primary and secondary reportable segments considered are business segments and geographical segments respectively. The group operates in a solitary business segment i.e. pharmaceuticals. Accordingly, no further disclosures for business segments have been given. Since the group has its operations in India only, there are no disclosures relating to geographical segment. Hence, the financial statements are reflective of the information required by Accounting Standard 17 specified under Section 133 of the Companies Act, 2013.

**Note 29.3 EMPLOYEE BENEFITS:**

**A) Defined contribution plans:**

The group makes Provident Fund contributions, which are defined contribution plans, for qualifying employees. Under the schemes, the group is required to contribute a specified percentage of payroll costs to fund the benefits. The group recognised following amounts as an expense included in Note-26 'Contribution to Provident Fund and Other funds' in the statement of Profit and Loss. The contributions payable to these plans by the group are at rates specified in the rules of schemes.

The group makes contributions towards Employees State Insurance Scheme operated by the ESIC Corporation. The group recognised following amounts in note 26 'contribution to Provident Fund and Other Funds' in the statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of scheme.

(₹ in Million)

Particulars	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Provident Fund Contribution	21.52	42.45	34.48	20.33	16.61	12.22
Contribution to ESIC	1.63	2.21	1.57	0.37	0.29	0.11

**B) Defined benefit plans:**

The group makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 4.5 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

The following table sets out the status of the gratuity plan as required under AS-15 and the amounts recognized in the Company's restated financial statements:

(₹ in Million)

Particulars	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Change in present value of obligations :</b>						
Obligations at beginning of the year / period	46.30	38.89	26.73	18.67	9.17	5.34
Service Cost	5.65	9.99	9.81	7.83	4.62	2.80
Interest Cost	1.69	2.62	1.92	1.49	0.73	0.41
Actuarial (gain)/loss	4.27	2.33	6.30	(0.65)	4.15	0.62
Benefits paid	(3.34)	(7.53)	(5.87)	(0.61)	-	-
Obligations at the end of the year / period	54.57	46.30	38.89	26.73	18.67	9.17
<b>Change in fair value of plan assets :</b>						
Fair value of plan assets at the beginning of the year / period	39.75	29.18	18.63	9.76	8.89	2.73
Expenses deducted from the fund	(0.61)	(1.02)	-	-	-	-
Expected returns on plan assets	1.48	2.00	2.18	1.26	0.81	0.72
Actuarial (loss)/gain	(0.17)	0.67	-	-	-	-
Employer Contributions	0.83	9.82	14.12	8.22	0.06	5.44
Benefits paid	(1.99)	(7.45)	(5.75)	(0.61)	-	-
Adjustment to the fund	-	6.55	-	-	-	-
Fair Value of plan assets at the end of the year / period	39.29	39.75	29.18	18.63	9.76	8.89
<b>Reconciliation of Present Value of Obligation and the fair value of plan assets :</b>						
Present value of the defined benefit obligation at the end of the year / period	54.57	46.30	38.89	26.73	18.67	9.17
Less : Fair value of plan assets	39.29	39.75	29.18	18.63	9.76	8.89
Funded status [Surplus/(deficit)]	(15.28)	(6.55)	(9.71)	(8.10)	(8.91)	(0.28)
Net liability recognised in the Balance Sheet	(15.28)	(6.55)	(9.71)	(8.10)	(8.91)	(0.28)
<b>Gratuity Cost for the year / period</b>						
Service Cost	5.65	9.99	9.81	7.83	4.62	2.80
Interest Cost	1.69	2.62	1.92	1.49	0.73	0.41
Expected returns on plan assets	(1.48)	(2.00)	(2.18)	(1.26)	(0.81)	(0.72)
Actuarial (gain)/loss	4.44	1.66	6.30	(0.65)	4.15	0.62
Expenses deducted from the fund	0.61	1.02	-	-	-	-
Adjustment to the fund	-	(6.55)	-	-	-	-
Net Gratuity cost charged to Statement of Profit and Loss	10.91	6.74	15.85	7.41	8.69	3.11
<b>Assumptions: <sup>(1)</sup></b>						
Discount rate	6.80%	7.45%	8.00%	8.00%	8.00%	8.00%
Estimated rate of return on plan assets	6.80%	7.45%	8.00%	8.00%	9.15%	9.15%
Annual increase in salary costs	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

(1) The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets is determined on the nature of assets and prevailing economic scenario.

The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.

(₹ in Million)

Particulars	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
<b>Experience Adjustment</b>						
Defined benefit obligation	54.57	46.30	38.89	26.73	18.67	9.17
Plan assets	39.29	39.75	29.18	18.63	9.76	8.89
Surplus/(deficit)	(15.28)	(6.55)	(9.71)	(8.10)	(8.91)	(0.28)
Experience adjustments on plan liabilities [ (Gains) / Losses ]	4.27	2.33	6.30	(0.65)	4.15	0.62
Experience adjustments on plan assets [ Gains / (Losses)]	(0.17)	0.67	-	-	-	-

**Investment details of plan assets:**

The plan assets are managed by Insurance Company viz Life Insurance Corporation of India who has invested the funds substantially as under:

Particulars	September 30, 2016	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
	%	%	%	%	%	%
Policy of insurance	79%	84%	100%	100%	100%	100%
Deposits with banks in saving account	21%	16%	-	-	-	-

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 29.4NON CURRENT INVESTMENTS

(₹ in Million)

Particulars	Face value (per unit / share)	As at September 30, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
		Units/Shares (Numbers)	₹ in Million										
<b>A. Trade investments in equity instruments (unquoted) (valued at cost)</b>													
Investment in equity instruments of S3V Vascular Technologies Private Limited, fully paid equity shares of Rs.10 each	10	3,81,588	25.95	3,81,588	25.95	-	-	-	-	-	-	-	-
<b>B. Non-trade investment (valued at cost)</b>													
Investment in equity instruments of HCL Technologies, fully paid equity shares of Rs.2 each (quoted)	2	14,745	15.00	14,745	15.00	14,745	15.00	-	-	-	-	-	-
Investment in National Saving Certificate	-	-	0.02	-	0.02	-	0.02	-	0.02	-	0.07	-	0.06
<b>Investment in Mutual Fund (unquoted)</b>													
Reliance Fixed Horizon Fund XXV S17	10	-	-	60,00,000	60.00	60,00,000	60.00	60,00,000	60.00	-	-	-	-
BSL FTP-Series JX-Growth	10	60,00,000	60.00	60,00,000	60.00	60,00,000	60.00	60,00,000	60.00	-	-	-	-
ICICI Prudential FMP Series 74	10	-	-	1,65,00,000	165.00	1,65,00,000	165.00	-	-	-	-	-	-
BSL FTP Series LU	10	-	-	1,00,00,000	100.00	1,00,00,000	100.00	-	-	-	-	-	-
Reliance FMP-XXVII-Series 3 (1109 days)	10	-	-	1,00,00,000	100.00	1,00,00,000	100.00	-	-	-	-	-	-
Reliance FMP-XXVII-Series 4 (1105 days)	10	-	-	1,00,00,000	100.00	1,00,00,000	100.00	-	-	-	-	-	-
LIC Nomura MF FMP Series 64	10	-	-	-	-	50,00,000	50.00	50,00,000	50.00	-	-	-	-
Kotak FMP Series 105	10	-	-	-	-	1,25,00,000	125.00	-	-	-	-	-	-
HDFC FMP 370D July 2013	10	-	-	-	-	82,74,980	82.75	-	-	-	-	-	-
Birla Sun Life Fixed Term Plan-Series IC	10	-	-	-	-	65,00,000	65.00	-	-	-	-	-	-
Sundaram Fixed Term Plan-DY	10	-	-	-	-	50,00,000	50.00	-	-	-	-	-	-
			100.97		625.97		972.77		170.02		0.07		0.06
Aggregate value of quoted investments			15.00		15.00		15.00		-		-		-
Aggregate Market value of quoted investments			11.79		11.58		13.00		-		-		-
Aggregate value of unquoted investments			85.97		610.97		957.77		170.02		0.07		0.06

ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)

NOTE 29.5 Current investments

(₹ in Million)

Particulars	Face value (per unit / share)	As at September 30, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
		Units/Shares (Numbers)	₹ in Million										
<b>Non-trade investment (unquoted) (valued at lower of cost and fair value)</b>													
<b>Investment in mutual funds</b>													
Birla Sun Life Cash Manager - IP	100	-	-	-	-	-	-	-	-	-	-	2,54,057	25.41
Birla Sun Life Dynamic Bond Fund	10	-	-	-	-	-	-	-	-	-	-	11,19,263.08	20.00
HDFC Cash Management Fund	10	-	-	-	-	-	-	-	-	-	-	47,45,719.41	47.61
IDFC Money Manager Fund-Treasury Plan B	10	-	-	-	-	-	-	-	-	-	-	41,20,663.01	41.50
IDFC Dynamic Bond Fund	10	-	-	-	-	-	-	1,12,18,561.86	150.00	1,12,18,561.86	150.00	-	-
Birla Sun life Fixed Term Plan Series FN- G	10	-	-	-	-	-	-	-	-	20,00,000.00	20.00	-	-
HDFC FMP 370D May 2012 (1) Series XXI	10	-	-	-	-	-	-	-	-	10,00,000.00	10.00	-	-
HDFC FMP 371D July-2012(2)-G-Series 22	10	-	-	-	-	-	-	-	-	30,00,000.00	30.00	-	-
HDFC FMP 371D June-2012(1)-G-Series 22	10	-	-	-	-	-	-	-	-	20,00,000.00	20.00	-	-
ICICI Pru. FMP Series 64-367 Days Plan B	10	-	-	-	-	-	-	-	-	20,00,000.00	20.00	-	-
SBI Debt Fund Series 366D-10	10	-	-	-	-	-	-	-	-	50,00,000.00	50.00	-	-
SBI Debt Fund Series 366D-15	10	-	-	-	-	-	-	-	-	75,00,000.00	75.00	-	-
SBI Debt Fund Series 366D-2	10	-	-	-	-	-	-	-	-	40,00,000.00	40.00	-	-
SBI Debt Fund Series 366D-6	10	-	-	-	-	-	-	-	-	20,00,000.00	20.00	-	-
Sundaram MF FMP Plan CT 367 Days	10	-	-	-	-	-	-	-	-	20,00,000.00	20.00	-	-
TATA FMP Series 40 Scheme-H	10	-	-	-	-	-	-	-	-	10,00,000.00	10.00	-	-
DWS Treasury Fund - Bonus	100	-	-	-	-	-	-	4,07,523.91	4.06	-	-	-	-
LIC Nomura MF FMP Series 64	10	-	-	57,62,500.00	59.19	-	-	-	-	-	-	-	-
Kotak FMP Series 105	10	-	-	1,27,08,000.00	127.53	-	-	1,25,00,000.00	125.00	-	-	-	-
HDFC FMP 370D July 2013	10	-	-	93,66,640.00	96.05	-	-	82,74,980.00	82.75	-	-	-	-
Birla Sun Life Fixed Term Plan-Series IC	10	-	-	65,00,000.00	65.00	-	-	65,00,000.00	65.00	-	-	-	-
Sundaram Fixed Term Plan-DY	10	50,00,000.00	50.00	50,00,000.00	50.00	-	-	50,00,000.00	50.00	-	-	-	-
Reliance FMP Series 10	10	-	-	17,00,000.00	20.75	-	-	-	-	-	-	-	-
Reliance FMP Series 11	10	-	-	7,62,500.00	9.33	-	-	-	-	-	-	-	-
Sundaram Money Fund	10	12,89,414.09	11.63	12,89,414.09	15.60	12,89,414.00	15.60	7,53,540.96	15.60	-	-	-	-
Sundaram Select Debt Short Term Plan	10	9,58,167.66	10.00	9,58,167.66	10.00	9,58,168.00	10.00	9,58,167.66	10.00	-	-	-	-
J.M. Arbitrage Advantage Fund	10	-	-	22,84,222.46	22.80	22,84,222.00	22.80	-	-	-	-	-	-
HDFC Corporate Debt Opportunity Fund	10	1,81,93,889.86	200.00	1,81,93,889.86	200.00	1,81,93,889.86	200.00	-	-	-	-	-	-
Franklin India Corporate Bond Opportunities Fund	10	1,64,51,486.00	230.00	1,64,51,486.00	230.00	1,64,51,486.00	230.00	-	-	-	-	-	-
BSL Short Term Opportunities Fund	10	23,52,596.74	45.00	23,52,596.74	45.00	23,52,596.74	45.00	23,52,596.74	45.00	-	-	-	-
Kotak Medium Term Fund	10	2,78,96,191.30	320.00	2,78,96,191.30	320.00	-	-	-	-	-	-	-	-
BSL Floating Rate STP	10	-	-	-	-	9,09,477.00	169.00	7,23,072.75	122.23	-	-	-	-
Reliance Fixed Horizon Fund XXV S17	10	60,00,000.00	60.00	-	-	-	-	-	-	-	-	-	-
ICICI Prudential FMP Series	10	1,65,00,000.00	165.00	-	-	-	-	-	-	-	-	-	-
BSL FTP Series LU	10	1,00,00,000.00	100.00	-	-	-	-	-	-	-	-	-	-
Reliance FMP-XXVII-Series 3 (1109 days)	10	1,00,00,000.00	100.00	-	-	-	-	-	-	-	-	-	-

Particulars	Face value (per unit / share)	As at September 30, 2016		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at March 31, 2013		As at March 31, 2012	
		Units/Shares (Numbers)	₹ in Million										
Reliance FMP-XXVII-Series 4 (1105 days)	10	1,00,00,000.00	100.00	-	-	-	-	-	-	-	-	-	-
ICICI Prudential Liquid Fund	10	13,27,148.39	306.80	-	-	-	-	-	-	-	-	-	-
Kotak Mahindra Liquid Fund	10	75,459.65	238.68	-	-	-	-	-	-	-	-	-	-
SBI Premier Liquid Fund	10	1,17,022.08	285.00	-	-	-	-	-	-	-	-	-	-
Axis Liquid Fund	10	1,72,526.90	297.49	-	-	-	-	-	-	-	-	-	-
<b>Investment in Tax Free Bonds</b>													
REC Tax Free Bonds	1,000	1,000.00	1.07	1,000.00	1.07	-	-	-	-	-	-	-	-
IRFC Tax Free Bonds	1,000	1,000.00	1.08	1,000.00	1.08	-	-	-	-	-	-	-	-
HUDCO Tax Free Bonds	1,000	1,000.00	1.05	1,000.00	1.05	-	-	-	-	-	-	-	-
			2,522.80		1,274.45		692.40		669.64		465.00		134.52
Aggregate value of unquoted investments			2,522.80		1,274.45		692.40		669.64		465.00		134.52

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**Note 29.6 Details of leasing agreements:**

The Company has entered into operating leases for office premises & warehouses. Lease payments are recognised in the restated statement of Profit and Loss under Rent (Note:27 - Other expenses).

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Lease payments recognised in the statement of profit & loss as 'Rent' under Other expenses.	22.71	56.90	38.75	27.65	20.95	10.69

The total future minimum lease payments under non-cancellable leases are as below:

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
- Not later than one year	23.95	24.95	19.01	18.20	14.50	-
- Later than one year and not later than 5 years	92.70	90.31	84.63	80.21	76.55	-
- Later than five years	19.25	21.89	45.97	69.41	91.26	-

**Note 29.7 Contingent Liability:**

(₹ in Million)

Particulars	As at September 30, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Demands by Income Tax disputed by Company	-	5.86	8.98	5.86	0.53	0.53

**Note 29.8 Micro Small & Medium Enterprises:**

Based on the information available with the Group, there are no enterprises covered under the definition of Micro and Small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This has been relied upon by the Auditors.

**Note 29.9 CSR expenditure**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
(a) Gross amount required to be spent by the company during the year	*	19.94	17.37	N.A.	N.A.	N.A.
(b) Gross amount spent by the company during the year	-	-	-	-	-	-

\* Amount required for the year hence for six months ended September 30, 2016 not mentioned.

**Note 29.10 CIF Value of Imports**

(₹ in Million)

Particulars	Six Months ended September 30, 2016	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012
Acquisition of fixed assets	-	9.05	-	-	-	-
Other	0.31	22.87	-	-	-	-

**Note 29.11: Employee stock option plan**

The Company has introduced 'Eris Lifesciences Employee Stock Option Plan 2017' ("ESOP 2017"/ "Plan") through the resolution passed by the Board of Directors on 2 February, 2017 subject to shareholders approval. Under the scheme, board of director is authorised to create, offer and grant from time to time up to 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) Employee Stock Options in one or more tranches to the permanent employees, existing and future, including the Directors (but excluding the Independent Directors) of the Company, as may be decided solely by the Board under the Plan, exercisable into not more than 391,599 (Three lakhs ninety one thousand five hundred ninety nine only) fully paid-up Equity Shares of the Company in aggregate of face value of ₹ 1 each, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.

**Note 29.12 Earnings per share**

(₹ in million)

Sr. No.	Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
1	Profit after minority interest as restated (₹. in million)	1,296.52	1,335.70	892.34	707.94	581.98	369.43
2	Weighted average number of equity shares outstanding*	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000
3	Basic and diluted earnings per share (in ₹)	**9.43	9.71	6.49	5.15	4.23	2.69
4	Face value per equity share (in ₹)	1.00	1.00	1.00	1.00	1.00	1.00

\*Number of shares considered are after giving effect of share split and issue of bonus shares.

\*\* Not annualised

**For and on behalf of the Board of Directors**

**Amit I. Bakshi**  
Managing Director  
DIN: 01250925

**Himanshu J. Shah**  
Director  
DIN: 01301025

**Sachin Shah**  
Chief Financial Officer

**Milind Talegaonkar**  
Company Secretary

**Place: Ahmedabad**  
**Date: 2<sup>nd</sup> February, 2017**

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**ANNEXURE: VI**

**RESTATED SUMMARY STATEMENT OF ACCOUNTING RATIOS**

Particulars	Six Months ended September 30, 2016	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
<b>A.</b> Net Profit after tax as restated - attributable to equity shareholders - (₹ In million)	1,296.52	1,335.70	892.34	707.94	581.98	369.43
<b>B.</b> Net Worth - (₹ In million)	4,292.74	2,996.23	2,660.44	1,768.82	1,060.88	478.90
<b>C.</b> Total number of shares outstanding at the end of the year / period - (in numbers)(without giving effect of share split and issue of bonus share )	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500
<b>D.</b> Share Split from ₹10 to ₹1 per share (Refer Note 5)	12,37,500	12,37,500	12,37,500	12,37,500	12,37,500	12,37,500
<b>E.</b> Total number of Bonus shares issued (Refer Note 5)	13,61,25,000	13,61,25,000	13,61,25,000	13,61,25,000	13,61,25,000	13,61,25,000
<b>F.</b> Weighted average number of equity shares outstanding during the year / period - (in numbers) - (C+D+E)	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000
<b>G.</b> Total number of shares outstanding at the end of the year / period - (in numbers)(after giving effect of share split and issue of bonus share ) - (C+D+E)	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000	13,75,00,000
<b>H.</b> Basic Earnings per share (In ₹) (A/F)	9.43*	9.71	6.49	5.15	4.23	2.69
<b>I.</b> Return on Net Worth (In %) (A/B)	30.20%	44.58%	33.54%	40.02%	54.86%	77.14%
<b>J.</b> Net asset value per equity share (In ₹)(without giving effect of share split and issue of bonus shares ) (B/C)	31,219.89	21,790.73	19,348.62	12,864.15	7,715.49	3,482.91
<b>K.</b> Net asset value per equity share (In ₹)(after giving effect of share split and issue of bonus shares ) (B/G)	31.22	21.79	19.35	12.86	7.72	3.48

\* Not Annualised

**Notes:**

- 1 Diluted Earnings Per Share (EPS) is the same as the Basic EPS.
- 2 Net Profit after tax denotes Net Profit after tax, as restated, as disclosed in the Annexure II.
- 3 The ratios have been computed as below:

**i)Earnings per Share (₹)**

$$\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares (including Split and Bonus Shares) outstanding during the year / period}}$$

**ii) Return on net worth (%)**

$$\frac{\text{Net profit / (loss) after tax}}{\text{Net worth excluding revaluation reserve at the end of the year / period}}$$

**iii)Net asset value per equity share (₹)**

$$\frac{\text{Net worth excluding revaluation reserve and preference share capital at the end of the year/ period}}{\text{Number of equity shares outstanding at the end of the year /period}}$$

- 4 Net profit, as appearing in the Restated Summary Statement of profit and loss, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the Consolidated restated financial statements of the Company.

5 Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share". Every fully paid-up equity share of ₹ 10 each of the company has been sub-divided into 10 fully paid-up equity shares of ₹ 1 each and the Company has issued bonus shares (136,125,000 equity shares) in the ratio of 99:1 (99 bonus shares for every 1 equity share held) and as approved by Board of Directors pursuant to a resolution passed at their meeting held on August 11, 2016 and resolution passed by Shareholders at the Extraordinary General Meeting held on September 05, 2016 by utilising balance in surplus in the statement of profit and loss. These equity shares have been allotted on September 06, 2016. As per the requirements of AS 20 Earnings Per Share, the weighted average number of equity shares considered for calculation of Earnings per Share includes the bonus shares issued and share split and the Earnings per Share for all comparative periods has been presented giving the effect of this issue of bonus shares and share split.

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**ANNEXURE: VII**

**STATEMENT OF CAPITALISATION**

(₹ in Million)

<b>Particulars</b>	<b>Pre-issue as at September 30, 2016</b>	<b>Post- issue</b>
Short-term borrowings	-	(*)
Long-term borrowings	-	(*)
Current maturities of long-term borrowings	2.50	
<b>Total borrowings</b>	<b>2.50</b>	<b>(*)</b>
<b>Shareholder's funds</b>		
Share Capital	137.50	(*)
Reserves and surplus	4,155.24	(*)
<b>Total Shareholders' fund</b>	<b>4,292.74</b>	<b>(*)</b>
Long term borrowings / Shareholders' Funds	0.06%	(*)

**Notes:**

\* Post Issue Capitalization will be determined after finalization of issue price

1. The above have been computed on the basis of restated statement of accounts.

2. For the purpose of Long term debt / Equity ratio, Long term debt has been considered including current maturities of long term debt.

**ERIS LIFESCIENCES LIMITED (Formerly known as Eris Lifesciences Private Limited)**

**ANNEXURE: VIII**

**RESTATED SUMMARY STATEMENT OF DIVIDEND PAID / PROPOSED BY THE COMPANY**

<b>Particulars</b>	<b>Six Months ended September 30, 2016</b>	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2015</b>	<b>Year ended March 31, 2014</b>	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
<b>Class of Shares</b>						
<b>Equity Shares</b>						
Equity Shares - Numbers	13,75,00,000	1,37,500	1,37,500	1,37,500	1,37,500	1,37,500
Face Value (₹)	1.00	10.00	10.00	10.00	10.00	10.00
Amount (₹ in Million)	137.50	1.38	1.38	1.38	1.38	1.38
<b>Final Dividend</b>						
Rate of Dividend (%)	-	60420%	-	-	-	-
Dividend per Share (₹)	-	6042	-	-	-	-
Amount of Dividend (₹ in Million)	-	830.78	-	-	-	-
Corporate Dividend Tax (₹ in Million)	-	169.13	-	-	-	-

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our restated consolidated financial statements as of and for the six months ended September 30, 2016 and Fiscals ended March 31, 2016, 2015, and 2014, including the related notes, schedules and annexures. These restated consolidated financial statements are based on our audited consolidated financial statements and are restated in accordance with the SEBI ICDR Regulations. Our audited consolidated financial statements are prepared in accordance with Indian GAAP, which differs in certain material respects with IND (AS), IFRS and U.S. GAAP. Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 month period ended March 31 of that year. This discussion may contain forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" included in this Draft Red Herring Prospectus.*

*Our Company is required to prepare annual and interim financial statements under IND (AS) commencing from April 1, 2017. See "Risk Factors – External Risk Factors – Our Company will be required to prepare financial statements under IND (AS). The transition to IND (AS) in India is very recent and there is no clarity on the impact of such transition on our Company." on page 32, of this Draft Red Herring Prospectus.*

*Further, in this Draft Red Herring Prospectus, we have included certain sales, market share and other financial information relating to the pharmaceutical industry and our operations, products and therapeutic areas that is sourced from IMS, a healthcare information and consulting service provider. IMS computes revenues for the sales of pharmaceutical products based on their research on sales of products in certain pharmaceutical markets and in relation to specific geographic areas. The methodology for computation of revenues by IMS, including for our products, is different from the methodology we adopt for the recognition of revenue from the sales of our products under Indian GAAP, reflected in the Restated Financial Statements included in this Draft Red Herring Prospectus. Accordingly, the sales, market share and other financial data sourced to IMS may not accurately reflect our revenues, results of operations and financial results for the products or therapeutic areas covered.*

### Overview

We develop, manufacture and commercialize branded pharmaceutical products in select therapeutic areas within the chronic and acute categories of the IPM, such as: cardiovascular; anti-diabetics; vitamins; gastroenterology; and anti-infectives. Our focus has been on developing products in the chronic and acute category which are linked to lifestyle related disorders. The chronic category of the IPM contributed 64.2% of our revenues in Fiscal 2016 (Source: IMS TSA MAT, March 2016) and 65.4% of our revenues for the six months ended September 30, 2016 (Source: IMS TSA, for six months ended September 30, 2016). We were ranked 21<sup>st</sup> out of 353 domestic and multinational companies present in the chronic category of the IPM, in terms of revenues for Fiscal 2016 (Source: IMS TSA MAT, March 2016). We were the fastest growing company, in the chronic category, among the top 25 companies in terms of revenues, with revenue growth at CAGR of 33.9%, between Fiscals 2012 and 2016 (Source: IMS TSA MAT, March, 2016). We generated 35.8% in Fiscal 2016 (Source: IMS TSA MAT, March 2016) and 34.6% for the six months ended September 30, 2016, of our revenues from the acute category of the IPM (Source: IMS TSA, for six months ended September 30, 2016). Our revenues from the acute category grew at a CAGR of 20.1% between Fiscals 2012 and 2016 (Source: IMS TSA MAT, March, 2016).

Our product portfolio comprised of 56 mother brand groups as of March 31, 2016 (Source: IMS TSA MAT, March 2016) and September 30, 2016 (Source: IMS TSA, for six months ended September 30, 2016), not including our acquisitions. Our product portfolio is primarily focused on therapeutic areas which require the intervention of specialists and super specialists such as cardiologists, diabetologists, endocrinologists and gastroenterologists. Sales in metro cities and class 1 towns, together accounted for 75.7% of our revenues in Fiscal 2016 (Source: IMS Town Class MAT, March 2016) and 77.6% for the six months ended September 30, 2016, as a majority of specialists and super specialists are based in these metro cities and class 1 towns (Source: IMS Town Class, for six months ended September 30, 2016). Between Fiscals 2012 and 2016, there has been an increase in the number of doctors prescribing our products from 24,606 (constituting 9.3% of doctors in metro cities and class 1 towns in India) to 49,476 (constituting 16.0% of doctors in metro cities and class 1 towns in India) and also increase our share in prescriptions from 0.9% to 1.2% over the same period (Source: IMS Medical Audit and Town Class MAT, March 2016).

Our products in the chronic category of the IPM cater primarily to the following therapeutic areas:

- **cardiovascular:** as of March 31, 2016, we had a portfolio of 39 brands in the cardiovascular therapeutic area, including 30 brands in the hypertension subgroup; 19 of our cardiovascular brands were ranked in the top 10 in their respective subgroup of the IPM in terms of revenues, for Fiscal 2016; we had revenues of ₹2,341.2 million and were ranked 18<sup>th</sup> in terms of revenues from the cardiovascular therapeutic area, in Fiscal 2016; between Fiscals 2012 and 2016 our revenues grew at a CAGR of 33.2%; and we were ranked second in terms of growth during this period, among the top 25 companies in the cardiovascular therapeutic area of the IPM; (Source: IMS TSA MAT, March 2016);
- **anti-diabetics:** as of March 31, 2016, we have a portfolio of 19 brands in the anti-diabetics therapeutic area, of which eight brands were ranked in the top 10 in their respective subgroup of the IPM, in terms of revenues for Fiscal 2016; we had revenues of ₹1,943.6 million and were ranked 11<sup>th</sup> in terms of revenues from the anti-diabetics therapeutic area, in Fiscal 2016; between Fiscals 2012 and 2016 our revenues grew at a CAGR of 37.1%; and we were ranked second in terms of growth during this period, among the top 25 companies in the anti-diabetics therapeutic area of the IPM; (Source: IMS TSA MAT, March 2016); and
- **others:** our revenues from other therapeutic areas in the chronic category, namely neurology, chronic respiratory and chronic pain (analgesics), were ₹254.4 million for Fiscal 2016. (Source: IMS TSA MAT, March 2016).

We have grown our product portfolio in the acute category of the IPM, catering primarily to the following therapeutic areas:

- **vitamins:** we have grown to become the sixth largest company in cholecalciferol oral solids (including combinations) subgroup, in terms of revenues with a market share of 5.0% in Fiscal 2016; and we have the largest brand in Vitamin D and mecobalamin subgroup, in terms of revenues, with a market share of 29.4% in Fiscal 2016 (Source: IMS); our revenues from the vitamins therapeutic area were ₹1,104.7 million for Fiscal 2016, with growth at a CAGR of 19.3%, between Fiscals 2012 and 2016; (Source: IMS TSA MAT, March 2016);
- **gastroenterology:** as of March 31, 2016, we had a portfolio of 31 brands in the gastro-intestinal therapeutic area, of which five brands were ranked in the top 10 in their respective subgroup of the IPM, in terms of revenues for Fiscal 2016; our revenues from the gastroenterology therapeutic area were ₹794.4 million for Fiscal 2016, with growth at a CAGR of 17.2%, between Fiscals 2012 and 2016; (Source: IMS TSA MAT, March 2016);
- **anti-infectives:** our revenues from the anti-infectives therapeutic area were ₹207.9 million for Fiscal 2016, with a CAGR of 30.6% between Fiscals 2012 and 2016; (Source: IMS TSA MAT, March 2016);
- **gynaecology:** we have developed our portfolio of products in the gynaecology therapeutic area with a focus on products catering to women's health; our revenues from the gynaecology therapeutic area were ₹97.2 million for Fiscal 2016, with a CAGR of 43.3% between Fiscals 2012 and 2016; (Source: IMS TSA MAT, March 2016); and
- **others:** our revenues from other therapeutic areas in the acute category, namely acute respiratory, acute pain (analgesics), hepatoprotectives, hormones, hematology, dermatology, anti-obesity products and products for injury healing, were ₹326.7 million for Fiscal 2016 (Source: IMS TSA MAT, March 2016).

Effective July 1, 2016, we acquired trademarks in relation to 40 brands, from Amay Pharma for an aggregate consideration of ₹328.70 million, in order to grow our product portfolio in the cardiovascular and anti-diabetics therapeutic areas. Amay Pharma's revenues, from the brands acquired by us were ₹158.1 million for Fiscal 2016 (Source: IMS TSA MAT, March 2016). Further, on November 23, 2016, we entered into a share purchase agreement to acquire 61.48% equity shares of Kinedex from its existing shareholders, and on December 12, 2016, we entered into a share purchase and shareholders' agreement to acquire an additional 14.00% equity shares of Kinedex, taking our aggregate shareholding in Kinedex to 75.48%, for an aggregate consideration of ₹771.79 million. Kinedex primarily focuses on products catering to mobility related disorders in the musculoskeletal therapeutic area. Kinedex's revenues were ₹425.7 million for the six months ended September 30, 2016 (Source: IMS TSA, for six months ended September 30, 2016).

We own and operate a manufacturing facility in Guwahati, Assam. We also outsource the manufacturing of certain of our products, and currently use approximately 20 third party manufacturers. We have developed capabilities in the commercialization of pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and regulatory aspects. We have strong sales, marketing and distribution capabilities in India with seven sales divisions focused on developing and growing our engagement with specialists and super specialists. Our sales divisions are also responsible for our commercialization and marketing strategy. Our sales team comprised of 1,310 marketing representatives, as of September 30, 2016.

Our Promoters have an average experience of over a decade in the pharmaceuticals industry. In addition, we are led by a well-qualified and experienced management team, which we believe has demonstrated its ability to manage and grow our operations, and has substantial experience in pharmaceutical sales and marketing. We believe that the knowledge and experience of our management team provides us with a significant competitive advantage as we seek to grow our business. Our Company received the 'Competitive Strategy Leadership' award for 2013, from Frost & Sullivan and our Promoter, Chairman and Managing Director, Mr. Amit Indubhushan Bakshi, has been recognized as the 'Entrepreneur of the Year, 2013' by Ernst & Young.

### **Significant Factors Affecting Our Results of Operations and Financial Condition**

Our business and results of operations are affected by a number of significant factors including:

#### ***Production costs and quality of our manufacturing operations***

Our ability to improve our cost competitiveness is largely dependent on the efficient management of our production costs. We own and operate the Assam Facility and we utilized the manufacturing facility of Sozin, until August 31, 2016. We also outsource the manufacturing of certain of our products, and currently use approximately 20 third party manufacturers in India. Any transition in the quantity of products manufactured at our Assam Facility as compared to products manufactured through third party manufacturers, affects our cost of goods sold, including cost of raw materials procured. We do not enter into long term agreements for the purchase of our raw materials. The availability of key raw materials at competitive prices is critical to our operations and price fluctuations may affect our margins and, in turn, our results of operations. Any significant changes in excise duties and other commercial taxes levied on our manufacturing operations, raw materials, packaging materials and finished products and changes in our production costs, may affect our financial condition and results of operations. For further details see "***Risk Factors – Internal Risk Factors – Any disruption in production at, or shutdown of, our manufacturing facility could adversely affect our business, results of operations and financial condition.***" on page 16.

Further, in order to maximize our profits, we must maintain adequate capacity utilization at our manufacturing facility and an appropriate standard of quality in our manufacturing facility's equipment and machinery. Attaining and maintaining an adequate level of capacity utilization and quality requires considerable expense and planning. Our ability to achieve, preserve and maintain the level of quality in our manufacturing processes and facility has an effect on our business, results of operations and financial condition. We are also affected by changes due to technological developments in relation to the equipment or machinery we utilize at our Assam Facility. Any technological developments which increase efficiency or reduce costs, may positively affect our results of operations. However, although we strive to keep our technology, manufacturing facility and machinery current with the latest international standards, the technologies, facility and machinery we currently employ may become obsolete. The cost of implementing new technologies, upgrading our manufacturing facility could adversely affect our business, results of operations and financial condition.

#### ***Sales revenue and quality of our products***

The key growth driver for increases in our results of operations has been the growth in sales revenue from our products in India. Our product portfolio comprised of 56 mother brand groups as of September 30, 2016, not including our acquisitions (*Source: IMS TSA, for six months ended September 30, 2016*). Our product portfolio is primarily focused on therapeutic areas which require the intervention of specialists and super specialists such as cardiologists, diabetologists, endocrinologists and gastroenterologists. We were the fastest growing company, in the chronic category of the IPM, among the top 25 companies in terms of revenues, with revenue growth at CAGR of 33.9%, between Fiscals 2012 and 2016; while our revenues from the acute category of the IPM grew at a CAGR of 20.1% between Fiscals 2012 and 2016 (*Source: IMS TSA MAT, March 2016*). Our revenue from operations depends on the volume of products, including tablets, capsules and sachets, that we sell. We focus on metro cities and class 1 towns in India which have higher incidence of lifestyle disorders and concentration of specialists and

super specialists, and our sales rely, in part, on prescriptions of our products by such specialists and super specialists. Any change in the volume of products we sell affects our business, results of operations and financial condition.

In addition, we are required to ensure the quality of our products for the entire duration of their shelf life, whether manufactured by us or our third party manufacturers. Returns of unsold, defective or expired products affect our results of operations and financial condition. Our agreements with third party manufacturers typically contain provisions which would indemnify us for the costs, expenses and damages in the event of a recall of a particular drug due to its failure to retain its potency during its shelf life. A failure of our third party manufacturers to meet their indemnity obligations to us may have an adverse affect on our business, financial condition and result of operations.

#### ***Our other expenses***

Our revenue growth has benefitted, in part from, our brand building efforts coupled with the strength of our sales and distribution infrastructure, expanded coverage of doctors and growth in prescriptions of our products. Our other expenses primarily consist of travelling and conveyance expenses; advertising, publicity and awareness charges; and legal and professional expenses, which relate to our marketing, sales and distribution initiatives. Expressed as a percentage of our gross revenue from operations our other expenses were 26.95%, 33.04%, 36.84% and 43.36%, for the six months ended September 30, 2016 and Fiscals 2016, 2015 and 2014, respectively.

We incur travelling and conveyance expenses primarily in relation to travel expenses for our medical representatives. We employed 1,310 marketing representatives as of September 30, 2016. Our marketing representatives interact with doctors to promote our product portfolio and also visit pharmacies and distributors to ensure that our products are adequately stocked. We also incur advertising, publicity and awareness charges for the launch of our products and sales divisions, in order to ensure that our products are well-received in the market. These include expenses towards promotional campaigns for disease awareness and conducting continuing medical education for the medical fraternity as well as consulting with doctors and other professionals.

#### ***The successful integration of our acquired businesses***

As part of our growth strategy, we have pursued acquisition opportunities in the past and intend to continue doing so in the future. For example, in November 2016, we acquired 61.48% outstanding equity in Kinedex Healthcare Private Limited (“**Kinedex**”) from its existing shareholders, and in December 2016, we acquired an additional 14.00% of the outstanding equity in Kinedex taking our aggregate shareholding in Kinedex to 75.48%, for an aggregate consideration of ₹771.79 million. Kinedex primarily focuses on products catering to mobility related disorders in the musculoskeletal therapeutic area. Effective July 1, 2016, we acquired trademarks in relation to 40 brands, from Amay Pharma in order to grow our product portfolio in the cardiovascular and anti-diabetics therapeutic areas. Further, on July 12, 2016, we acquired 100.00% of the outstanding equity of Aprica Health. We believe these recent acquisitions, and their successful integration into our existing business, may be significant factors towards the growth of our portfolio of products. For further details see “***Our Business – Recent Acquisitions***” and “***Risk Factors – Internal Risk Factors – Our efforts at integrating acquired businesses may not yield timely or effective results, which may affect our financial condition and results of operations.***” on pages 108 and 19, respectively.

#### ***Industry competition and consolidation***

Our products face intense competition from products commercialized by our competitors in all our therapeutic areas. The increase or decrease of our market share in therapeutic areas on which we focus, changes in our, and our competitors’, financial, manufacturing, research and development, marketing and other resources and launch of new products by us, or our competitors, may affect our business, prospects, results of operations and financial condition. Our competitors may consolidate, and the strength of the combined companies could affect our competitive position in our business areas. Accordingly, our results of operations depend significantly on various factors such as the demand for our products in the markets we operate in, our ability to manage our growth strategy and expansion plans, including our ability to grow our exports and our ability to grow and manage our sales and distribution network in India. For further details, see “***Our Business – Competition***” and “***Risk Factors – Internal Risk Factors – 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***” on pages 118 and 25, respectively.

## ***Regulatory overview***

Regulatory authorities impose pricing controls on pharmaceutical products that apply to our products as well. For example, India enacted the National Pharmaceuticals Pricing Policy in 2012, which lays down the principles for pricing essential drugs and subsequently the Department of Pharmaceuticals released the revised DPCO. 22 of our 144 brand extensions, which contributed to 14.35% and 12.04% of our revenues in Fiscal 2016 and six months ended September 30, 2016, respectively, presently fall within the list of scheduled formulations whose prices are regulated by the DPCO 2013. Due to rising healthcare costs, there may be additional proposals by legislators and regulators to keep costs down in India. These limitations may affect our revenues and have an adverse effect on our business. For further details see “***Risk Factors – Internal Risk Factors – Reforms in the health care industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the pricing and demand for our products.***” on page 21.

## ***Fiscal benefits***

We benefit from certain tax regulations and incentives that accord favorable treatment to our manufacturing facility. For example, the NEIP is applicable to our Assam Facility, pursuant to which, our Company is eligible to avail of certain tax incentives including income tax and excise duty exemption for a period of 10 years (until Fiscal 2024 and 2025, respectively), in addition to certain capital investment and trade subsidies. For details regarding our tax incentives and applicable periods, see “***Statement of Tax Benefits***” on page 84. Changes in the tax incentives we enjoy may affect our tax liability and consequently our business, results of operations and financial condition. For further details see “***Risk Factors – Internal Risk Factors – Any reduction in or termination of tax incentives we enjoy may affect our results of operations and financial condition***” on page 22.

## **Critical Accounting Policies**

### ***Basis of preparation***

Our condensed consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. The condensed consolidated financial statements have been prepared on accrual basis under the historical cost convention and the accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The condensed consolidated financial statements have been prepared solely for the purpose of inclusion in the Draft Red Herring Prospectus in connection with the proposed issue of equity shares of the company by way of offer for sale.

### ***Basis of consolidation***

Our consolidated financial statements are prepared in accordance with principles and procedures required for preparation and presentation of consolidated financial statements as laid down under Accounting Standard 21 "Consolidated Financial Statements". The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statement of our subsidiary company and erstwhile partnership firm used in the consolidation have been drawn up to the same reporting date as that of our Company. The consolidated financial statements have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances or transactions and resulting unrealized profits or losses unless cost cannot be recovered. The financial statement of the partnership firm, Sozin, used in consolidation have been drawn up to date of sale i.e. August 31, 2016.

The excess or shortfall of cost to our Company of our investment over our share of equity in the consolidated entities at the respective dates on which the investment in such entities was made is recognized in the financial statements as goodwill or capital reserve. Goodwill is tested for impairment at the end of each accounting year.

Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movement in their share in the equity, subsequent to the dates of investments. Net profit or loss for the year of

subsidiaries attributable to the minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to the shareholders of our Company.

### ***Use of estimates***

The preparation of the consolidated financial statements in conformity with Indian GAAP requires our management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Our management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known or materialize.

### ***Revenue recognition***

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods have been transferred to the customer. Sales are shown net of discounts and sales returns. Excise duty collected on sales is shown by way of deduction from sales.

Prior to Fiscal 2016, our Company accounted for sales returns as and when the returned products were physically received at our premises. During the Fiscal 2016, our Company effected a change in the method of estimating sales returns. Consequently, in Fiscal 2016, our Company recognized a cumulative provision for anticipated sales returns which included provision for returns of the goods that were sold in previous Fiscals. For the Restated Financial Statements, our Company has recognized this provision in the respective Fiscals in which the goods were sold.

Revenue in respect of other operating income is recognized when a reasonable certainty exists with regards to its realization. Provision for sales returns are estimated on the basis of historical experience, market conditions and specific contractual terms and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with contractual and legal obligations, trade practices, historical trends, past experience and projected market conditions.

For other income, revenue is recognized when no significant uncertainty as to its determination or realization exists.

Dividend income is recognized when the right to receive dividend is established.

Interest income is recognized using the time-proportion method, based on rates implicit in the transaction.

### ***Fixed Assets***

Fixed assets are stated at cost of acquisition or construction net of recoverable taxes less accumulated depreciation or amortization and impairment loss, if any. All costs attributable to acquisition of fixed assets till assets are put to use, are capitalized. Subsequent expenditure on fixed assets after its purchase or completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

### ***Depreciation and Amortization***

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on additions or disposals of the fixed assets during the period is provided on pro-rata basis according to the period during which assets were put to use.

Depreciation on fixed Assets (other than 'Land' where no depreciation is provided), is provided on the Written Down Value Method ("WDV") based on the useful lives as prescribed under Schedule II to the Companies Act, 2013 except in respect of some equipments, in whose case the life of the assets has been assessed as 3 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, among others.

In case of Sozin, depreciation on fixed assets is provided as per rates specified in Section 32 of Income Tax Act 1962, based on the useful life assessed by the management taking into account the nature of asset, estimated usage of asset, operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, among others.

Trademarks and other similar rights are amortized over their estimated economic life of ten years. Brand and non-compete fees are amortized over their estimated economic life of five years. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each Fiscal and the amortization period is revised to reflect the changed pattern, of the factors considered.

### ***Impairment of Assets***

Our management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized to the extent the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

### ***Inventories***

Inventories are valued at the lower of cost and net realizable value. Cost of raw materials, packing materials and stores, spares and consumables includes all charges in bringing the goods to the warehouse, including any levies, transit insurance and receiving charges. Costs of finished goods and work-in-progress are determined on specific identification basis by taking material cost (net of CENVAT and input tax credit availed), labor and relevant appropriate overheads. Stock-in-trade is valued at the lower of cost and net realizable value.

### ***Investments***

Investments are either classified as current or non-current based on our management's intention on the balance sheet date. Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### ***Cash and cash equivalents***

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### ***Cash flow statement***

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for 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 operating, financing, and investing activities of the company are segregated based on the available information.

### ***Borrowing cost***

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

### ***Earnings per share***

Basic earnings per share is computed by dividing the profit attributable to our shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is the same as basic earnings per share as the company does not have any dilutive potential equity shares. The number of equity shares are adjusted for share splits and bonus shares, as appropriate.

### ***Employee Benefits***

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Long Term:

- Defined Contribution Plan: Our contribution to provident fund, superannuation fund and employee state insurance scheme are defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.
- Defined Benefit Plan: The gratuity scheme is administered through the Life Insurance Corporation of India. The liability for the defined benefit plan of gratuity is determined on the basis of an actuarial valuation done by an independent actuary at the period end, which is calculated using projected unit credit method. Actuarial gains and losses which comprise experience adjustment and the effect of changes in actuarial assumptions are recognized in the Statement of Profit and Loss in the period in which they occur.
- Provision for compensated absences is made on actuarial valuation as at the Balance Sheet date.

Short term:

- Short term employee benefits are recognized as an expense in the statement of Profit and Loss at the undiscounted amount of the employee benefits paid or expected to be paid during the period. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

#### ***Taxes on income***

Current tax is the aggregation of the tax charge for our Company and its Subsidiaries as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Minimum alternate tax paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that we will pay normal income tax in future. Accordingly, minimum alternate tax is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to us.

Deferred tax is recognized on timing difference between estimated taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

#### ***Provisions, Contingent Liabilities and Contingent Assets***

Provisions are recognized only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within our control; or

- Present obligations arising from 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.
- Contingent assets are not recognized in the financial statements.

### ***Leases***

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

### ***Foreign currency transactions and translation***

Transactions in foreign currencies entered into are accounted for at the exchange rate prevailing at the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the end of the year are translated at the exchange rate prevailing at the end of the year. All differences arising on settlement/restatement are adjusted in the statement of profit and loss.

### **Segment Information**

The primary and secondary reportable segments considered are business segments and geographical segments respectively. We operate in a single business segment i.e. pharmaceuticals. Accordingly, no further disclosures for business segments have been given in our Restated Financial Statements. Since our operations are located in India alone, there are no disclosures in our Restated Financial Statements relating to geographical segments.

### **Revenue and Expenses**

#### ***Revenue***

Our total revenue consists of net revenue from operations and other income.

*Revenue from Operations.* Our revenue from operations (gross) comprises revenue from sale of products, namely tablets and capsules and other products namely sachets, injectables, drops, ointments and syrups and other operating income, namely, excise duty refund and other revenue. Our revenue from operations (net) comprises our revenue from operations (gross) reduced by excise duty paid.

We further classify our revenue from operations (gross) as revenue from sale of manufactured products comprising of products manufactured at our Assam Facility; and revenue from sale of traded products comprising of products manufactured at the manufacturing facility of Sozin until August 31, 2016, and through third party manufacturers.

*Other Income.* Other income comprises of interest income, dividend income from non current investment, net gain on non current investments sold, dividend income from subsidiary, net gain on current investments sold, provision written back for diminution in value of investment, profit on fixed assets sold and miscellaneous income.

#### ***Expenses***

Expenses consist of cost of materials consumed, purchases of stock in trade, changes in inventories of finished goods, work in progress and stock in trade, employee benefits expense and other expenses.

*Cost of materials consumed.* Cost of material consumed consists of opening stock, purchases during the year and closing stock. We utilize APIs, raw materials such as excipients, and packaging materials, for manufacture of pharmaceutical products at our manufacturing plant in Guwahati, Assam and that of our erstwhile partnership Sozin.

*Changes in inventories of finished goods, work in progress and stock in trade.* Changes in inventories of finished goods, work in progress and stock in trade comprise net increases or decreases in inventory levels of finished goods, work in progress and stock in trade. Our purchases of stock in trade primarily consists of purchases of finished pharmaceutical products from our third party manufacturers.

*Employee benefit expenses.* Employee benefit expenses primarily consist of employee salaries, wages and bonus, and to a lesser extent, contributions to provident funds and staff welfare expenses.

*Other expenses.* Other expenses include travelling and conveyance expenses, advertising, publicity and awareness charges, legal and professional expenses, power and fuel expenses, consumption of stores and spares, labor and security charges, testing charges, excise duties, rent, freight and forwarding expenses, commission charges, repairs and maintenance expenses for buildings, machinery and others, selling and distribution costs and bank charges, among others.

*Finance costs.* Our finance costs comprise interest expense on borrowings.

*Depreciation and amortization expense.* Tangible assets are depreciated and intangible assets are amortized over periods corresponding to their useful lives. See “– *Critical Accounting Policies – Depreciation and Amortization*” on page 247.

*Tax Expense:* Tax expenses comprise current tax and deferred tax. Current income tax is measured in amounts expected to be paid to the tax authorities in accordance with the applicable tax law in the relevant jurisdiction. Deferred income tax reflects the impact of timing differences between taxable income and accounting income over a given year.

## Our Results of Operations

The following table sets out financial data from our restated consolidated statement of profit and loss for the six month period ended September 30, 2016 and Fiscals 2016, 2015 and 2014, the components of which are also expressed as a percentage of total revenue for such fiscal periods:

	September 30, 2016		Fiscal 2016		Fiscal 2015		Fiscal 2014	
	₹ in millions	% of Revenue from operations (gross)	₹ in millions	% of Revenue from operations (gross)	₹ in millions	% of Revenue from operations (gross)	₹ in millions	% of Revenue from operations (gross)
<b>REVENUE:</b>								
Revenue from operations (gross)	3,813.36	100.00%	6,147.80	100.00%	5,544.88	100.00%	5,088.22	100.00%
Excise duty	(105.39)	(2.76)%	(177.59)	(2.89)%	(89.30)	(1.61)%	0.00	0.00%
<b>Revenue from Operations (net)</b>	<b>3,707.97</b>	<b>97.24%</b>	<b>5,970.21</b>	<b>97.11%</b>	<b>5,455.58</b>	<b>98.39%</b>	<b>5,088.22</b>	<b>100.00%</b>
<b>Other income</b>	<b>132.69</b>	<b>3.48%</b>	<b>33.72</b>	<b>0.55%</b>	<b>34.94</b>	<b>0.63%</b>	<b>44.20</b>	<b>0.87%</b>
<b>EXPENSES:</b>								
Cost of materials consumed	262.25	6.88%	582.30	9.47%	442.07	7.97%	276.61	5.44%
Purchases of stock-in-trade	220.14	5.77%	317.13	5.16%	606.39	10.94%	669.49	13.16%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	60.12	1.58%	77.56	1.26%	(106.20)	(1.92)%	41.18	0.81%
Employee benefits expense	666.76	17.48%	1,246.67	20.28%	1,256.30	22.66%	905.43	17.79%
Other expenses	1,027.77	26.95%	2,031.07	33.04%	2,042.49	36.84%	2,206.32	43.36%
Finance costs	0.78	0.02%	1.20	0.02%	0.18	0.00%	2.46	0.05%
Depreciation and	109.65	2.88%	203.56	3.31%	155.14	2.80%	47.68	0.94%

amortization expense								
<b>Restated Profit before tax</b>	<b>1,493.19</b>	<b>39.16%</b>	<b>1,544.44</b>	<b>25.12%</b>	<b>1,094.15</b>	<b>19.73%</b>	<b>983.25</b>	<b>19.32%</b>
Net tax expense	191.23	5.01%	195.86	3.19%	201.56	3.64%	274.13	5.39%
Restated Profit after tax before share of profit of minority interest	1,301.96	34.15%	1,348.58	21.93%	892.59	16.10%	709.12	13.94%
<b>Restated Profit attributable to the shareholders of the company</b>	<b>1,296.52</b>	<b>34.00%</b>	<b>1,335.70</b>	<b>21.73%</b>	<b>892.34</b>	<b>16.09%</b>	<b>707.94</b>	<b>13.91%</b>

### *Six months ended September 30, 2016*

#### *Revenue*

*Revenue from Operations.* Our revenue from operations (net) was ₹3,707.97 million for the six months ended September 30, 2016. Our revenue from operations (gross) was ₹3,813.36 million for the six months ended September 30, 2016, comprising revenue from sale of products of ₹3,745.71 million and other operating income of ₹67.65 million, partially offset by excise duty of ₹105.39 million. Within our revenue from sale of products, revenues from tablets and capsules sold was ₹3,526.19 million and revenue from other products sold (such as sachets, injectables, drops, ointments and syrups) was ₹219.52 million.

*Other income.* Our other income was ₹132.69 million for the six months ended September 30, 2016, primarily comprising net gain on non-current investments sold of ₹100.55 million, profit on disposal of the investment in subsidiary of ₹13.92 million, in relation to adjustments for retirement from our partnership interest in Sozin, and net gain on current investments sold of ₹13.90 million.

#### *Expenses*

*Cost of Goods Sold.* Our costs of goods sold are primarily affected by changes in volume of production at our Assam Facility as compared to products manufactured through third party manufacturers.

- *Cost of materials consumed.* Our cost of materials consumed was ₹262.25 million for the six months ended September 30, 2016, primarily comprising payments for purchases of raw materials and packing materials, including APIs and excipients, for manufacture of pharmaceutical products at our Assam Facility and the manufacturing facility operated by Sozin.
- *Purchases of stock-in-trade.* Our purchases of stock-in-trade, comprising of purchase of finished pharmaceutical products from third party manufacturers, was ₹220.14 million for the six months ended September 30, 2016.
- *Changes in inventories of finished goods, work in progress and stock in trade.* Our changes in inventories of finished goods, work in progress and stock in trade was a net decrease of ₹60.12 million for the six months ended September 30, 2016.

*Employee benefits expense.* Our employee benefits expense was ₹666.76 million for the six months ended September 30, 2016, primarily consisting of salaries, wages and bonus paid of ₹629.56 million. We employed 2,287 personnel as of September 30, 2016.

*Other expenses.* Other expenses were ₹1,027.77 million for the six months ended September 30, 2016, primarily consisting of travelling and conveyance expenses of ₹331.72 million, legal and professional expenses of ₹194.15 million and advertising, publicity and awareness expenses of ₹185.72 million. Travelling and conveyance

expenses incurred were primarily for reimbursement of travel expenses incurred by our marketing representatives and cost of travel for our review and awareness meetings conducted at the regional and management level; legal and professional expenses were for consultancy and advisory agreements entered into with certain professionals, including doctors, in India and legal fees and publicity and awareness expenses were primarily for advertising, media outreach and awareness camps, in order to increase our brand recall with patients and doctors, along with increasing public and patient awareness.

*Finance costs.* Our finance costs were ₹0.78 million for the six months ended September 30, 2016, consisting interest expense on borrowings.

*Depreciation and amortization expenses.* Our depreciation and amortization expense was ₹109.65 million for the six months ended September 30, 2016, primarily in relation to equipment, plant and machinery at our Assam Facility.

*Restated Profit before tax.* Our restated profit before tax was ₹1,493.19 million for the six months ended September 30, 2016.

*Tax expense.* Our net tax expense was ₹191.23 million for the six months ended September 30, 2016, primarily comprising a net current tax expense of ₹306.76 million and a deferred tax charge of ₹4.01 million, partially offset by a minimum alternate tax credit of ₹119.54 million.

*Restated Profit after tax before share of profit of minority interest.* Our restated profit after tax before share of profit of minority interest was ₹1,301.96 million for the six months ended September 30, 2016.

*Restated Profit attributable to the shareholders of the company.* Our restated profit attributable to the shareholders of the company was ₹1,296.52 million for the six months ended September 30, 2016.

### ***Fiscal 2016 compared to Fiscal 2015***

#### ***Revenue***

*Revenue from Operations.* Our revenue from operations (net) increased by 9.43% to ₹5,970.21 million for Fiscal 2016 from ₹5,455.58 million for Fiscal 2015. Our revenue from operations (gross) increased by 10.87% to ₹6,147.80 million for Fiscal 2016 from ₹5,544.88 million for Fiscal 2015 as a result of increase in our revenue from sale of products to ₹6,023.25 million for Fiscal 2016 from ₹5,472.42 million for Fiscal 2015, and increase in other operating income to ₹124.55 million for Fiscal 2016 from ₹72.46 million for Fiscal 2015 primarily as a result of increase in our excise duty refund, partially offset by an increase in excise duty to ₹177.59 million for Fiscal 2016 from ₹89.30 million for Fiscal 2015, in line with increase in production at our manufacturing facilities in Fiscal 2016.

Our revenue from sale of products increased as a result of increase in our revenue from tablets and capsules sold to ₹5,641.77 million for Fiscal 2016 from ₹5,152.36 million for Fiscal 2015 and increase in revenue from other products sold (such as sachets, injectables, drops, ointments and syrups) to ₹381.48 million for Fiscal 2016 from ₹320.06 million for Fiscal 2015. The increase in our revenue from sale of products in Fiscal 2016 compared to Fiscal 2015 was also primarily attributable to an increase in our sale of products for therapeutic areas in the chronic category of the IPM. Within our revenue from sale of products, our revenues from sale of manufactured products increased to ₹3,105.62 million in Fiscal 2016 from ₹1,538.76 million for Fiscal 2015 while our revenues from sale of traded products decreased from ₹3,933.66 million for Fiscal 2015 to ₹2,917.63 million for Fiscal 2016, as a result of increased production at our Assam Facility and a corresponding decrease in products manufactured through third party manufacturers.

*Other income.* Our other income decreased by 3.49% from ₹34.94 million for Fiscal 2015 to ₹33.72 million for Fiscal 2016, primarily due to a decrease in net gain on current investments sold to ₹29.07 million for Fiscal 2016 from ₹33.15 million for Fiscal 2015 due to market fluctuations, and a decrease in miscellaneous income to ₹0.17 million for Fiscal 2016 from ₹0.78 million for Fiscal 2015, partially offset by an increase in interest income to ₹4.18 million for Fiscal 2016 from ₹0.84 million for Fiscal 2015, primarily due to increase in deposits placed.

#### ***Expenses***

*Cost of Goods Sold.* The changes in our costs of goods sold, from Fiscal 2015 to Fiscal 2016, were primarily due to increased production at our Assam Facility and a corresponding decrease in products manufactured through third party manufacturers.

- *Cost of materials consumed.* Cost of materials consumed increased by 31.72% to ₹582.30 million for Fiscal 2016 from ₹442.07 million for Fiscal 2015, primarily on account of increased payments for purchases of raw materials and packing materials including APIs and excipients during the year, in line with increase in products manufactured by us.
- *Purchases of stock in trade.* Purchases of stock in trade decreased by 47.70% from ₹606.39 million for Fiscal 2015 to ₹317.13 million for Fiscal 2016, due to reduced purchase of finished pharmaceutical products from third party manufacturers, in line with increase in products manufactured by us.
- *Changes in inventories of finished goods, work in progress and stock in trade.* There was a net decrease in stock of finished goods, work in progress and stock in trade of ₹77.56 million for Fiscal 2016 as compared to a net increase in stock of finished goods, work in progress and stock in trade of ₹106.20 million for Fiscal 2015. This decrease was primarily due to increase in tablets and capsules sold in Fiscal 2016 and decrease in stock in trade due to increase in manufacturing activity.

*Employee benefits expenses.* Our employee benefit expenses decreased by 0.77% from ₹1,256.30 million for Fiscal 2015 to ₹1,246.67 million for Fiscal 2016, primarily as a result of a decrease in contribution to provident and other funds by 43.78% from ₹104.73 million for Fiscal 2015 to ₹58.88 million for Fiscal 2016, due to a provision for leave encashment in Fiscal 2015 of ₹52.87 million, partially offset by an increase in salaries, wages and bonus paid by 2.64% to ₹1,151.93 million for Fiscal 2016 from ₹1,122.27 million for Fiscal 2015 and an increase in staff welfare expenses by 22.39% to ₹35.86 million for Fiscal 2016 from ₹29.30 million for Fiscal 2015, due to an increase in the number of our employees in line with the growth in our business.

*Other expenses.* Other expenses decreased by 0.56% from ₹2,042.49 million for Fiscal 2015 to ₹2,031.07 million for Fiscal 2016, primarily due to a decrease in travelling and conveyance expenses incurred by us from ₹720.06 million for Fiscal 2015 to ₹616.27 million for Fiscal 2016, due to a decrease in the number of our marketing representatives from 1,499 for Fiscal 2015 to 1,422 for Fiscal 2016 in line with our strategy to focus on metro cities and class 1 towns and lower travel expenses in Fiscal 2016 compared to Fiscal 2015 when we incurred launch and post-launch expenses attributable to launch of two sales divisions in February 2014 and July 2014, respectively; a decrease in legal and professional fees from ₹333.08 million for Fiscal 2015 to ₹300.91 million for Fiscal 2016 in line with a planned decrease to increase our expenditure on advertising, publicity and awareness initiatives; a decrease in excise duties from ₹55.03 million for Fiscal 2015 to ₹7.85 million for Fiscal 2016; and a decrease in power and fuel expenses from ₹48.91 million for Fiscal 2015 to ₹35.88 million for Fiscal 2016; which was partially offset by an increase in our advertising, publicity and awareness expenses to ₹444.47 million for Fiscal 2016 from ₹336.78 million for Fiscal 2015 due to our increased marketing and advertising of our products; an impairment of goodwill on consolidation of ₹27.41 million for Fiscal 2016 as a result of our retirement from Sozin; increase in rent to ₹56.90 million in Fiscal 2016 from ₹38.75 million in Fiscal 2015; and an increase in commission expenses to ₹117.60 million for Fiscal 2016 from ₹104.62 million for Fiscal 2015.

*Finance costs.* Our finance costs increased to ₹1.20 million for Fiscal 2016 from ₹0.18 million for Fiscal 2015 due to loans availed in Fiscal 2016 for purchase and maintenance of machinery at our Assam Facility.

*Depreciation and amortization expenses.* Our depreciation and amortization expenses increased by 31.21% to ₹203.56 million for Fiscal 2016 from ₹155.14 million for Fiscal 2015 in relation to additional equipment purchased during Fiscal 2016 for our marketing and awareness initiatives. Our depreciation and amortization expenses expressed as a percentage of our revenue from operations (gross) were 3.31% and 2.80% for Fiscals 2016 and 2015, respectively.

*Restated Profit before tax.* Our restated profit before tax increased by 41.15% to ₹1,544.44 million for Fiscal 2016 from ₹1,094.15 million for Fiscal 2015.

*Tax expense.* Our net tax expense was ₹195.86 million for Fiscal 2016 and ₹201.56 million for Fiscal 2015. We recorded an decrease in our net current tax expense from ₹232.45 million for Fiscal 2015 to ₹220.20 million for Fiscal 2016 due to an increase in minimum alternate tax credit to ₹132.30 million for Fiscal 2016 from nil for

Fiscal 2015, which was offset by a decrease in deferred tax credit from ₹30.89 million for Fiscal 2015 to ₹24.34 million for Fiscal 2016.

*Restated Profit after tax before share of profit of minority interest.* Our restated profit after tax before share of profit of minority interest increased by 51.09% to ₹1,348.58 million for Fiscal 2016 from ₹892.59 million for Fiscal 2015.

*Restated Profit attributable to the shareholders of the company.* Our restated profit attributable to the shareholders of the company increased by 49.69% to ₹1,335.70 million for Fiscal 2016 from ₹892.34 million for Fiscal 2015.

#### ***Fiscal 2015 compared to Fiscal 2014***

##### ***Revenue***

*Revenue from Operations.* Our revenue from operations (net) increased by 7.22% to ₹5,455.58 million for Fiscal 2015 from ₹5,088.22 million for Fiscal 2014. Our revenue from operations (gross) increased by 8.97% to ₹5,544.88 million for Fiscal 2015 from ₹5,088.22 million for Fiscal 2014, as a result of increase in our revenue from sale of products to ₹5,472.42 million for Fiscal 2015 from ₹5,084.54 million for Fiscal 2014, and increase in other operating income to ₹72.46 million for Fiscal 2015 from ₹3.68 million for Fiscal 2014 primarily as a result of increase in our excise duty refund, partially offset by an increase in excise duty to ₹89.30 million for Fiscal 2015 from nil for Fiscal 2014. The increase in excise duty in Fiscal 2015 from Fiscal 2014 was due to the commencement of commercial operations at our Assam Facility in May 2014.

Our revenue from sale of products increased as a result of increase in our revenue from tablets and capsules sold to ₹5,152.36 million for Fiscal 2015 from ₹4,832.93 million for Fiscal 2014 and increase in revenue from other products sold (such as sachets, injectables, drops, ointments and syrups) to ₹320.06 million for Fiscal 2015 from ₹251.61 million for Fiscal 2014. The increase in our revenue from sale of products in Fiscal 2015 compared to Fiscal 2014 was also attributable to increase in our sale of products for therapeutic areas in the chronic category of the IPM which was partially offset by a decrease in our sale of products for therapeutic areas in the acute category of the IPM. Within our revenue from sale of products, our revenues from sale of manufactured products increased to ₹1,538.76 million in Fiscal 2015 from nil for Fiscal 2014, while our revenues from sale of traded products decreased from ₹5,084.54 million for Fiscal 2014 to ₹3,933.66 million for Fiscal 2015, as a result of commencement of commercial operations at our Assam Facility and a corresponding decrease in products manufactured through third party manufacturers.

*Other income.* Our other income decreased by 20.95% from ₹44.20 million for Fiscal 2015 to ₹34.94 million for Fiscal 2014, primarily due to a reduction on net gain on current investments sold from ₹42.32 million for Fiscal 2014 to ₹33.15 million for Fiscal 2015 due to market fluctuations, a decrease in dividend income from non current investment from ₹0.18 million for Fiscal 2014 to nil for Fiscal 2015, and a decrease in interest income from ₹1.70 million for Fiscal 2014 to ₹0.84 million for Fiscal 2015.

##### ***Expenses***

*Cost of Goods Sold.* The changes in our costs of goods sold, from Fiscal 2014 to Fiscal 2015, were primarily due to commencement of commercial operations at our Assam Facility in May 2014, and a corresponding decrease in products manufactured through third party manufacturers.

- *Cost of materials consumed.* Cost of materials consumed increased by 59.82% to ₹442.07 million for Fiscal 2015 from ₹276.61 million for Fiscal 2014, primarily on account of increased payments for purchases of raw materials and packing materials including APIs and excipients during the year, due to increased raw material requirements at our Assam Facility.
- *Purchases of stock in trade.* Purchases of stock in trade decreased by 9.43% from ₹669.49 million for Fiscal 2014 to ₹606.39 million for Fiscal 2015 due to reduced purchase of finished pharmaceutical products from third party manufacturers, in line with increase in products manufactured by us.
- *Changes in inventories of finished goods, work in progress and stock in trade.* There was a net increase in the stock of finished goods, work in progress and stock in trade by ₹106.20 million for Fiscal 2015 as compared to a net decrease in stock of finished goods, work in progress and stock in trade of by ₹41.18

million for Fiscal 2014. This increase was primarily due to an increase in tablets and capsules manufactured by us in Fiscal 2015 and due to an increase in finished goods stock at our Assam Facility.

*Employee benefits expenses.* Our employee benefit expenses increased by 38.75% to ₹1,256.30 million for Fiscal 2015 from ₹905.43 million for Fiscal 2014, primarily as a result of an increase in salaries, wages and bonus paid to our employees to ₹1,122.27 million for Fiscal 2015 from ₹847.66 million for Fiscal 2014, primarily due to an increase in the number of our employees at our Assam Facility in Fiscal 2015 and in line with the growth in our business; an increase in contribution to provident and other funds to ₹104.73 million for Fiscal 2015 from ₹33.82 million for Fiscal 2014 due to commencement of provision for leave benefits for employees; and an increase in staff welfare expenses to ₹29.30 million for Fiscal 2015 from ₹23.95 million for Fiscal 2014.

*Other expenses.* Other expenses decreased by 7.43% from ₹2,206.32 million for Fiscal 2014 to ₹2,042.49 million for Fiscal 2015, primarily due to a decrease in advertising, publicity and awareness expenses from ₹730.61 million for Fiscal 2014 to ₹336.78 million for Fiscal 2015 due to lowering of advertising and publicity expenses from Fiscal 2014 which were attributable to pre-launch expenses for the launch of two of our sales divisions; and a decrease in selling and distribution expenses from ₹252.79 million for Fiscal 2014 to ₹204.82 million for Fiscal 2015 due to a planned decrease in expenses in line with increased expenditure on our travelling and conveyance expenses; which was partially offset by, an increase in travelling and conveyance expenses to ₹720.06 million for Fiscal 2015 from ₹652.16 million for Fiscal 2014 in line with an increase in our marketing representatives to 1,499 in Fiscal 2015 from 1,350 in Fiscal 2014; an increase in legal and professional expenses to ₹333.08 million for Fiscal 2015 from ₹299.50 million for Fiscal 2014 due to increase in consultancy expenses for professionals, including doctors, an increase in excise duties to ₹55.03 million for Fiscal 2015 from nil for Fiscal 2014 and an increase in power and fuel expenses to ₹48.91 million for Fiscal 2015 from ₹13.16 million for Fiscal 2014 due to commencement of operations at our Assam Facility.

*Finance costs.* Our finance costs decreased by 92.68% to ₹0.18 million for Fiscal 2015 from ₹2.46 million for Fiscal 2014 due to repayment in Fiscal 2015 of a term loan availed by us in relation to the manufacturing facility operated by Sozin.

*Depreciation and amortization expenses.* Our depreciation and amortization expenses increased to ₹155.14 million for Fiscal 2015 from ₹47.68 million for Fiscal 2014 primarily relating to depreciation on building, plant and machinery at our Assam Facility. Our depreciation and amortization expenses expressed as a percentage of our revenue from operations (gross) were 2.80% and 0.94% for Fiscals 2015 and 2014, respectively.

*Restated Profit before tax.* Our restated profit before tax increased by 11.28% to ₹1,094.15 million for Fiscal 2015 from ₹983.25 million for Fiscal 2014.

*Tax expense.* Our net tax expense was ₹201.56 million for Fiscal 2015 and ₹274.13 million for Fiscal 2014. We recorded a decrease in our net current tax expense to ₹232.45 million for Fiscal 2015 from ₹273.65 million for Fiscal 2014 due to the commencement of the fiscal benefits period available in relation to our Assam Facility and a deferred tax credit of ₹30.89 million for Fiscal 2015 compared to a deferred tax charge of ₹0.48 million for Fiscal 2014.

*Restated Profit after tax before share of profit of minority interest.* Our restated profit after tax before share of profit of minority interest increased by 25.87% to ₹892.59 million for Fiscal 2015 from ₹709.12 million for Fiscal 2014.

*Restated Profit attributable to the shareholders of the company.* Our restated profit attributable to the shareholders of the company increased by 26.05% to ₹892.34 million for Fiscal 2015 from ₹707.94 million for Fiscal 2014.

## **Liquidity and Capital Resources**

Historically, we have relied upon equity financing from our shareholders and retained earnings for growth of business and other capital needs. Our short-term liquidity requirements are primarily met from cash generated from operations. We believe that our cash flows from operations will be sufficient to fund our expected capital expenditures, operating expenses and cash requirements for the next 12 months.

### **Cash Flows**

The table below summarizes our cash flows for the periods indicated:

	September 30,	Fiscal		
	2016 (in ₹ millions)	2016 (in ₹ millions)	2015 (in ₹ millions)	2014 (in ₹ millions)
Net cash generated from Operating Activities	1,231.53	1,314.79	900.57	896.24
Net cash generated from/(used in) Investing Activities	(1,050.92)	(439.13)	(921.33)	(827.43)
Net cash generated from/(used in) Financing Activities	(172.41)	(836.98)	4.57	(23.04)
Net increase/ (decrease) in cash and cash equivalents	8.20	38.68	(16.19)	45.77

### *Operating Activities*

Net cash generated from operating activities was ₹1,231.53 million for six months ended September 30, 2016. While our profit before tax was ₹ 1,493.19 million for the six months ended September 30, 2016, our operating profit before working capital changes was ₹1,476.71 million, primarily as a result of adjustments made for depreciation and amortization expenses of ₹109.65 million and diminution in value of investment of ₹3.97 million, offset by a net gain on sale of investments of ₹114.45 million, and interest income of ₹4.07 million. Changes in working capital to our operating profit for the six months ended September 30, 2016 primarily consisted of an increase in trade receivables of ₹307.70 million, an increase in inventories of ₹31.24 million and an increase in loans and advances of ₹33.33 million, which were partially offset by an increase in trade payables, liabilities and provisions of ₹368.35 million. We typically have credit terms with our customers, third party manufacturers and suppliers, several of which are not carried over the end of a Fiscal. The increase in trade receivables was due to the products sold during the month of September 2016, for which payments are typically received in subsequent months and the increase in trade payables was due to the finished products, APIs, excipients and packaging materials purchased during the six months ended September, 2016 for which payments are typically made to our third party manufacturers and suppliers in subsequent months.

Net cash generated from our operating activities was ₹1,314.79 million for Fiscal 2016. While our profit before tax was ₹1,544.44 million for Fiscal 2016, we had an operating profit before working capital changes of ₹1,743.62 million, primarily due to depreciation and amortization expenses of ₹203.56 million, impairment of goodwill on consolidation of ₹27.41 million and finance costs of ₹1.20 million, partially offset by net gain on sale of investments of ₹29.07 million and interest income of ₹4.18 million. Changes in working capital to our operating profit for Fiscal 2016 consisted of an increase in trade receivables of ₹17.03 million and an increase in loans and advances of ₹64.50 million, and a decrease in trade payables, liabilities and provisions of ₹100.35 million, which were partially offset by a decrease in inventories of ₹99.83 million. The increase in trade receivables and increase in loans and advances was in line with the general growth in our business and the decrease in our trade payables was due to payments made to our suppliers and better management of our overall payments obligations.

Net cash generated from our operating activities was ₹900.57 million for Fiscal 2015. While our profit before tax was ₹1,094.15 million, we had an operating profit before working capital changes of ₹1,215.61 million, primarily due to adjustments made for depreciation and amortization expenses of ₹155.14 million, preliminary expenditure written off of ₹0.26 million and finance costs of ₹0.18 million, partially offset by a net gain in sale of investments of ₹33.15 million and interest income of ₹0.84 million. Changes in working capital to our operating profit for Fiscal 2015 consisted of an increase in trade receivables of ₹13.26 million and an increase in inventories of ₹127.94 million, and a decrease in trade payables, liabilities and provisions of ₹5.26 million, which were partially offset by a decrease of loans and advances of ₹65.83 million. The increase in trade receivables and increase in inventories was in line with the general growth in our business. The decrease in trade payables was due to better management of our overall payments obligations and the decrease in loans and advances was due to return of advances made, utilization of CENVAT credit and purchase of fixed assets against advances made.

Net cash generated from operating activities was ₹896.24 million for Fiscal 2014. While our profit before tax was ₹983.25 million, we had an operating profit before working capital changes of ₹990.12 million, primarily due to depreciation and amortization expenses of ₹47.68 million, finance costs of ₹2.46 million and loss on sale of fixed assets of ₹0.66 million, partially offset by net gain on sale of investments of ₹42.32 million. Changes in working capital to our operating profit for Fiscal 2014 consisted of an increase in trade receivables of ₹57.44 million and an increase in inventories of ₹16.13 million, which were partially offset by a decrease in loans and advances of ₹4.28 million and an increase in trade payables, liabilities and provisions of ₹276.55 million. The increase in trade receivables and increase in inventories was in line with the general growth in our business. The increase in trade

payables was due to increased payment obligations to third party manufacturers, in line with increase in finished products purchased.

#### *Investing Activities*

Net cash used in investing activities was ₹1,050.92 million for six months ended September 30, 2016, primarily as a result of purchase of short-term investments of ₹612.89 million such as liquid funds and money market instruments and purchase of fixed assets of ₹450.37 million primarily in relation to our acquisition, effective July 1, 2016, of trademarks in relation to 40 brands, from Amay Pharma, partially offset by bank balances not considered as cash and cash equivalents of ₹7.73 million and interest received of ₹4.15 million.

Net cash used in investing activities was ₹439.13 million for Fiscal 2016, primarily as a result of purchase of fixed assets of ₹236.41 million primarily comprising of purchase of equipment for our marketing and awareness initiatives, purchase of short term investment of ₹180.23 million primarily comprising of liquid funds and money market instruments and purchase of long term investments of ₹25.95 million, partially offset by interest received of ₹3.91 million.

Net cash used in investing activities was ₹921.33 million for Fiscal 2015, primarily as a result of purchase of long term investments of ₹465.00 million primarily comprising of mutual funds, purchase of short term investments of ₹327.36 million primarily comprising of liquid funds and money market instruments and purchase of fixed assets of ₹130.84 million, partially offset by proceeds from sale of fixed assets of ₹1.58 million and interest received of ₹0.84 million.

Net cash used in investing activities was ₹827.43 million for Fiscal 2014, primarily as a result of purchase of fixed assets of ₹519.33 million in relation to building, equipment, plant and machinery for our Assam Facility, purchase of long term investments of ₹170.00 million primarily consisting of mutual funds and purchase of short term investments of ₹162.32 million primarily consisting of liquid funds and money market instruments, partially offset by bank balances not considered as cash and cash equivalents of ₹21.89 million and interest received of ₹1.70 million.

#### *Financing Activities*

Net cash used in financing activities was ₹172.41 million for the six months ended September 30, 2016, due to dividend distribution tax of ₹169.13 million, repayment of long term borrowings of ₹2.50 million and finance costs of ₹0.78 million.

Net cash used in financing activities was ₹836.98 million for Fiscal 2016 due to dividend paid of ₹830.78 million on dividend declared, repayment of long term borrowings of ₹5.00 million and finance costs of ₹1.20 million.

Net cash generated from financing activities was ₹4.57 million for Fiscal 2015 due to proceeds from long-term borrowings of ₹10.00 million, partially offset by repayment of long-term borrowings of ₹5.25 million and finance costs of ₹0.18 million.

Net cash used in financing activities was ₹23.04 million for Fiscal 2014 due to repayment of long term borrowings of ₹20.58 million and finance costs of ₹2.46 million.

#### *Indebtedness*

As of December 31, 2016, we have no outstanding indebtedness. Our long term borrowings (including current maturities of long term debt, on a consolidated basis) as of September 30, 2016, March 31, 2016, March 31, 2015 and March 31, 2014 were ₹2.50 million, ₹5.00 million, ₹10.00 million and ₹5.25 million, respectively.

#### **Capital Expenditure**

##### *Historical Capital Expenditure*

For the six month period ended September 30, 2016, we invested ₹449.11 million, primarily in our acquisition, effective July 1, 2016, of trademarks in relation to 40 brands from Amay Pharma. For Fiscal 2016, we invested ₹236.19 million, primarily in the purchase of equipment for our marketing and awareness initiatives and information technology systems at our corporate office. For Fiscal 2015, we invested ₹122.17 million, primarily

for the purchase of plant and machinery for our Assam Facility, vehicles and other equipment for our marketing and awareness initiatives. For Fiscal 2014, we invested ₹529.84 million, primarily towards the building, equipment, plant and machinery for our Assam Facility.

Our actual capital expenditures may differ from this amount due to various factors, including our business plan, our financial performance, market conditions, our outlook for future business conditions, the source and methodology of our financing activities and changing governmental regulations. To the extent that we do not generate sufficient cash from our operations to meet our working capital needs and execute our capital expenditure plans, we may need to revise our capital expenditure plans or seek additional debt or equity financing.

### **Contingent Liabilities**

We had no contingent liabilities as of September 30, 2016.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

### **Quantitative and Qualitative Analysis of Market Risks**

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to commodity risk, credit risk, interest rate risk and inflation risk in the normal course of our business.

#### ***Commodity risk***

We are exposed to the price risk associated with purchasing our raw materials, which form a significant component of our expenses. We typically do not enter into long terms arrangements with our vendors and typically source raw materials based on periodic purchase orders and price negotiations. Therefore, fluctuations in the price and availability of raw materials may affect our business, cash flows and results of operations. We do not currently engage in any hedging activities against commodity price risk. For further information, see “***Risk Factors – Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.***” on page 17.

#### ***Credit Risk***

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. We typically have credit terms typically ranging from seven to 21 days with our customers. As of September 30, 2016 and March 31, 2016, 2015 and 2014, our trade receivables were ₹561.39 million, ₹253.69 million, ₹236.66 million and ₹223.40 million, respectively. Our credit terms with our customers are typically not carried over the end of a Fiscal, consequently, the increase in trade receivables for the six months ended September 30, 2016 was primarily due to the products sold in the month of September 2016, for which payments are typically received in subsequent months.

#### ***Inflation risk***

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in our employee benefit payments or other expenses as a result of increase in inflation in India, which we are unable to pass on to our customers, whether entirely or in part, may adversely affect our business and financial condition.

### **Unusual or Infrequent Events or Transactions**

To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

## **Known Trends or Uncertainties**

Our business has been affected and we expect that it will continue to be affected by the trends identified above in “*Significant Factors Affecting Our Results of Operations*” and the uncertainties described in “*Risk Factors*” on pages 244 and 16, respectively. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

## **Future Relationship between Cost and Revenue**

Other than as described in “*Risk Factors*” commencing on page 16 and this section, there are no known factors that might affect the future relationship between cost and revenue.

## **Competitive Conditions**

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections “*Risk Factors – Internal Risk Factors – 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.*” and “*Our Business – Competition*” on pages 25 and 118, respectively.

## **Seasonality of Business**

Our business is not seasonal in nature.

## **Dependence on a Few Suppliers**

For Fiscal 2016, we sourced 57.79% of our APIs, 77.44% of our excipients and 78.26% of our packaging materials from our top five suppliers in each category. We do not have any long term contracts with our third-party suppliers. Prices are negotiated for each purchase order and we generally seek quotations from more than one supplier for each raw material.

For further information, see “*Risk Factors – Any shortfall in the supply of our raw materials or an increase in our raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.*” on page 17.

## **New Products or Business Segments**

Except as disclosed in “*Our Business – Our Strategy*” on page 106, we have not announced and do not expect to announce in the near future any new products or business segments.

## **Significant Developments Occurring after September 30, 2016**

### ***Acquisition of Kinedex Healthcare Private Limited***

On November 23, 2016, we entered into a share purchase agreement to acquire 61.48% of the outstanding equity shares of Kinedex from its existing shareholders for an aggregate consideration of ₹628.66 million. On December 12, 2016, we entered into a share purchase and shareholders’ agreement to acquire an additional 14.0% of the equity shares of Kinedex, for a consideration of ₹143.13 million, taking our aggregate shareholding in Kinedex to 75.48%.

Our acquisition of Kinedex was in order to add products catering to mobility related disorders in the musculoskeletal therapeutic area to our portfolio. For further details see “*History and Certain Corporate Matters – Details Regarding Acquisition of Business/ Undertakings, Mergers, Amalgamations and Revaluation of Assets*” on page 127.

Pursuant to a resolution of our Board of Directors dated February 2, 2017 and shareholders’ resolution dated February 3, 2017, our Company instituted an employee stock option plan, Eris ESOP. See “*Capital Structure – Employee Stock Option Scheme*” on page 70.

Except as disclosed above and in this Draft Red Herring Prospectus, to our knowledge, no circumstances have

arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

### **Recent Accounting Pronouncements**

Our Company prepares its annual and interim financial statements under Indian GAAP. Our Company is required to prepare annual and interim financial statements under IND (AS) commencing from April 1, 2017. Given that IND (AS) is different in many respects from Indian GAAP, under which we currently prepare our financial statements, the transition to IND (AS) may have a significant impact on our financial results and position. For further details, see “*Risk Factors – Our Company will be required to prepare financial statements under IND (AS). The transition to IND (AS) in India is very recent and there is no clarity on the effect of such transition on our Company*” on page 32.

For details on the significant differences between Indian GAAP and IND (AS), see “*Summary of Significant Differences between Indian GAAP and IND (AS)*” on page 262 of this Draft Red Herring Prospectus.

## SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND (AS)

The Restated Financial Statements included in this Draft Red Herring Prospectus are presented in accordance with Indian GAAP, which differs from IND (AS) in certain respects. The matters described below cannot necessarily be expected to reveal all material differences between Indian GAAP and IND (AS) which are relevant to us. This is not an exhaustive list of differences between Indian GAAP and IND (AS); rather, it indicates only those differences that we believe will be more relevant to our financial position and results of operations, and to the presentation of our financial statements. We have not considered all material matters of Indian GAAP presentation, classification and disclosures, which also differ from IND (AS). Consequently, there can be no assurance that these are the only material differences in the accounting principles that could have a significant impact on the financial information included in this Draft Red Herring Prospectus. Furthermore, we have made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and IND (AS) which may result from prospective changes in accounting standards. In making an investment decision, investors must rely upon their own examination of our business financial information and terms of the Offer. Potential investors should consult with their own professional advisors for a more thorough understanding of the differences between Indian GAAP and IND (AS) and how those differences might affect our financial information.

The Ministry of Corporate Affairs (“MCA”) via its notification dated February 16, 2015 states that an “Entity” (which means a ‘company’ as defined in sub-section (20) of section 2 of the Companies Act, 2013 or as defined in section 3 of the Companies Act, 1956, as the case may be) shall comply with IND (AS) for accounting periods beginning on or after April 1, 2017 (Second Phase), with comparatives for the periods ending on March 31, 2016. Therefore, we will be subject to this notification. For the purposes of this Draft Red Herring Prospectus, we have prepared our Restated Financial Statements under Indian GAAP.

Areas of Difference	Indian GAAP	Ind AS
<b>Primary literature</b>	<b>AS 1 – Disclosure of Accounting Policies / Schedule III to the Companies Act, 2013 AS 5 – Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies</b>	<b>Ind AS 1 – Presentation of Financial Statements</b>
Statement of profit or loss and other comprehensive income (statement of comprehensive income)	Statement of profit and loss is the Indian GAAP equivalent of separate statement of profit or loss under Ind AS.  Some items such as revaluation surplus, which are treated as “other comprehensive income” under Ind AS, are recognised directly in equity under Indian GAAP. There is no concept of “other comprehensive income” in Indian GAAP.	The statement of profit or loss and other comprehensive income includes all items of income and expense – (i.e. all “non- owner” changes in equity) including:  (a) components of profit or loss; and  (b) other comprehensive income.  An entity is required to present all items of income and expense including components of other comprehensive income in a period in a single statement of profit and loss.
Statement of changes in equity	A statement of changes in equity is not presented.  Movements in share capital, retained earnings and other reserves are presented in the notes to accounts.	The statement of changes in equity includes the following information:  <ul style="list-style-type: none"> <li>• total comprehensive income for the period;</li> <li>• the effects on each component of equity of retrospective application or retrospective restatement in accordance with Ind AS 8; and</li> <li>• for each component of equity, a reconciliation between the opening and closing balances, separately disclosing each change.</li> </ul>
Extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in the	Presentation of any items of income or expense as extraordinary is prohibited.

	determination of net profit or loss for the period.	
	Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	
Reclassification	A disclosure is made in financial statements that comparative amounts have been reclassified to conform to the presentation in the current period without additional disclosures for the nature, amount and reason for reclassification.	When comparative amounts are reclassified, the nature, amount and reason for reclassification are disclosed.
Critical judgments	Does not require disclosure of judgments that management has made in the summary of significant accounting policies or other notes.	Requires disclosure of critical judgments made by management in applying accounting policies.
Estimation uncertainty	Does not require an entity to disclose information about the assumptions that it makes about the future and other major sources of estimation uncertainty at the end of the reporting period though other standards may require certain disclosures of the same.	Requires disclosure of key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.  The nature of the uncertainty and the carrying amounts of such assets and liabilities at the end of the reporting period are required to be disclosed.
<b>Primary literature</b>	<b>AS 5 – Net Profit Or Loss For The Period, Prior Period Items And Changes In Accounting Policies</b>	<b>Ind AS 8– Accounting Policies, Changes in Accounting Estimates and Errors</b>
Changes in accounting policies	Changes in accounting policies should be made only if required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material.  If a change in accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	Requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
Errors	Prior period items are included in determination of net profit or loss for the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss in such a manner that the impact on current profit or loss can be perceived.	Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet.
<b>Primary literature</b>	<b>AS 4 – Contingencies and Events Occurring after the Balance Sheet Date</b>	<b>Ind AS 10 – Events After the Reporting Period</b>
Dividends	Schedule III requires disclosure of proposed dividend in the notes to	Liability for dividends declared to holders of equity instruments are

	accounts. However, as per the requirements of AS 4, which override the provisions of Schedule III, dividends stated to be in respect of the period covered by the financial statements that are proposed or declared after the balance sheet date but before approval of the financial statements are recorded as a provision. Further, as per recent amendments by the Companies (Accounting Standards) Amendment Rules, 2016 in AS 4, dividends declared subsequent to the balance sheet are to be considered as a non-adjusting event, which is similar to the Ind-AS requirement.	recognised in the period when declared. It is a non-adjusting event.
<b>Primary Literature</b>	<b>AS 22 – Accounting for Taxes on Income</b>	<b>Ind AS 12 – Income Taxes</b>
Deferred income taxes	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.
Recognition of deferred tax assets for unused tax losses etc.	Deferred tax asset for unused tax losses and unabsorbed depreciation is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset for all other unused credits/timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.	Deferred tax asset is recognised for carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised. Where an entity has a history of tax losses, the entity recognises a deferred tax asset only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available.
Investments in subsidiaries, branches, and associates and interests in joint arrangements	No deferred tax liability is recognised. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation	Deferred tax liability for all taxable temporary differences are recognised except to the extent: <ul style="list-style-type: none"> <li>• the parent, the investor, the venturer or joint operator is able to control timing of the reversal of the temporary difference; and</li> <li>• it is probable that the temporary difference will not reverse in the foreseeable future.</li> </ul>
<b>Primary literature</b>	<b>AS 6 – Depreciation Accounting</b> <b>AS 10 – Accounting For Fixed Assets</b>	<b>Ind AS 16 – Property, Plant and Equipment</b>
Change in method of depreciation	Requires retrospective re-computation of depreciation and any excess or deficit on such re-computation is required to be adjusted in the period in which such change is affected.  Such a change is treated as a change in accounting policy and its effect is quantified and disclosed.	Changes in depreciation method are considered as changes in accounting estimate and applied prospectively.
<b>Primary Literature</b>	<b>AS 19 – Leases</b>	<b>Ind AS 17 – Leases</b>  <b>Appendix C to Ind AS 17 – Determining Whether an Arrangement Contains a Lease</b>

Interest in leasehold land	Leasehold land is recorded and classified as fixed assets.	Recognised as operating lease or finance lease as per definition and classification criteria.
Determining whether an arrangement contains a lease	No specific guidance. Payments under such arrangements are recognised in accordance with the nature of expense incurred.	Arrangements that do not take the legal form of a lease but fulfilment of which is dependent on the use of specific assets and which convey the right to use the assets are accounted for as lease.
<b>Primary literature</b>	<b>AS – 15 – (Revised 2005) – Employee Benefits</b>	<b>Ind AS 19 – Employee Benefits</b>
Actuarial gains and losses	All actuarial gains and losses should be recognised immediately in the statement of profit and loss.	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are recognised in other comprehensive income and not reclassified to profit or loss in a subsequent period.
<b>Primary literature</b>	<b>AS 28 – Impairment of Assets</b>	<b>Ind AS 36 – Impairment of Assets</b>
	<b>AS 26 – Intangible Assets</b>	
Annual impairment test for goodwill and intangibles	Goodwill and other intangibles are tested for impairment only when there is an indication that they may be impaired.	Goodwill, intangible assets not yet available for use and indefinite life intangible assets are required to be tested for impairment at least on an annual basis or earlier if there is an impairment indication.
<b>Primary literature</b>	<b>AS 29 – Provisions, Contingent Liabilities and Contingent Assets</b>	<b>Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets</b>
Recognition of provisions	Provisions are not recognised based on constructive obligations though some provisions may be needed in respect of obligations arising from normal practice, custom and a desire to maintain good business relations or to act in an equitable manner.	A provision is recognised only when a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be estimated reliably.
Discounting	Discounting of liabilities is not permitted and provisions are carried at their full values. However, as per recent amendments in AS 29, discounting of decommissioning, restoration and other similar liabilities to present value will be required.	When the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.
<b>Primary literature</b>	<b>AS 26 – Intangible Assets</b>	<b>Ind AS 38 – Intangible Assets</b>
Measurement	Measured only at cost.	Intangible assets can be measured at either cost or revalued amounts.
Goodwill	Goodwill arising on amalgamation in the nature of purchase is amortised over a period not exceeding five years.	Not amortised but subject to annual impairment test or more frequently whenever there is an impairment indication.
Useful Life	The useful life not be indefinite. There is rebuttable presumption that the useful life of an intangible asset will not exceed 10 years from the date when asset is available for use.	Useful life may be finite or indefinite.
<b>Primary literature</b>	<b>No equivalent standard on investment property. At present, covered by AS 13 – Accounting for Investments</b>	<b>Ind AS 40 – Investment Property</b>
Definition and scope	AS 13 defines investment property as an investment in land or buildings that are not intended to be occupied substantially for use by, or in the operations of the investing entity. However, as per the recent	Investment property is land or building (or part thereof) or both held (whether by owner or by a lessee under a finance lease) to earn rentals or for capital appreciation or both.

	amendments in AS 13, accounting for investment property would be in accordance with the cost model as prescribed in the revised AS 10.	
<b>Primary literature</b>	<b>AS 13 – Accounting for Investments</b>	<b>Ind AS 109 Financial Instruments</b>
	<b>AS 30 – Financial Instruments: Recognition And Measurement</b>	
Investments, deposits loans and advances	Investments are classified as long-term or current. Long term investments are carried at cost less provision for diminution in value, which is other than temporary. Current investments carried at lower of cost and fair value. Deposits, loans and advances are measured at cost less valuation allowance.	<p>All financial assets are classified as measured at amortised cost or measured at fair value.</p> <p>Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss, or recognised in other comprehensive income.</p> <p>Debt Instrument held within a business model :</p> <ol style="list-style-type: none"> <li>Collect contractual cash flows - Amortised cost</li> <li>Collect contractual cash flows and selling financial assets – measured at fair value through other comprehensive income</li> </ol> <p>Ind AS 109 provides an option to irrevocably designate, at initial recognition, financial assets as measured at fair value through profit or loss if doing so eliminates an accounting mismatch.</p> <p>Certain Equity instruments – option to irrevocably designate them so that subsequent changes in fair value are in other comprehensive income. Dividend income from such assets – Profit / Loss</p>
Impairment	<p>An entity should assess the provision for doubtful debts at each period end which, in practice, is based on relevant information such as</p> <ul style="list-style-type: none"> <li>past experience,</li> <li>actual financial position and</li> <li>cash flows of the debtors.</li> </ul> <p>Different methods are used for making provisions for bad debts, including:</p> <ul style="list-style-type: none"> <li>the ageing analysis,</li> <li>an individual assessment of recoverability.</li> </ul>	<p>The impairment model in Ind AS 109 is based on expected credit losses.</p> <p>Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to:</p> <ul style="list-style-type: none"> <li>The 12 month expected credit losses; or</li> <li>Lifetime expected credit losses if credit risk has increased significantly since initial recognition of the financial instrument.</li> </ul>
<b>Primary Literature</b>	<b>AS 21 – Consolidated Financial Statements</b>	<b>Ind AS 27 – Separate Financial Statements</b>
		<b>Ind AS 110 – Consolidated Financial Statements</b>
		<b>Ind AS 112 – Disclosure of Interests in Other Entities</b>

Definition of control	<p>Control is:</p> <p>(a) the ownership, directly or indirectly through subsidiary(ies), of more than one-half of the voting power of an entity; or</p> <p>(b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other entity so as to obtain economic benefits from its activities.</p> <p>Therefore a mere ownership of more than 50 per cent. of equity shares is sufficient to constitute control under Indian GAAP, whereas this is not necessarily so under Ind AS.</p>	<p>Control is based on whether an investor has:</p> <p>(a) power over the investee;</p> <p>(b) exposure, or rights, to variable return from its involvement with the investee; and</p> <p>(c) the ability to use its power over the investee to affect the amounts of the returns.</p>
Exclusion of subsidiaries, associates and joint ventures	<p>Excluded from consolidation, equity accounting or proportionate consolidation if the subsidiary/investment/interest was acquired with intent to dispose of in the near future (which, ordinarily means not more than 12 months, unless a longer period can be justified based on facts and circumstances of the case) or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent/investor/venturer.</p>	<p>Consolidated financial statements include all subsidiaries and equity accounted associates and joint ventures. No exemption for “temporary control”, “different lines of business” or “subsidiary / associate / joint venture that operates under severe long- term funds transfer restrictions”.</p>
Disclosure of nature and risk associated with interest in other entities	<p>There is no equivalent standard.</p> <p>AS 21, AS 23 and AS 27 require certain minimum disclosures in respect of subsidiaries, investments in associates and investments in joint ventures respectively.</p>	<p>Ind AS 112 requires disclosures for significant judgements and assumptions such as how control, joint control and significant influence has been determined along with detailed analysis.</p>
<b>Primary Literature</b>	<p><b>AS 27 – Financial Reporting Of Interests In Joint Ventures</b></p>	<p><b>Ind AS 111 – Joint Arrangements</b></p> <p><b>Ind AS 28 – Investments in Associates and Joint Ventures</b></p>
Consolidated financial statements of the venturer	<p>Proportionate consolidation method is applied when the entity prepares consolidated financial statements.</p>	<p>The equity method, as described in Ind AS 28 is applied when the entity prepares consolidated financial statements.</p>

## **SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no (i) outstanding criminal proceedings involving our Company, Directors, Subsidiaries or Promoters; (ii) actions taken by statutory or regulatory authorities against our Company, Directors, Promoters or Subsidiaries; and (iii) outstanding claims involving our Company, Directors, Promoters or Subsidiaries for any direct and indirect tax liabilities; (iv) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company or Subsidiaries, pending or taken, during the last five years immediately preceding the year of this Draft Red Herring Prospectus; (v) prosecutions filed (whether pending or not); (vi) fines imposed or compounding of offences by our Company and its Subsidiaries in the last five years immediately preceding the year of this Draft Red Herring Prospectus; (vii) pending defaults or non-payment of statutory dues by our Company; (viii) litigation or legal action against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding this Draft Red Herring Prospectus; (ix) material frauds committed against our Company, in the five years preceding the date of this Draft Red Herring Prospectus; (x) outstanding dues to creditors of our Company as determined to be material by our Board of Directors in accordance with the SEBI ICDR Regulations; and (xi) outstanding dues to small scale undertakings and other creditors. Further, there have been no proceedings initiated against our Company for economic offences or defaults in respect of dues payable.*

*Pursuant to the SEBI ICDR Regulations and the Materiality Policy for the purposes of disclosure, all pending litigation involving our Company, Promoters, Directors and Subsidiaries, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if such pending litigation is in excess of 1.00% of our Company's consolidated profit after tax as per the latest annual restated consolidated financial information (i.e. for Fiscal 2016), i.e., ₹ 13.36 million, or any such litigation which is material from the perspective of the Company's business, operations, prospects or reputation.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.*

### **I. LITIGATION INVOLVING OUR COMPANY**

#### **A. Outstanding criminal proceedings involving our Company**

##### ***Criminal proceedings by our Company***

Our Company has initiated four proceedings under section 138 of the Negotiable Instruments Act, 1881, for the dishonor of cheques against four stockists claiming dishonor of cheques against the payment of dues to the Company for products purchased. Three of these proceedings are pending before the Metropolitan Magistrate, Ahmedabad, Gujarat while one is pending before the Chief Judicial Magistrate, Varanasi, Uttar Pradesh. The aggregate amount involved in these proceedings, to the extent ascertainable is ₹ 1.84 million.

#### **B. Pending action by statutory or regulatory authorities against our Company**

1. A complaint dated September 17, 2014 was filed by Madhya Pradesh Chemist and Distribution Federation before the Competition Commission of India (the "CCI"), pursuant to which, the CCI directed the initiation of an investigation against Madhya Pradesh Chemist and Druggist Association and certain pharmaceutical companies including our Company, alleging violation of section 3 of the Competition Act, on grounds that our Company, along with certain other companies, allegedly carried out anti-competitive practices and refused to supply drugs to stockists who did not obtain a 'no objection certificate' from the zonal association of chemist and druggist, Madhya Pradesh. It was also alleged that such conduct directly or indirectly limited and controlled the supply and marketing of pharmaceutical products in India. Pursuant to an order of the CCI dated December 29, 2014, the Director General was directed to cause an investigation into the matter. Our Company, if held in breach, would be liable to pay a penalty in accordance with the provisions of the Competition Act (which amount may range from 1% to 10% of our average turnover for the three Fiscals ended March 31, 2012, 2013 and 2014. The matter is currently pending.

2. A notice dated April 24, 2015 was issued to our Company by the Deputy Director General, CCI requiring us to provide certain clarifications in respect of our payments in the amount of ₹ 46,000 to the Federation of Gujarat State Chemists and Druggists Association (the “**Federation**”) during Fiscal 2014. It has been stated in the notice that such payment was made by our Company to the Federation to be used towards advertisements published in its monthly publication titled Gujarat Aushadhi Jagat. Our Company, pursuant to its reply clarified that such publications have been made voluntarily in order to create awareness at the chemist outlets of the existence and composition of newly launched drugs of the Company and would enable such outlets to dispense drugs against prescriptions accordingly. Further, our Company, also provided the details sought, including the details of the amount paid, the acknowledgement slips issued by the Federation and the list of all stockists and wholesalers of the Company in Ahmedabad and Vadodara. The office of the Director General, CCI thereafter issued a notice dated July 7, 2015 to Mr. Amit Indubhushan Bakshi, in his capacity as Managing Director, seeking his presence to record his statement on oath pursuant to which the authorised representative of the Company appeared before the Director General, CCI and recorded his statement on July 31, 2015. We have not, until date, received any further communication from the CCI in this regard.

### **C. Tax proceedings against our Company**

#### ***Direct tax proceedings***

There are two direct tax proceedings pending against our Company and the aggregate amount involved under such proceedings (to the extent ascertainable) pursuant to such claims is ₹ 3.02 million. The nature of these proceedings pertain to the alleged incorrect computations of income by our Company for certain assessment years.

### **D. Other material outstanding litigation involving our Company**

#### ***Material outstanding litigation against our Company***

1. Unichem Laboratories Limited (“**Unichem**”) instituted a suit dated August 11, 2014 against our Company, Sozin and Morpen Laboratories Limited, before the High Court of Bombay, seeking an injunction and damages in the amount of ₹ 0.10 million on account of alleged infringement by our Company of the trademark ‘ALLERFEX’ and passing off, by using the trademarks ‘ALERFIX’ and ‘ALERFIX-M’. Our Company filed a reply dated August 27, 2014, denying any allegation of infringement and further stated that it had been using its trademark since December 2008 and that its trademark was not identical or deceptively similar to that of Unichem. The High Court of Bombay passed an order dated October 7, 2014 denying such injunction against which Unichem filed an appeal dated October 30, 2014. The appeal is currently pending before the High Court of Bombay. Subsequently, our Company has filed an application dated October 19, 2016 for rectification of the trademark register, requesting the removal of the trademark ‘ALLERFEX’ on the ground that such mark was adopted without any *bona fide* intention to use for commercial purposes and was put to use so as to take unfair advantage of the goodwill and reputation already earned by our Company. The matter is currently pending.
2. Micro Labs Limited (“**Micro**”) instituted a suit in May 2013 against our Company before the High Court of Madras, seeking permanent injunction on account of alleged infringement by our Company of the trademarks ‘OLAMIN’ and ‘OLAMINE’ and passing off thereof, by using the trademark ‘OLMIN’. Our Company filed a written statement dated December 20, 2013 challenging the plaint on the ground that the High Court of Madras did not have jurisdiction in this matter and that the trademark used by our Company was distinctively different from the trademarks of Micro. The High Court of Madras passed an order dated November 7, 2014 rejecting the plaint on account of lack of jurisdiction. Thereafter, Micro filed an appeal along with a miscellaneous application for temporary injunction against the order of the High Court of Madras dated November 7, 2014. The High Court of Madras passed an order dated September 15, 2015 allowing the appeal but without allowing any interim relief. Thereafter, pursuant to an order dated January 11, 2017, the High Court of Madras refused the miscellaneous application for temporary injunction filed by Micro and stayed the suit, pending disposal of the rectification application filed by our Company before the Intellectual Property Appellate Board for removal of the trademark ‘OLAMIN’. The matter is currently pending before the Intellectual Property Appellate Board.

3. Amay Pharmaceuticals Private Limited instituted a suit dated December 29, 2016 for recovery of dues along with an application for temporary injunction before the Commercial Court in City Civil Court, Ahmedabad against our Company, Aprica Health, Mr. Maharshi Sanjaykumar Vyas and Mr. Maulik Pandya alleging non-payment of an amount of ₹ 52.80 million along with relevant interest out of a total consideration of ₹ 431.50 million in respect of, among other things, the purchase of various trademarks, brand names and stocks of Amay Pharma. Amay Pharma also sought to restrain the defendants from using the trademark 'Aprica' and other trademarks originally owned by Amay Pharma, and further selling, licensing and assigning such trademarks during the pendency of this suit. In response to the injunction application, our Company filed a response dated January 20, 2017 clarifying that it was required to pay an amount of ₹ 328.70 million in respect of its acquisition of trademarks in terms of the deed of assignment dated August 6, 2016 and ₹ 50 million in terms of the non-competition and non-solicitation agreement, aggregating to an amount of ₹ 378.70 million, and such amount was paid by it. Further, our Company also claimed that it was not a party to the term sheet negotiated between Amay Pharma and Mr. Maharshi Sanjaykumar Vyas, and was accordingly not required to pay the remaining amount of ₹ 52.80 million. Aprica Health, Mr. Maharshi Sanjaykumar Vyas and Mr. Maulik Pandya also filed a response clarifying that they had made a payment of ₹ 48.62 million in tranches to Amay Pharma, in respect of their obligations under the term sheet, and that only ₹ 4.18 million was required to be paid. Thereafter, Amay Pharma filed an application dated January 21, 2017 before the High Court of Gujarat, seeking the setting aside and stay of an order dated October 27, 2016 of the Trademark Registry pursuant to which the registration of assignment of impugned trademarks was taken on record by the Trademark Registry and our Company had become the proprietor of such impugned trademarks. Our Company, pursuant to its response dated February 2, 2017, prayed for dismissal of such application.
4. Lupin Limited ("**Lupin**") instituted a suit dated April 22, 2014 against our Company, Windlas Biotech Limited and Kanchan Pharma Private Limited, before the High Court of Bombay, seeking an injunction and damages in the amount of ₹ 0.50 million on account of alleged infringement by our Company of the trademark 'NEBISTAR' and passing off, by using the trademark 'NEBISTOL'. The High Court of Bombay passed an ex-parte ad-interim order dated April 28, 2014, granting a temporary injunction against our Company, operative until May 8, 2014. Such order was made operative until further orders. Thereafter, our Company filed a written statement dated October 9, 2014, denying any allegation of infringement and further stated that its trademark was neither identical nor deceptively similar to that of Lupin. Subsequently, pursuant to an order dated December 23, 2015, the High Court of Bombay granted an injunction restraining our Company from using the impugned trademark and also directed the ceiling and takeover of goods bearing the mark 'NEBISTOL'. The matter is currently pending.
5. Unimed Technologies Limited ("**Unimed**") and Sun Pharmaceuticals India Limited ("**Sun Pharma**") instituted a suit against our Company and Windlas Biotech Limited before the High Court of Madras, seeking permanent injunction and damages in the amount of ₹ 0.10 million on account of alleged infringement by our Company of the trademark 'ZEMPRED' and passing off, by using the trademark 'ZENPRIDE'. The High Court of Madras passed an order dated January 28, 2013, granting the injunction restraining our Company from using the trademark 'ZENPRIDE'. Our Company thereafter filed an appeal dated March 15, 2013 seeking stay of the order dated January 28, 2013. Unimed and Sun Pharma filed a reply dated June 18, 2013 seeking dismissal of such appeal.

***Material outstanding litigation by our Company***

1. Our Company issued a purchase order dated June 29, 2015 to Wipro Limited for the purchase of certain number of a medical device named 'Monica AN24' which was claimed to non-invasively measure fetal heart rate during the gestation period beginning 20 weeks of pregnancy until the first stage of labor. However, when put to use by our Company, these claims were found unsustainable and inconsistent with the United States Food and Drug Administration ("**USFDA**") approval granted in respect of the device, which was suppressed from us. Thereafter, our Company issued a legal notice dated July 20, 2016 to Wipro Limited requiring it to recall all devices delivered and issue an unconditional indemnity bond to protect our Company against any third party claims which could potentially arise in the future. Our Company also claimed a refund of the consideration paid along with damages aggregating to an amount of ₹ 16.07 million in this regard. In response, Wipro Limited, issued a response dated August 19, 2016 to our Company denying all allegations and requiring us to make payment of ₹ 10.04 million, the remainder of the consideration amount along with interest. Thereafter, our Company issued a notice dated January 16, 2017 invoking the arbitration clause in the purchase order and appointed a sole arbitrator. In response, Wipro Limited, pursuant to a letter dated January 25, 2017 stated that it did not agree with such

appointment granting liberty to our Company to file an application with the High Court for the appointment of a sole arbitrator.

2. Our Company filed an application for injunction before the Commercial Court of Ahmedabad against Zuventus Healthcare Limited (“**Zuventus**”), Synokem Pharmaceuticals Limited and Gopal Distributors and Marketing alleging that Zuventus’ trademark ‘ARBOZIL’ is visually, phonetically and structurally similar to our Company’s trademark ‘ARBAZEAL’ and seeking a temporary injunction to restrain the defendants from marketing and manufacturing pharmaceutical preparations under the trademark ‘ARBOZIL’. Our Company also instituted a suit against Zuventus before the Commercial Court of Ahmedabad seeking damages in the amount of ₹ 15.00 million on account of groundless notices issued by Zuventus and seeking a perpetual injunction against Zuventus from issuing such notices to our Company in the future.

**E. Outstanding litigation against any other persons or companies whose outcome could have an adverse effect on us**

Except as disclosed below, there are no outstanding litigation, suits, criminal or civil proceedings, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act 2013, show cause notices or legal notices against any other person or company whose outcome could have a material adverse effect on the operations, finances or our position.

Our Company filed three writ petitions, two dated March 16, 2016 and the third dated March 21, 2016 against the Union of India and the Drug Controller General of India before the High Court of Delhi, challenging the notifications No. S.O. 815 (E), 802 (E), 805 (E), 807 (E), 814 (E), 782 (E), 810 (E) and 894 (E), each dated March 10, 2016 (the “**Notifications**”) pursuant to which the Government of India had prohibited the manufacture for sale, sale and distribution of fixed dose combination based on the purported understanding that such drugs are likely to involve risk to human beings. Our Company challenged the Notifications on the ground that they were violative of its right to equality before law and its freedom of trade and commerce. Our Company, thereafter, separately filed applications with the High Court of Delhi for staying the effect and operation of the Notifications, pursuant to which an order dated April 6, 2016 was passed and the effect of the Notifications were stayed. The High Court of Delhi pursuant to judgment dated December 1, 2016 quashed the Notifications on the ground that they were issued without following due procedure. An appeal has been filed before the Supreme Court of India against the order dated December 1, 2016. Our Company has not been named as a party in such appeal.

**F. Past cases where penalties were imposed, offences were compounded or prosecutions were filed**

Except as disclosed below, there were no past cases where penalties were imposed, offences were compounded or prosecutions were filed.

1. Pursuant to the notices dated October 10, 2014 and June 2, 2015 received from the NPPA, our Company and Sozin were alleged to have overcharged the price of a tablet by the brand name ‘Atorsave-10’ beyond the ceiling prices fixed in this regard. The amount involved in this matter was ₹ 33.06 million. Consequently, our Company, pursuant to a response dated June 17, 2015, clarified that immediately upon the receipt of the notification revising the prices of the tablets, it put in all its efforts to recall the stocks with higher prices available across the country. The NPPA thereafter issued a demand notice dated September 16, 2015 requiring our Company to pay an amount of ₹ 2.29 million towards the overcharged amount along with interest, of which ₹ 1.71 million was paid by our Company. The NPPA then issued a letter dated January 18, 2016, requiring us to pay the balance interest amount of ₹ 0.66 million. The interest amount has not been paid by the Company as a scheme for settlement of similar disputes is under contemplation.
2. Pursuant to a notice dated July 27, 2015 received from the NPPA, our Company was alleged to have overcharged the price of a tablet by the brand name ‘Superclop’. Our Company, pursuant to its reply dated August 14, 2015 agreed to pay the difference of ₹ 0.38 million. The NPPA, thereafter issued a demand notice to our Company dated September 24, 2015 requiring us to pay an amount of ₹ 0.38 million along with an interest of ₹ 0.06 million and such amount was duly paid by our Company. Thereafter, our Company received another letter from the NPPA dated March 15, 2016, requiring us to pay the balance interest amount of ₹ 199 and such amount was also duly paid by our Company.

- Pursuant to notices dated September 2, 2015 and January 13, 2016 received from the NPPA, our Company was alleged to have overcharged the price of a tablet by the brand name 'Enoxsave' and was required to pay an amount of ₹ 0.21 million and such amount was duly paid by our Company.

#### **G. Outstanding dues to small scale undertakings or any other creditors**

As of September 30, 2016, we had 599 creditors. The aggregate amount outstanding to such creditors as on September 30, 2016 was ₹ 354.23 million. For further details, see <http://www.eris.co.in>.

As per the Materiality Policy, creditors to whom an amount 5.00% of our total consolidated trade payables as per the latest audited financials shall be considered 'material'. Accordingly, in this regard, the creditors to whom an amount exceeding ₹ 17.71 million, which is 5.00% of our total consolidated trade payables for the period ending September 30, 2016, were considered 'material' creditors. Based on the above, there are two material creditors of the Company as on September 30, 2016, to whom an aggregate amount of ₹ 40.38 million or more was outstanding on such date.

Based on information available with the Company, there are no dues outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as of September 30, 2016.

## **II. LITIGATION INVOLVING OUR SUBSIDIARIES**

### **A. Tax proceedings against our Subsidiaries**

As on the date of this Draft Red Herring Prospectus, there is one direct tax proceeding pending against ETPL and the amount involved under such proceeding (to the extent ascertainable) pursuant to such claim is ₹ 5.38 million. The nature of this proceeding pertains to alleged incorrect computations of income by ETPL for the assessment year 2010-2011.

### **B. Other Material outstanding litigation involving our Subsidiaries**

#### *Material outstanding litigation initiated against our Subsidiaries*

Other than the proceeding involving our Subsidiary, Aprica Healthcare Private Limited, as provided in "*Other material outstanding litigation involving our Company - material outstanding litigation against our Company*" on page 269, there are no outstanding litigation initiated against any of our Subsidiaries.

#### *Material outstanding litigation initiated by our Subsidiaries*

##### *Litigation by Kinedex Healthcare Private Limited*

- Kinedex Healthcare Private Limited instituted a suit against Recxia Formulations Private Limited ("**Recxia**") seeking temporary injunction and damages on account of alleged infringement by Recxia of the trademark 'ROSIFLEX' and passing off, by using the trademark 'ROSIREX'. The High Court of Bombay passed an order dated April 18, 2016 granting interim injunction restraining Recxia from using the trademark 'ROSIREX' and such order was made operative until further orders. Subsequently, Recxia filed a written statement dated December 3, 2016 denying all allegations and seeking a dismissal of the suit. The matter is currently pending.

### **C. Tax proceedings against our Subsidiaries**

#### *Direct tax proceedings involving Kinedex Healthcare Private Limited*

There are seven direct tax proceedings pending against Kinedex Healthcare Private Limited and the aggregate amount involved under such proceedings (to the extent ascertainable) pursuant to such claims is ₹ 8,947. The nature of these proceedings pertain to the alleged incorrect computations of income by our Company as well as certain matters in the nature of short payment of TDS for certain assessment years.

### ***Indirect tax proceedings involving Kinedex Healthcare Private Limited***

There is one indirect tax proceeding pending against Kinedex Healthcare Private Limited in respect of non-payment of VAT and the amount under this proceeding (to the extent ascertainable) is ₹ 525.

## **III. LITIGATION INVOLVING OUR PROMOTERS**

### **A. Outstanding criminal litigation involving our Promoters**

#### ***Criminal proceedings against our Promoters***

An FIR dated June 7, 2014 was filed with the Ellisbridge Police Station, Ahmedabad by an ex-employee of our Company, Mr. Shalin A. Parikh, against Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah, Mr. Inderjeet Singh Negi, Mr. Rajendrakumar Rambhai Patel and Mr. Kaushal Kamlesh Shah alleging grievous bodily injury and threat to life under Sections 323, 506(2) and 114 of the Indian Penal Code. Since these offences are non-cognizable in terms of the Indian Penal Code, Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah, Mr. Inderjeet Singh Negi, Mr. Rajendrakumar Rambhai Patel and Mr. Kaushal Kamlesh Shah have been granted bail in this regard by the relevant police authority. As on the date of this Draft Red Herring Prospectus, no notice or summons have been received in this regard.

### **B. Tax proceedings involving our Promoters**

#### ***Direct tax proceedings***

##### ***Proceedings against Mr. Amit Indubhushan Bakshi***

Mr. Amit Indubhushan Bakshi received a summons under section 131(1A) of the Income Tax Act dated October 13, 2016, requesting for certain information and clarifications regarding the income tax filed for Fiscal 2010 to Fiscal 2015.

## **IV. LITIGATION INVOLVING OUR DIRECTORS**

### **A. Outstanding criminal litigation involving our Directors**

#### ***Criminal proceedings against our Directors***

Except as provided under “- *Criminal Proceedings against our Promoters*” on page 273, there are no other criminal proceedings against our Directors.

### **B. Tax proceedings involving our Directors**

#### ***Direct tax proceedings***

##### ***Proceedings against Mr. Amit Indubhushan Bakshi***

Except as provided under “- *Tax Proceedings involving our Promoters*” on page 273, there are no other direct tax proceedings against Mr. Amit Indubhushan Bakshi.

##### ***Proceedings against Mr. Shardul Suresh Shroff***

There is currently one income tax proceeding pending before the Commissioner of Income Tax (Appeals) in the amount of ₹ 0.27 million pertaining to the alleged incorrect computation of income of Mr. Shroff in respect of the assessment year 2014 - 2015.

## **V. PAST INQUIRIES, INVESTIGATIONS OR INSPECTIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last five years immediately preceding the year of issue of the Draft Red Herring Prospectus in the case of our Company and Subsidiaries.

***Material developments since the last balance sheet date***

Except as stated in “***Management’s Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after September 30, 2016***” on page 260, no circumstances have arisen since September 30, 2016, the date of the last restated financial information disclosed in this Draft Red Herring Prospectus, which materially and adversely affect or are likely to affect, our operations or earnings taken as a whole, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*Our Company can undertake the Offer and our Company can undertake its respective current business activities, including on the basis of the list of material approvals provided below, and other than as stated below, no further material approvals from any regulatory authority are required to undertake the Offer or continue such business activities. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus.*

### I. General Details

#### *Incorporation Details*

1. Certificate of incorporation dated January 25, 2007 issued to our Company by the RoC in the name of 'Eris Lifescience Private Limited'.
2. Fresh certificate of incorporation dated February 9, 2007 issued to our Company by the RoC on account of the change in name from 'Eris Lifescience Private Limited' to 'Eris Lifesciences Private Limited'.
3. Fresh certificate of incorporation dated February 2, 2017 issued by the RoC pursuant to the conversion of our Company to a public limited company and consequent change in our name from 'Eris Lifesciences Private Limited' to 'Eris Lifesciences Limited'.

For details of corporate and other approvals in relation to the Offer, see "**Other Regulatory and Statutory Disclosures – Authority for the Offer - Corporate Approvals**" on page 278.

#### *Tax Related Registrations*

- (i) The permanent account number of our Company is AABCE7067M.
- (ii) The tax deduction account number of our Company is AHME00711E.

#### *Other Registrations*

- (i) Our Company has received certificate of registration (DICC/KAMRUP/NEIIPP2007/01732/NU/ 2013) dated April 25, 2013 under the NEIIP, issued by the District Industries and Commerce Centre, Kamrup, Government of Assam in relation to our Assam Facility, to avail of the central capital investment subsidy scheme/ central interest subsidy scheme/ central comprehensive insurance scheme.
- (ii) Our Company has received certificate of importer-exporter code dated April 10, 2014, pursuant to which the Department of Commerce and Industry, Government of India allotted 0809013096 as our importer exporter code number.

### II. Approvals in relation to operations of our Company

Our Company requires various approvals to carry on our business in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. An indicative list of the material approvals required by us to undertake our business, including manufacturing and marketing of drugs are provided below:

#### **A. Approvals for our Assam Facility**

- (i) *License under the DC Rules:* Our Company is required to obtain licenses from the Drugs Controller & Licensing Authority, Assam (a) for the manufacture and sale or distribution; and (b) the stocking, sale or wholesale distribution, of various pharmaceuticals as specified under the DCA Rules and manufactured at our Assam Facility.
- (ii) *Registration under the Regulation of Controlled Substances Order:* Our Company is required to obtain registration for the purchase, storage, or consumption of certain controlled substances,

as provided under the Regulation of Controlled Substances Order for certain drugs which are purchased and stored at our Assam Facility.

- (iii) *Consents and Authorizations under Environmental Legislations:* Our Assam Facility is required to obtain consents to operate under the Air Act and Water Act and authorization under the Hazardous Waste Rules to operate a facility for the storage and disposal of hazardous wastes generated during the manufacture of formulation for capsules and tablets manufactured at our Assam Facility.
- (iv) *Registration and License to work a factory:* Our Company is required to obtain license under the Factories Act in relation to our Assam Facility, which is valid until December 31, 2017.
- (v) *Legal Metrology:* Our Company is required to obtain certificates of registration issued by the Legal Metrology Division, Guwahati under the Legal Metrology Act, 2009.
- (vi) *Factory related approvals:* Various licenses and registration are required to be obtained under the Boilers Act, 1923 for the use of boilers, the Petroleum Act, 1934 for the import and storage of petroleum, fire no-objection certificates under the Electricity Act, 2003 and certificate of stability under the Factories Act.
- (vii) *Contract Labour Registration:* Our Company employs contract labour at our Assam Facility and are required to obtain registration as a “principal employer” in terms of the Contract Labour (Regulation and Abolition) Act, 1970 and the rules made thereunder.
- (viii) *Tax registrations:* Various registrations are required to be obtained from the state commissioners or departments under central or state-level tax legislations, including for value added tax, entry tax and central excise tax, as applicable.

#### **B. Approvals in relation to our Registered Office and our Corporate Office**

*Shops and Establishment registrations:* Our Registered Office and our Corporate Office are both located in Gujarat and are required to obtain registration under the Bombay Shops and Establishments Act, 1948, which is applicable in the state of Gujarat.

As of the date of this Draft Red Herring Prospectus, our Company has obtained all the aforementioned key approvals for our Assam Facility, our Registered Office and our Corporate Office, and all such approvals are valid and subsisting. The consent to operate under the Air Act and Water Act with respect to the Assam Facility is valid until March 31, 2017, however the consent required our Company to make an application for renewal in November 2016, pursuant to which we have submitted application dated November 25, 2016 with the Pollution Control Board, Assam.

### **III. INTELLECTUAL PROPERTY APPROVALS**

#### *Trademarks*

As on the date of this Draft Red Herring Prospectus, our Company and Subsidiaries have registered a total of 126 trademarks for various brand names (including for our logo ‘Eris’), under various classes including class 5, 9, 10, 16, 29, 30, 31 and 32, granted by the Registrar of Trademarks under the Trademarks Act, in India, including five registered trademarks which were assigned to our Company pursuant to deed of assignment of trademark dated August 6, 2016, among Aprica Pharmaceuticals Private Limited, Mr. Maharshi Sanjaykumar Vyas and our Company. Further, as on January 15, 2017, our Company and Subsidiaries have also made applications seeking registration for more than 150 trademarks for various brands, with the Registrar of Trademarks under the Trademarks Act.

We have obtained registration or have applied for registration under the Trademarks Act in respect of our top ten brands under various classes, as follows:

S. No.	Description	Registration/ Application Number	Date of Registration/ Application
<b>Registered Trademarks</b>			

<b>S. No.</b>	<b>Description</b>	<b>Registration/ Application Number</b>	<b>Date of Registration/ Application</b>
1.	Remylin	1821051	May 22, 2009
2.	Glimisave	1527880	February 5, 2007
3.	Tayo	2057509	November 23, 2010
4.	Eritel	1621718	November 19, 2007
5.	Rabonik	1751874	November 7, 2008
6.	Crevast	1897541	December 18, 2009
<b>Applications</b>			
1.	Atorsave*	1527878	February 5, 2007
2.	Olmin*	1897542	December 18, 2009
3.	Lnbloc*	2394953	September 12, 2012
4.	Marzon*	2192473	August 18, 2011

\*The trademark applications in respect of these brands have been opposed to by certain third parties.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

#### Corporate Approvals

- Our Board of Directors has authorized the Offer by a resolution dated February 2, 2017.
- This Draft Red Herring Prospectus has been approved by the Board and the IPO Committee on February 6, 2017 and February 8, 2017, respectively.

#### Approvals from the Selling Shareholders

The Selling Shareholders have approved the transfer of their respective portion of the Equity Shares pursuant to the Offer for Sale as set out below:

S. No.	Name of the Selling Shareholder	Date of Board Resolution/ Consent Letter	Number of Equity Shares offered for sale
1.	Botticelli	January 13, 2017	22,344,000
2.	Mr. Amit Indubhushan Bakshi	February 2, 2017	687,500
3.	Mr. Himanshu Jayantbhai Shah	February 2, 2017	687,500
4.	Mr. Inderjeet Singh Negi	February 2, 2017	1,031,167
5.	Mr. Rajendrakumar Rambhai Patel	February 2, 2017	1,031,166
6.	Mr. Kaushal Kamlesh Shah	February 2, 2017	1,031,167
7.	Mr. Bhikhabhai Chimanlal Shah	February 2, 2017	687,500
8.	Mr. Rakeshbhai Bhikhabhai Shah	February 2, 2017	687,500
9.	Mr. Hetal Rasiklal Shah	February 2, 2017	687,500

Each Selling Shareholder specifically confirms that, as required under Regulation 26(6) of the SEBI Regulations, it has held the Equity Shares proposed to be offered and sold by it in the Offer for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus or, to the extent that the Equity Shares being offered by such Selling Shareholder in the Offer have not been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus, such Equity Shares have resulted from a bonus issue on Equity Shares held for a period of at least one year prior to the filing of this Draft Red Herring Prospectus. Further, in this regard, the Company confirms that such bonus shares have been issued by capitalizing the free reserves of the Company existing in the books of account of the Company as at March 31, 2016 (and not by utilization of revaluation reserves or unrealized profits of the Company). Therefore, the Equity Shares offered by the Selling Shareholders in the Offer are eligible to be offered for sale in the Offer.

#### In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by the SEBI, the RBI or Governmental Authorities

None of our Company, our Promoters, the members of our Promoter Group, our Directors or persons in control of our Company are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other governmental authorities. Neither our Promoters, 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. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Further, none of our Company, our Promoters, members of our Promoter Group, our Directors or persons in control of our Company are debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

Each Selling Shareholder, severally and not jointly, specifically confirms that it has not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority. Further, each Selling Shareholder, severally and not jointly, specifically confirms that it has not been declared as a wilful defaulter, as defined under the SEBI ICDR Regulations. There are no violations of securities laws committed by any of the Selling Shareholders in the past or are currently pending against any of them.

None of our Directors are in any manner associated with the securities market, including securities market related business and no action has been taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

Neither our Company, nor our Selling Shareholders, nor our Subsidiaries, nor our Promoters, nor any member of our Promoter Group, nor our Directors, nor the relatives (as per the Companies Act) of our Promoters, are or have been declared as wilful defaulters, as defined by the SEBI ICDR Regulations.

### **Eligibility for the Offer**

Our Company is eligible for the Offer in accordance with the Regulation 26(2) of the SEBI ICDR Regulations as described below:

*“An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net offer to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers.”*

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed of Regulation 26(2) of the SEBI ICDR Regulations.

We undertake to comply with Regulation 26(2) of the SEBI ICDR Regulations as at least 75% of the Offer is proposed to be Allotted to QIBs and in the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allotees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith.

Our Company is in compliance with conditions specified in Regulation 4(2) of the SEBI ICDR Regulations to the extent applicable.

### **DISCLAIMER CLAUSE OF THE SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS 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 OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE 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 MANAGERS, BEING AXIS CAPITAL LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, HAVE FURNISHED TO THE SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 8, 2017 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING OFFER, 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 OFFER;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
  - A. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS ETC., FRAMED/ISSUED BY THE SEBI, 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 INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT 1956, TO THE EXTENT APPLICABLE, THE COMPANIES ACT 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED 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 SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID;
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE;
5. WE CERTIFY THAT WRITTEN CONSENTS FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI UNTIL 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 EQUITY SHARES 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 – COMPLIED WITH AND NOTED FOR COMPLIANCE;**

- 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 OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION WILL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER – NOT APPLICABLE;**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION; NOT APPLICABLE AS THIS IS AN OFFER FOR SALE;**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER 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 PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO AMONG THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT 2013;**
- 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. UNDER SECTION 29 OF THE COMPANIES ACT 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALIZED FORM ONLY;**
- 11. WE CERTIFY THAT ALL 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 COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**
  - b. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA**

**(ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER - NOTED FOR COMPLIANCE;**

- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. - COMPLIED WITH;**
- 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;**
- 16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR;**
- 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 AND AS CERTIFIED BY R R S & ASSOCIATES, CHARTERED ACCOUNTANTS, BY WAY OF CERTIFICATE DATED FEBRUARY 3, 2017;**
- 18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS. (IF APPLICABLE). – NOT APPLICABLE.**

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorized the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

## Price Information of past issues handled by the BRLMs

### Axis Capital Limited

#### 1. Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % 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.	BSE Limited	12,434.32	806	03-Feb-17	1085.00	-	-	-
2.	Varun Beverages Limited	11,250.00	445	08-Nov-16	430.00	-7.72%, [-5.17%]	-9.36%, [+3.01%]	-
3.	Endurance Technologies Limited	11,617.35	472	19-Oct-16	572.00	+16.06%, [-6.69%]	+ 23.78%, [-2.84%]	-
4.	RBL Bank Limited	12,129.67	225	31-Aug-16	274.20	+27.07%, [-2.22%]	+56.98%, [-7.50%]	-
5.	Dilip Buildcon Limited	6,539.77	219	11-Aug-16	240.00	+5.11%, [+3.20%]	+1.53%, [-0.57%]	+22.12%, [+2.43%]
6.	Advanced Enzyme Technologies Limited	4,114.88	896 <sup>2</sup>	01-Aug-16	1,210.00	+56.24%, [+1.23%]	+145.97%, [-0.12%]	+101.14%, [0.05%]
7.	Quess Corp Limited	4,000.00	317	12-July-16	500.00	+73.60%, [+0.64%]	+94.59%, [+2.20%]	+110.36%, [-3.34%]
8.	Ujjivan Financial Services Limited	8,824.96 <sup>1</sup>	210	10-May-16	231.90	+72.38%, [+4.88%]	+115.38%, [+10.44%]	+103.93%, [+7.72%]
9.	Equitas Holdings Limited	21,766.85	110	21-Apr-16	145.10	+34.64%, [-2.05%]	+57.91%, [+7.79%]	+63.77%, [+7.69%]
10.	Narayana Hrudayalaya Limited	6,130.82	250	06-Jan-16	291.00	+28.76%, [-4.35%]	+15.86%, [+0.23%]	+25.56%, [+8.13%]

Source: [www.nseindia.com](http://www.nseindia.com)

<sup>1</sup>Company has undertaken a Pre-Ipo Placement aggregating to ₹2,918.39 Million. The size of the fresh issue as disclosed in the draft red herring prospectus dated December 31, 2015, being ₹6,500 Million, has been reduced accordingly.

<sup>2</sup>Price for eligible employees was ₹ 810.00 per equity share

Notes:

a. The CNX NIFTY is considered as the Benchmark Index.

b. Price on NSE is considered for all of the above calculations.

c. In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.

d. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

#### 2. Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial year	Total no. of IPOs	Total funds raised (₹ in Million)	Nos. of IPOs trading at discount – 30 <sup>th</sup> calendar day from listing			Nos. of IPOs trading at premium – 30 <sup>th</sup> calendar day from listing			Nos. of IPOs trading at discount – 180 <sup>th</sup> calendar day from listing			Nos. of IPOs trading at premium – 180 <sup>th</sup> calendar day from listing		
			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%
2016-2017*	9	92,677.80	-	-	1	3	2	2	-	-	-	4	-	1
2015-2016	8	60,375.66	0	0	3	0	4	1	0	0	3	1	2	2
2014-2015	1	3,504.30	0	1	0	0	0	0	0	0	1	0	0	0

\*The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

### Citigroup Global Markets India Private Limited

#### 1. Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Citigroup Global Markets India Private Limited

Sr. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % 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	UFO Moviez India Ltd.	6,000.0	625.00	May 14, 2015	600.00	(-)11.68% [(-)2.93 %]	(-) 3.18% [+2.90%]	(-) 18.27% [(-)3.76%]
2	Coffee Day Enterprise Limited	11,500.0	328.00	November 2, 2015	317.00	(-) 21.42%	(-) 20.76%	(-) 20.98%

						[(-)1.19%]	[(-)6.15%]	[(-)2.50%]
3	InterGlobe Aviation Limited	30,085.0	765.00	November 10, 2015	855.80	+32.39% [(-)2.20%]	+9.41% [(-)3.78%]	+40.59% [(-)0.64%]
4	Dr. Lal Pathlabs Limited	6,319.1	550.00	December 23, 2015	720.00	+32.54% [(-)7.49%]	+66.95% [(-)2.06%]	+63.13% [(+)3.87%]
5	Mahanagar Gas Ltd.	10,388.8	421.00	July 1, 2016	540.00	+20.86% [+3.72%]	+57.15% [+5.00%]	+83.71% [(-) 3.55%]
6	L&T Infotech Ltd	12,363.8	710.00	July 21, 2016	667.00	(-) 6.39% [+1.84%]	(-) 12.44% [+1.97%]	(-) 4.21% [(-) 1.14%]
7	RBL Bank Limited	12,129.7	225.00	August 31, 2016	274.20	+ 27.07% [(-) 2.22%]	+ 56.98% [(-) 7.50%]	N/A
8	Endurance Technologies Limited	11,617.4	472.00	October 19, 2016	572.00	+ 16.06% [(-) 6.69%]	+ 23.78% [(-) 2.84%]	NA
9	Laurus Labs Limited	13,305.1	428.00	December 19, 2016	489.90	+ 11.44% [+3.62%]	NA	NA

Source: www.nseindia.com

Notes:

1. Nifty is considered as the benchmark index.

2. In case 30th/ 90th/180th day is not a trading day, closing price on the NSE of a trading day immediately prior to the 30th/ 90th/180th day, is considered

3. Since the listing date of RBL Bank Limited. was August 31, 2016, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available

4. Since the listing date of Endurance Technologies Limited. was October 19, 2016, information relating to closing prices and benchmark index as on the 180th calendar day from listing date is not available

5. Since the listing date of Laurus Labs Limited. was December 19, 2016, information relating to closing prices and benchmark index as on 90th / 180th calendar day from listing date is not available

## 2. Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Citigroup Global Markets India Private Limited

Financial year	Total no. of IPOs	Total funds raised (₹ in Million)	Nos. of IPOs trading at discount – 30 <sup>th</sup> calendar day from listing			Nos. of IPOs trading at premium – 30 <sup>th</sup> calendar day from listing			Nos. of IPOs trading at discount – 180 <sup>th</sup> calendar day from listing			Nos. of IPOs trading at premium – 180 <sup>th</sup> calendar day from listing		
			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%
2016-17	5	59,804.8	-	-	1	-	1	3	-	-	1	1	-	-
2015-16	4	53,904.1	-	-	2	-	2	-	-	-	2	1	1	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1. Since the listing date of RBL Bank Limited. was August 31, 2016, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available

2. Since the listing date of Endurance Technologies Limited. was October 19, 2016, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available

3. Since the listing date of Laurus Labs Limited. was December 19, 2016, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available

## Credit Suisse Securities (India) Private Limited

### 1. Price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Credit Suisse Securities (India) Private Limited

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % 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	Syngene International Limited	5,500.00	250.00	August 11, 2015	295.00	36.00%, [-7.61%]	44.90%, [-6.47%]	57.20%, [-12.70%]
2	TeamLease Services Limited	4,236.77	850.00	February 12, 2016	860.00	15.34%, [7.99%]	5.38%, [12.43%]	35.35%, [24.31%]

Source: www.nseindia.com for the price information and prospectus for issue details

Notes:

a) 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day is a holiday, in which case we have considered the closing data of the next trading data

b) Price information and benchmark index values have been shown only for the designated stock exchange in the above table

c) NSE is the designated stock exchange for the issue listed in the above table. NIFTY has been used as the benchmark index

### 2. Summary statement of price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Credit Suisse Securities (India) Private Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days 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%	
2015-2016	2	9,736.80	-	-	-	-	2	-	-	-	-	-	1	1	-

### Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs mentioned below.

BRLMs	Website
Axis Capital Limited	<a href="http://www.axiscapital.co.in">www.axiscapital.co.in</a>
Citigroup Global Markets India Private Limited	<a href="http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm">www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm</a>
Credit Suisse Securities (India) Private Limited	<a href="http://www.credit-suisse.com/in/IPO/">www.credit-suisse.com/in/IPO/</a>

### Caution – Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, our Directors and the BRLMs 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 our instance and anyone placing reliance on any other source of information, including our website, [www.eris.co.in](http://www.eris.co.in), or any website of any of the members of our Promoter Group, Subsidiaries or any affiliate of our Company or the Selling Shareholders, would be doing so at his or her own risk. Each Selling Shareholder, and where applicable, their respective directors, affiliates, associates and officers accept no responsibility for any statements made or undertakings provided other than those made by the respective Selling Shareholders, and only in relation to them and/or to the Equity Shares offered by such Selling Shareholder through the Offer for Sale.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the BRLMs, the Selling Shareholders and our Company, and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the Bidders and public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company, the Selling Shareholders nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

The BRLMs and their respective associates may engage in transactions with, and perform services for our Company, the Selling Shareholders and our respective affiliates or associates in the ordinary course of business, and have engaged, or may in the future engage in commercial banking and investment banking transactions with our Company or the Selling Shareholders or their respective affiliates or associates for which they have received, and may in future receive compensation.

Bidders that bid in the Offer will be required to confirm, and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters 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.

### Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India, Hindu Undivided Families (“HUFs”), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with the SEBI, Indian

financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), or trusts under the applicable trust laws, and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, venture capital funds, permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, Alternative Investment Funds (“AIFs”), FPIs registered with SEBI and QIBs. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction 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 Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, India 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 SEBI for its observations. 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 offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act, 1933 (“U.S. Securities Act”) or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of 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 offers and sales occur; and (ii) to “qualified institutional buyers” (as defined in Rule 144A (“Rule 144A”) under the Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.**

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

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

#### **Disclaimer Clause of the BSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us shall be included in the Red Herring Prospectus prior to filing with the RoC.

#### **Disclaimer Clause of the NSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us shall be included in the Red Herring Prospectus prior to filing with the RoC.

#### **Filing**

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at Mumbai, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act 2013 will be delivered for registration to the RoC situated at the address mentioned below.

*The Registrar of Companies, Gujarat*  
ROC Bhavan, Opposite Rupal Park Society  
Behind Ankur Bus Stop  
Naranpura, Ahmedabad 380 013

Gujarat, India

## **Listing**

Applications have been made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

The Selling Shareholders undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within six working days from the Bid/Offer Closing Date.

## **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.”*

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## **Consents**

Consents in writing of (a) the Selling Shareholders, our Directors, the Chief Financial Officer, the Company Secretary and Compliance Officer, the Auditors, the legal counsels, the Bankers to our Company, industry data providers, independent chartered accountants, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Bankers to the Offer/ Escrow Bank and Refund Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 and 32 of the Companies Act 2013. Further, such consents shall not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus and the Prospectus with the SEBI.

## **Expert Opinion**

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

Our Company has received written consent from Deloitte Haskins & Sells, LLP, Chartered Accountants, our Auditors, to include its name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Draft Red Herring Prospectus and as “expert” as defined under Section 2(38) read with Section 26(5) of the Companies Act 2013 in respect of their reports on the Restated Financial Statements included in this Draft Red Herring Prospectus. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” and consent thereof does not represent an “expert” or consent within the meaning under the U.S. Securities Act, 1933.

## Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, among others, listing fees, underwriting fees, brokerage and selling commission, fees payable to the BRLMs, fees payable to legal counsels, fees payable to the Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing Bid cum Application Forms, brokerage, selling commission and bidding charges payable to Registered Brokers, CRTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The estimated Offer expenses are as follows:

S. No.	Activity	Estimated amount* (₹ in million)	As a % of total estimated Offer Expenses*	As a % of Offer Size*
1.	Fees payable to the BRLMs (including brokerage and selling commission)	[●]	[●]	[●]
2.	Selling commission and processing fees for SCSBs <sup>(1)(3)</sup>	[●]	[●]	[●]
3.	Brokerage, selling commission and bidding charges for the Members of the Syndicate, Registered Brokers, CRTAs and CDPs <sup>(2)(3)</sup>	[●]	[●]	[●]
4.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
5.	Listing fees, SEBI filing fees, book building software fees and other regulatory expenses, printing and stationery expenses, advertising and marketing expenses for the Offer and fees payable to the legal counsels	[●]	[●]	[●]
6.	Miscellaneous			
	<b>Total Estimated Offer Expenses</b>	[●]	[●]	[●]

\* To be incorporated in the Prospectus after finalisation of the Offer Price.

<sup>(1)</sup> SCSBs will be entitled to a processing fee of ₹ [●] (plus applicable service tax) per valid Bid cum Application Form, for processing the Bid cum Application Form procured by the members of the Syndicate, the Registered Brokers, CRTAs or CDPs from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for blocking.

<sup>(2)</sup> Registered Brokers will be entitled to a commission of ₹ [●] (plus applicable service tax) per valid ASBA Form directly procured by the Registered Brokers from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for processing.

<sup>(3)</sup> Selling commission payable to members of the Syndicate, SCSBs, CRTAs and CDPs on Bids directly procured from Retail Individual Bidders and Non-Institutional Bidders, would be as follows: [●]

Further, the Members of Syndicate, CRTAs and CDPs will be entitled to bidding charges of ₹ [●] (plus applicable 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 CRTA/CDP and members of the Syndicate.

Other than, listing fees, which will be borne by the Company, all costs, fees and expenses with respect to the Offer will be shared between the Selling Shareholders, in proportion to their respective Offered Shares sold pursuant to this Offer, upon successful completion of the Offer. Upon the successful completion of the Offer, each of the Selling Shareholders agree that they shall severally and not jointly reimburse our Company, on a pro-rata basis, in proportion to their respective Offered Shares sold pursuant to the Offer, for any expenses (other than listing fees) incurred by our Company on behalf of the Selling Shareholders.

### **Fees, Brokerage and Selling Commission**

The total fees payable to the Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the Syndicate Agreement which shall be available for inspection at our Registered Office, from 10.00 am to 4.00 p.m. on Working Days from the date of filing the Red Herring Prospectus until the Bid/Offer Closing Date.

### **Fees Payable to the Registrar to the Offer**

The fees payable to the Registrar to the Offer, including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice/CAN, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the Registrar Agreement signed among our Company, the Selling Shareholders and the Registrar to the Offer, a copy of which shall be made available for inspection at our Registered Office. Adequate funds shall be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post or speed post or ordinary post.

### **Particulars regarding Public or Rights Issues during the Last Five Years**

There have been no public, including any rights issues to the public undertaken by our Company during the five years immediately preceding the date of this Draft Red Herring Prospectus.

### **Commission payable to SCSBs, Registered Brokers, CRTAs and CDPs**

For details of the commission payable to SCSBs, Registered Brokers, CRTAs and CDPs, see “ - *Offer Expenses*” above on page 288.

### **Commission or Brokerage on Previous Issues**

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares, since the incorporation of our Company.

### **Previous Issues Otherwise than for Cash**

Except as disclosed in “*Capital Structure*” on page 68, our Company has not issued any Equity Shares for consideration otherwise than for cash.

### **Capital Issues in the Preceding Three Years**

Except as disclosed in “*Capital Structure*” on page 68, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus. None of our Subsidiaries is a listed company.

### **Performance vis-à-vis Objects**

Except as disclosed in “*Capital Structure*” on page 68, our Company has not undertaken any public or any rights issues in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

### **Performance vis- à-vis Objects: Last Issue of Subsidiaries**

None of our Subsidiaries have made any public or rights issues in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

### **Outstanding Debentures, Bonds or Redeemable Preference Shares or other instruments**

Our Company does not have any outstanding debentures, bonds or redeemable preference shares or other instruments, as on the date of this Draft Red Herring Prospectus.

## **Partly Paid-Up Shares**

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

## **Stock Market Data of the Equity Shares**

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

## **Mechanism for Redressal of Investor Grievances**

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors may contact the BRLMs for any complaint pertaining to the Offer. All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders DP' ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

Our Company, BRLMs and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

## **Disposal of Investor Grievances by our Company**

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven 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.

Our Company has appointed Mr. Milind Talegaonkar, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer related problems, at the address set forth hereunder.

### **Mr. Milind Talegaonkar**

7<sup>th</sup> Floor, Commerce House IV  
Beside Shell Petrol Pump  
100 Feet Road, Prahladnagar, Ahmedabad 380 015  
Gujarat, India  
**Tel:** +91 79 3045 1182  
**Fax:** +91 79 3017 9404  
**E-mail:** complianceofficer@erislifesciences.com

The Selling Shareholders have authorized the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Further, our Board has constituted a Stakeholders Relationship Committee comprising our Directors, Ms. Vijaya Sampath, Mr. Himanshu Jayantbhai Shah, Mr. Sanjiv Dwarkanath Kaul and Mr. Inderjeet Singh Negi, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "***Our Management***" on page 132.

### **Disposal of investor grievances by listed Subsidiaries**

As on the date of this Draft Red Herring Prospectus, none of our Subsidiaries are listed on any stock exchange, and therefore there are no investor complaints pending against any of them.

### **Changes in Auditors**

Except as described below, there has been no change in our statutory auditors during the three years immediately preceding the Draft Red Herring Prospectus.

<b>Name of Auditor</b>	<b>Date of Change</b>	<b>Reason</b>
R.R.S. & Associates, Chartered Accountants	August 2, 2016	Resignation
Deloitte Haskins & Sells, LLP, Chartered Accountants	August 10, 2016	Appointment in casual vacancy

### **Capitalization of Reserves or Profits**

Except as disclosed in “*Capital Structure*” in page 68, our Company has not capitalized its reserves or profits at any time during the five years immediately preceding the date of this Draft Red Herring Prospectus.

### **Revaluation of Assets**

Our Company has not revalued its assets at any time during the last five years preceding the date of filing this Draft Red Herring Prospectus.

## SECTION VII – OFFER RELATED INFORMATION

### OFFER STRUCTURE

The Offer is of up to 28,875,000 Equity Shares of face value of ₹ 1 each, at an Offer Price of ₹ [●] per Equity Share for cash, aggregating up to ₹ [●] million and is being made through the Book Building Process, through an Offer for Sale by the Selling Shareholders, including up to 22,344,000 Equity Shares aggregating to ₹ [●] million by Botticelli, up to 687,500 Equity Shares aggregating to ₹ [●] million by Mr. Amit Indubhushan Bakshi, up to 687,500 Equity Shares aggregating to ₹ [●] million by Mr. Himanshu Jayantbhai Shah, up to 1,031,167 Equity Shares aggregating to ₹ [●] million by Mr. Inderjeet Singh Negi, up to 1,031,166 Equity Shares aggregating to ₹ [●] million by Mr. Rajendrakumar Rambhai Patel, up to 1,031,167 Equity Shares aggregating to ₹ [●] million by Mr. Kaushal Kamlesh Shah, up to 687,500 Equity Shares aggregating to ₹ [●] million by Mr. Bhikhabhai Chimanlal Shah, up to 687,500 Equity Shares aggregating to ₹ [●] million by Mr. Rakeshbhai Bhikhabhai Shah and up to 687,500 Equity Shares aggregating to ₹ [●] million by Mr. Hetal Rasiklal Shah. The Offer comprises a Net Offer to the public of up to [●] Equity Shares and an Employee Reservation Portion of [●] Equity Shares (which shall not exceed 5% of the post-Offer Equity Share capital of our Company). In terms of Rule 19(2)(b)(iii) of the SCRR, the Net Offer will constitute at least 10% of the post-Offer paid up Equity Share capital of our Company.

	Eligible Employees	QIBs*	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation**	[●] Equity Shares	At least [●] Equity Shares	Not more than [●] Equity Shares or less allocation to QIBs and Retail Individual Investors	Not more than [●] Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer size available for allocation	The Employee Reservation Portion shall constitute up to [●]% of the post-Offer paid-up Equity Share capital of our Company	At least 75% of the Net Offer will be Allotted to QIBs. However, 5% of the QIB Category, excluding the Anchor Investor Portion, will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation portion will also be eligible for allocation in the remaining QIB Category. The unsubscribed portion in the Mutual Fund portion will be available for allocation to QIBs	Not more than 15% of the Net Offer or less allocation to QIBs and Retail Individual Investors	Not more than 10% of the Net Offer or the Offer less allocation to QIBs and Non-Institutional Investors
Basis of Allotment if respective category is oversubscribed	Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹	Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares will be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares will be available for allocation on a proportionate basis to all other QIBs including Mutual Funds receiving	Proportionate	Allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. For more information, see “Offer Procedure” on page 299.

	Eligible Employees	QIBs*	Non-Institutional Investors	Retail Individual Investors
	200,000 up to ₹ 500,000 each.	allocation as per (a) above		
Mode of Bidding	Through ASBA process only (except Anchor Investors)			
Minimum Bid	[●] Equity Shares	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹ 500,000 less Employee Discount, if any	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can Apply***	Eligible Employees such that the Bid Amount does not exceed ₹ 500,000	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than category III FPIs), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, VCFs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by the GoI,	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions societies and trusts and any category III FPIs registered with SEBI, which is a foreign corporate or foreign individual for Equity Shares such that the Bid Amount exceeds ₹ 2,00,000 in value	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed ₹ 2,00,000 in value

Eligible Employees	QIBs*	Non-Institutional Investors	Retail Individual Investors
	insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India		
Terms of Payment****	<b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids		
	<b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders (other than Anchor Investors) that is specified in the Bid cum Application Form at the time of the submission of the Bid cum Application Form		

\* Our Company and the Investor Selling Shareholder, in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.

\*\*This Offer is being made through the Book Building Process wherein at least 75% of the Net Offer will be Allotted to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis as mentioned above. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Net Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable laws. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. Unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000 up to ₹ 500,000. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer to the public.

\*\*\*If the Bid is submitted in joint names, 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 depository account held in joint names. The signature of only the 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.

\*\*\*\* Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form, provided that any difference between the price at which allocation is made to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

## Employee Discount

The Employee Discount, if any, will be offered to the Eligible Employees bidding in the Employee Reservation Portion, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid.

## Withdrawal of the Offer

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right to not proceed with the Offer at any time after the Bid/Offer Opening Date but before Allotment. If our Company and the Selling Shareholders withdraw the Offer, our Company will issue a public notice within two days from the Bid/Offer Closing Date or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed

promptly.

If our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, a fresh draft red herring prospectus will be filed and/or submitted with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within six Working Days of the Bid/Offer Closing Date; and (ii) the final RoC approval of the Prospectus after it is filed and/or submitted with the RoC and the Stock Exchanges.

Except in relation to Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period at the Bidding Centers, except that on the Bid/Offer Closing Date (which for QIBs may be a day prior to the Bid/Offer Closing Date), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) for Bids by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges. Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. If a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Our Company, the Selling Shareholders and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days. Investors may please note that as per letters dated July 3, 2006 and July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may 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 in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a press release and by indicating the change on the websites of the BRLMs and terminals of the members of the Syndicate. However, in case of revision in the Price Band, the Bid Lot shall remain the same.**

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

## TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the abridged prospectus and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI, FIPB and/or other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

### Ranking of Equity Shares

The Equity Shares being offered and allotted in the Offer will be subject to the provisions of the Companies Act, the Memorandum of Association and the Articles of Association and will rank *pari passu* with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For more information, see “*Main Provisions of the Articles of Association*” on page 345.

### Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared, after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale) in this Offer, will be received by the Allottees, in accordance with applicable law. For more information, see “*Dividend Policy*” and “*Main Provisions of our Articles of Association*” on pages 152 and 345 of this Draft Red Herring Prospectus, respectively.

### Face Value and Price Band

The face value of each Equity Share is ₹ 1. At any given point of time there will be only one denomination for the Equity Shares.

The Price Band, Minimum Bid Lot and Employee Discount will be decided by our Company and the Investor Selling Shareholder, in consultation with the BRLMs and published at least five Working Days prior to the Bid/Offer Opening Date, in [●] edition of [●] (a widely circulated English national daily newspaper), [●] edition of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Gujarati newspaper, Gujarati also being the regional language of Ahmedabad where our Registered Office is located), and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchanges.

### Rights of the Equity Shareholder

Subject to applicable law and our Articles of Association, the Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “*Main Provisions of the Articles of*

*Association*” on page 345.

### **Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act 2013, the Equity Shares will be Allotted only in dematerialized form.

As per the SEBI ICDR Regulations, the trading of our Equity Shares will only be in dematerialized form.

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialized form in multiples of one Equity Share. For the method of Basis of Allotment, see “*Offer Procedure*” on page 299.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

### **Nomination Facility**

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first Bidder, 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, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, as amended, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. 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 the holder’s death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our 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 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies 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 Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

### **Bid/Offer Period**

<b>BID/OFFER OPENS ON*</b>	[●]
<b>BID/OFFER CLOSES ON**</b>	
<b>FINALIZATION OF BASIS OF ALLOTMENT</b>	[●]
<b>INITIATION OF REFUNDS FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS</b>	[●]
<b>CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS</b>	[●]
<b>COMMENCEMENT OF TRADING</b>	[●]

\* Our Company and the Investor Selling Shareholder, in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\* Our Company and the Investor Selling Shareholder, may in consultation with the BRLMs, decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date.

**This timetable, is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholders or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date, the timetable may be subject to change for various reasons, including extension of Bid/Offer period by our Company due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. Each Selling Shareholder confirms that it shall extend reasonable cooperation required by our Company, the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date.**

### **Minimum Subscription**

As the Offer is entirely through Offer for Sale, the requirement of 90% minimum subscription under the SEBI ICDR Regulations is not applicable to the Offer. In the event our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b)(iii) of the SCRR, as applicable, including through devolvement to the Underwriters, as applicable, within sixty (60) days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company and the respective Selling Shareholders shall be liable to pay interest on the application money at the rate of 15% per annum for the period of delay. However, subject to applicable law, the respective Selling Shareholders shall not be liable to reimburse any expenses towards refund or any interest thereon in respect to Allotment of their respective proportion of the Offered Shares or otherwise, unless the failure or default or delay, as the case may be, is solely on account of such Selling Shareholder.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

### **Arrangement for Disposal of Odd Lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

### **Restriction on Transfer of Shares**

Except for lock-in of pre-Offer equity shareholding, Minimum Promoters' Contribution and Anchor Investor lock-in, as detailed in "*Capital Structure*" on page 68 and as provided in our Articles as detailed in "*Main Provisions of the Articles of Association*" on page 345, there are no restrictions on transfers and transmission of shares and on their consolidation/splitting.

### **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

## OFFER 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 and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, notified by SEBI (“**General Information Document**”) included below under section titled “ – **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 SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and provisions of the Companies Act 2013, to the extent applicable to a public issue and any other enactments and regulations. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

Our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the 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 Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

### PART A

#### Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b)(iii) of the SCRR, through the Book Building Process and in compliance with Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Net Offer shall be Allotted to QIBs provided that our Company and the Investor Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis, 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 price at which allocation is made to the Anchor Investors. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer 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 Offer Price. Further, [●] Equity Shares (which shall not exceed 5% of the post-Offer Equity Share capital of our Company), aggregating up to ₹ [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or over the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the ASBA process, and shall provide details of their respective bank account in which the Bid amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see “**Offer Procedure**” on page 299.

Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added to the Net Offer to the public. Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account,**

**including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered and Corporate Office. The Bid cum Application Forms will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date. The Bid cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion will be available only at our Registered Office and our Corporate Office.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors) must provide bank account details and authorisation by the ASBA bank holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected.

Further, such Bidders shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp maybe liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum Application Form*</b>
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis <sup>^</sup>	White
Non-Residents including FPIs (including FIIs), and Eligible NRIs, FVCIs and registered bilateral and multilateral institutions applying on a repatriation basis <sup>^</sup>	Blue
Anchor Investors <sup>**</sup>	-
Eligible Employees Bidding in the Employee Reservation Portion <sup>***</sup>	Pink

\* Excluding electronic Bid cum Application Forms

\*\*Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.

<sup>^</sup> Electronic Bid cum Application forms will also be available for download on the website of the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)).

<sup>\*\*\*</sup> The Bid cum Application Forms for Eligible Employees will be available only at our Registered Office and our Corporate Office.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

### **Who can Bid?**

In addition to the category of Bidders set forth under the section “**General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue**” on page 313, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable to them.

### **Participation by associates and affiliates of the BRLMs and the Syndicate Members, Promoters, Promoter Group and persons related to Promoter/Promoter Group**

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, 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. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Promoters, Promoter Group, BRLMs and any persons related to the BRLMs (except Mutual Funds sponsored by entities related to the BRLMs) cannot apply in the Offer under the Anchor Investor Portion.

### **Bids by Mutual Funds**

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, the Company reserves the right to reject any Bid without assigning any reason therefore. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

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 case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRIs applying on a repatriation basis should authorise their SCSBs to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) accounts, and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the PIS is subject to certain limits, i.e., 10% of the paid-up equity share capital of the company. Such limit for NRI investment under the PIS route can be increased by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has, accordingly, increase such limit for NRI investment under the PIS route to 24% of our paid-up Equity Share capital.

### **Bids by FPI (including FIIs)**

In terms of the Securities and Exchange Board of India (Foreign Portfolio Investor) Regulations 2014 (“SEBI FPI Regulations”), investment in the Equity Shares by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be below 10% of our post-Offer Equity Share capital.

Any FII who holds a valid certificate of registration 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 Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995. An FII or a sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in this Offer, until the expiry of its registration with SEBI as an FII or a sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued 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 sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, 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.

FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

In terms of applicable FEMA regulations and the SEBI (Foreign Portfolio Investors) Regulations, 2014, as amended, investments by FPIs in the capital of an Indian company under the SEBI (Foreign Portfolio Investors) Regulations, 2014 is subject to certain limits, i.e. the individual holding of an FPI is restricted to below 10% of the capital of the company and the aggregate limit for FPI investment is capped at 24% of the capital of the company. Such aggregate limit for FPI investment in a company can be increased up to the applicable sectoral cap by passing a board resolution, followed by a special resolution by the shareholders, subject to prior intimation to the RBI. Our Company has, accordingly, increased such aggregate limit for FPI investment to 49% of our paid-up Equity Share capital.

### **Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors**

The 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.

Accordingly, the holding by any individual VCF or FVCI registered with SEBI in any company should not exceed 25% of the corpus of the VCF or FVCI. 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 1/3<sup>rd</sup> 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 SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

### **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.

### **Bids by banking companies**

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 Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the

banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making 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 application in public issues and clear demarcated funds should be available in such account for such Bids.

### **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, the Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "**IRDA Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs (including FIIs), AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, 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 and with the Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders, in consultation with the BRLMs, in their absolute discretion, reserve 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 Selling Shareholders, in consultation with the BRLMs, may deem fit.

### **Bids by Anchor Investors**

For details in relation to Bids by Anchor Investors, see the section entitled "*Offer Procedure – Part B – General Information Document for Investing in Public Issues*" on page 310.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable**

**investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Draft Red Herring Prospectus.**

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] edition of [●] (a widely circulated English national daily newspaper), [●] edition of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Gujarati newspaper, Gujarati also being the regional language of Ahmedabad where our Registered Office is located). Our Company shall, in the pre- Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer 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.

### **Signing of Underwriting Agreement and filing of Prospectus with the RoC**

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

### **General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

#### ***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 within the prescribed time;
6. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form;
7. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. 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;

10. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;
11. 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 any of the Designated Intermediaries;
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. 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, (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, and (iii) any other category of Bidders, including without limitation, multilateral/bilateral institutions, which 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;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. 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;
16. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;
18. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
19. 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;
20. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>).
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

22. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with;
23. Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

**Don'ts:**

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 Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
8. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
12. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
13. Instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
14. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders) and ₹ 500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
15. Do not submit the General Index Register (GIR) number instead of the PAN;
16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;
18. Do not submit more than five Bid cum Application Forms per ASBA Account;
19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
20. 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;
21. 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; and
22. 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).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Payment into Escrow Account**

Our Company and the Investor Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice 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. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Anchor Escrow Accounts should be drawn in favor of:

- (i) In case of resident Anchor Investors: “[●]”
- (ii) In case of non-resident Anchor Investors: “[●]”

### **Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated January 25, 2017 among NSDL, the Company and the Registrar to the Offer.
- Agreement dated January 27, 2017 among CDSL, the Company and Registrar to the Offer.

### **Undertakings by our Company**

Our Company undertakes the following:

- (i) That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;
- (iii) That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date;
- (iv) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Company;
- (v) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/ Offer Closing Date, or such time period as specified by SEBI, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- (vi) That, except for allotment of Equity Shares to employees of our Company pursuant to exercise of options granted under the Eris Lifesciences Employee Stock Option Plan 2017, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
- (vii) That if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-

Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- (viii) That if our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with the SEBI, in the event our Company or the Selling Shareholders subsequently decides to proceed with the Offer;
- (ix) That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- (x) That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time; and
- (xi) That adequate arrangements shall be made to collect all Bid cum Application Forms.

#### **Undertakings by the Selling Shareholders**

Each Selling Shareholder, severally and not jointly, undertakes the following in respect of itself and the Equity Shares being offered by it pursuant to the Offer for Sale:

- (i) The Equity Shares offered pursuant to the Offer for Sale are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances and have been held by the Selling Shareholders for a period of at least one year prior to the date of this Draft Red Herring Prospectus, provided that, to the extent that the Equity Shares being offered have resulted from a bonus issue, the bonus issue has been on Equity Shares held for a period of at least one year prior to the filing of the DRHP;
- (ii) The Selling Shareholders are the legal and beneficial owners of and have full title to their respective Equity Shares being offered through the Offer for Sale.
- (iii) That they shall provide all reasonable cooperation as requested by the Company in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of the Equity Shares offered by them pursuant to the Offer;
- (iv) The Selling Shareholders will not have recourse to the proceeds of the Offer, until approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;
- (v) The Selling Shareholder shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- (vi) The Selling Shareholder will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer; and
- (vii) The Selling Shareholders will take all such steps as may be required to ensure that the Equity Shares being sold by them in the Offer are available for transfer in the Offer.

The Selling Shareholders have authorized the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

#### **Utilization of Net Proceeds**

The Selling Shareholders, along with the Company, specifically confirm and declare that all monies received from the Offer for Sale shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act 2013.

## 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, the SCRA, the SCRR and SEBI ICDR Regulations. Bidders/Applicants 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 Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.*

#### SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer 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 Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“**RHP**”)/ Prospectus filed by the Issuer with the Registrar of Companies. Bidders/Applicants 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 Offer. 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(s)** to the Offer and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

#### SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

##### 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. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

##### 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 26/27 of SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

##### 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, the Companies Act 2013 (to the extent notified and in effect), the Companies Act 1956 (to the extent applicable), the SCRR, industry-specific regulations, if any, and other applicable

laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

## **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Offer (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price 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-offer advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

## **2.5 OFFER PERIOD**

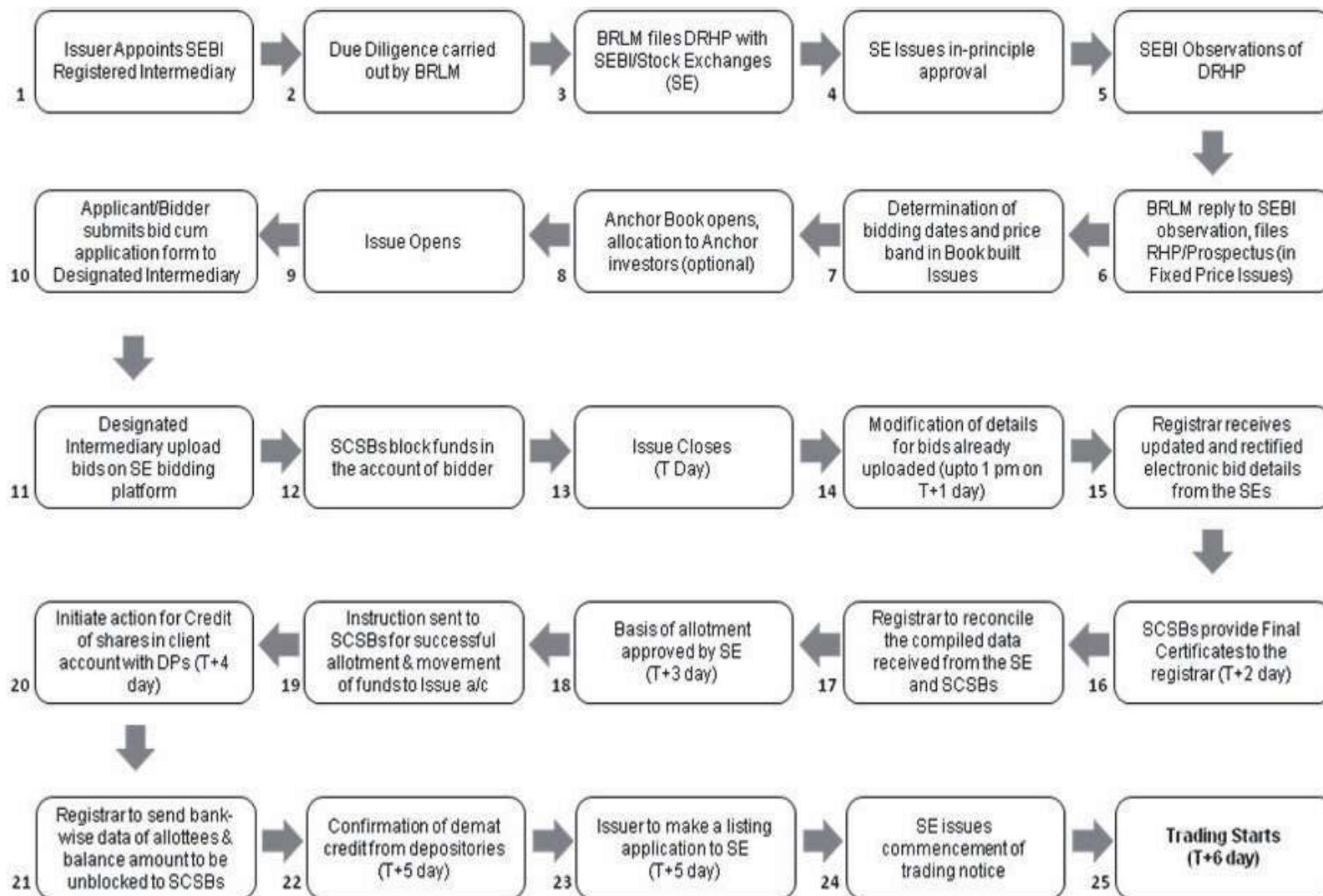
The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer 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/Offer Period for QIBs one Working Day prior to the Bid/Offer 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/Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer 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(s), and the advertisement in the newspaper(s) issued in this regard.

## **2.6 FLOWCHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7 : Determination of Offer Date and Price
  - ii. Step 10: Applicant submits Bid cum Application Form with Designated Intermediaries.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Bidder/Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to hold and invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs registered with SEBI, provided that any FII who holds a valid certificate of registration 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 Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares; Scientific and/or industrial research organisations in India, authorised to invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified Bid cum Application Form bearing stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres 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/Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus. For Anchor Investors, Bid cum Application Forms shall be available at the offices of the BRLM.

**Fixed Price Issue:** Applicants should only use the specified Bid cum Application Form bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

#### **4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM**

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP 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:

## Application Form – For Residents

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>	<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No .....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>																																																	
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">PLEASE FILL IN BLOCK LETTERS</p>	LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="margin: auto;"> <tr> <td style="padding: 2px;">BOOK BUILT ISSUE</td> </tr> <tr> <td style="padding: 2px;">ISEN : .....</td> </tr> </table>	BOOK BUILT ISSUE	ISEN : .....	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>																																															
BOOK BUILT ISSUE																																																				
ISEN : .....																																																				
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">SYNDICATE MEMBER'S STAMP &amp; CODE</td> <td style="width: 25%;">BROKER/SCSB/DP/RTA STAMP &amp; CODE</td> <td style="width: 50%;">1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</td> </tr> <tr> <td style="height: 40px;"></td> <td style="height: 40px;"></td> <td>Mr / Ms: _____</td> </tr> <tr> <td style="width: 25%;">SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</td> <td style="width: 25%;">BANK BRANCH SERIAL NO.</td> <td>Address: _____</td> </tr> <tr> <td style="width: 25%;">BANK BRANCH SERIAL NO.</td> <td style="width: 25%;">SCSB SERIAL NO.</td> <td>_____ (Pin)</td> </tr> <tr> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td>Tel. No (with STD code) / Mobile: _____</td> </tr> <tr> <td colspan="2"></td> <td>2. PAN OF SOLE / FIRST BIDDER: _____</td> </tr> </table>	SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER			Mr / Ms: _____	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BANK BRANCH SERIAL NO.	Address: _____	BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	_____ (Pin)			Tel. No (with STD code) / Mobile: _____			2. PAN OF SOLE / FIRST BIDDER: _____	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>																																
SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER																																																		
		Mr / Ms: _____																																																		
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BANK BRANCH SERIAL NO.	Address: _____																																																		
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	_____ (Pin)																																																		
		Tel. No (with STD code) / Mobile: _____																																																		
		2. PAN OF SOLE / FIRST BIDDER: _____																																																		
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 65%;">3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL</td> <td style="width: 35%;">6. INVESTOR STATUS</td> </tr> <tr> <td style="font-size: 8px;">                 For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID             </td> <td> <input type="checkbox"/> Individual(s) - IND  <input type="checkbox"/> Hindu Undivided Family - HUF  <input type="checkbox"/> Bodies Corporate - CB  <input type="checkbox"/> Mutual Funds - MF  <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis)  <input type="checkbox"/> National Investment Fund - NIF  <input type="checkbox"/> Insurance Funds - IF  <input type="checkbox"/> Venture Capital Funds - VCF  <input type="checkbox"/> Alternative Investment Fund - AIF  <input type="checkbox"/> Others (Please specify) - OTH             </td> </tr> <tr> <td colspan="2">4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</td> </tr> <tr> <td style="font-size: 8px;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (in Figures) (Bid must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th></th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>8 7 6 5 4 3 2 1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> </td> <td>                 5. CATEGORY  <input type="checkbox"/> Retail Individual Bidder  <input type="checkbox"/> Non-Institutional Bidder  <input type="checkbox"/> QIB             </td> </tr> <tr> <td colspan="2">7. PAYMENT DETAILS</td> </tr> <tr> <td style="font-size: 8px;">                 Amount paid (₹ in figures) _____ (₹ in words) _____             </td> <td style="text-align: right;">                 PAYMENT OPTION: FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/> </td> </tr> <tr> <td colspan="2">                 ASBA Bank Ac No. _____                  Bank Name &amp; Branch: _____             </td> </tr> <tr> <td colspan="2" style="font-size: 8px;">                 I/WE (ON BEHALF OF FIRST APPLICANT, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXURE PROSPECTUS AND THE GENERAL INFORMATION SHEET FOR INVESTORS IN PUBLIC ISSUES (GII) AND HEREBY AGREE AND CONSENT THE BIDDER'S UNDERTAKING AS GIVEN OVER LEAF I/WE (ON BEHALF OF JOINT APPLICANTS IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING OF THE BID CUM APPLICATION FORM GIVEN OVER LEAF             </td> </tr> <tr> <td style="width: 30%;">8A. SIGNATURE OF SOLE / FIRST BIDDER</td> <td style="width: 35%;">8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</td> <td style="width: 35%;">BROKER / SCBS / DP / RTA STAMP (A clear legible copy do / Bid to Stock Exchange system)</td> </tr> <tr> <td style="height: 40px;"></td> <td style="font-size: 8px;">                 (1) _____                  (2) _____                  (3) _____                  Date: _____             </td> <td style="height: 40px;"></td> </tr> </table>	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR STATUS	For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family - HUF <input type="checkbox"/> Bodies Corporate - CB <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Fund - AIF <input type="checkbox"/> Others (Please specify) - OTH	4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (in Figures) (Bid must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th></th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>8 7 6 5 4 3 2 1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Bid Options	No. of Equity Shares Bid (in Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)				"Cut-off" (Please tick)	Bid Price	Retail Discount	Net Price		Option 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	5. CATEGORY <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB	7. PAYMENT DETAILS		Amount paid (₹ in figures) _____ (₹ in words) _____	PAYMENT OPTION: FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	ASBA Bank Ac No. _____ Bank Name & Branch: _____		I/WE (ON BEHALF OF FIRST APPLICANT, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXURE PROSPECTUS AND THE GENERAL INFORMATION SHEET FOR INVESTORS IN PUBLIC ISSUES (GII) AND HEREBY AGREE AND CONSENT THE BIDDER'S UNDERTAKING AS GIVEN OVER LEAF I/WE (ON BEHALF OF JOINT APPLICANTS IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING OF THE BID CUM APPLICATION FORM GIVEN OVER LEAF		8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCBS / DP / RTA STAMP (A clear legible copy do / Bid to Stock Exchange system)		(1) _____ (2) _____ (3) _____ Date: _____	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR STATUS																																																			
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	<input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family - HUF <input type="checkbox"/> Bodies Corporate - CB <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Fund - AIF <input type="checkbox"/> Others (Please specify) - OTH																																																			
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")																																																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (in Figures) (Bid must be in multiples of Bid Lot as advertised)</th> <th colspan="4">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th></th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>8 7 6 5 4 3 2 1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Bid Options	No. of Equity Shares Bid (in Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)				"Cut-off" (Please tick)	Bid Price	Retail Discount	Net Price		Option 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	<input type="checkbox"/>	(OR) Option 2					<input type="checkbox"/>	(OR) Option 3					<input type="checkbox"/>	5. CATEGORY <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB																						
Bid Options			No. of Equity Shares Bid (in Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)				"Cut-off" (Please tick)																																												
	Bid Price	Retail Discount		Net Price																																																
Option 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	8 7 6 5 4 3 2 1	<input type="checkbox"/>																																															
(OR) Option 2					<input type="checkbox"/>																																															
(OR) Option 3					<input type="checkbox"/>																																															
7. PAYMENT DETAILS																																																				
Amount paid (₹ in figures) _____ (₹ in words) _____	PAYMENT OPTION: FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>																																																			
ASBA Bank Ac No. _____ Bank Name & Branch: _____																																																				
I/WE (ON BEHALF OF FIRST APPLICANT, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXURE PROSPECTUS AND THE GENERAL INFORMATION SHEET FOR INVESTORS IN PUBLIC ISSUES (GII) AND HEREBY AGREE AND CONSENT THE BIDDER'S UNDERTAKING AS GIVEN OVER LEAF I/WE (ON BEHALF OF JOINT APPLICANTS IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING OF THE BID CUM APPLICATION FORM GIVEN OVER LEAF																																																				
8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCBS / DP / RTA STAMP (A clear legible copy do / Bid to Stock Exchange system)																																																		
	(1) _____ (2) _____ (3) _____ Date: _____																																																			

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	<b>Bid cum Application Form No.</b>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>	DPID / CIID: _____	PAN of Sole / First Bidder: _____	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>	Amount paid (₹ in figures): _____ Bank & Branch: _____	Stamp & Signature of SCSB Branch: _____	ASBA Bank A/c No. _____ Received from Mr/Ms. _____ Telephone / Mobile: _____ Email: _____

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	<b>Acknowledgement Slip for Bidder</b>	<b>Bid cum Application Form No.</b>																
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">TEAR HERE</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </table> ASBA Bank A/c No. _____ Bank & Branch: _____		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Amount Paid (₹)				Stamp & Signature of Broker / SCSB / DP / RTA: _____ Name of Sole / First Bidder: _____	Bid cum Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span>
	Option 1	Option 2	Option 3																
No. of Equity Shares																			
Bid Price																			
Amount Paid (₹)																			

## Application Form – For Non – Residents

<b>COMMON BID CUM APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Address : _____ Contact Details : _____ CIN No _____	<b>FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS</b>																																										
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td style="text-align: center;">BOOK BUILT ISSUE</td></tr> <tr><td style="text-align: center;">ISIN : _____</td></tr> </table>	BOOK BUILT ISSUE	ISIN : _____																																								
BOOK BUILT ISSUE																																												
ISIN : _____																																												
		Bid cum Application Form No. _____																																										
<table border="1" style="width: 100%;"> <tr> <td style="width: 30%;">SYNDICATE MEMBER'S STAMP &amp; CODE</td> <td style="width: 30%;">BROKER/SCSB/DP/RTA STAMP &amp; CODE</td> <td style="width: 40%;">1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</td> </tr> <tr> <td> </td> <td> </td> <td>Mr. / Ms. _____</td> </tr> <tr> <td>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</td> <td>SCSB/BANK/SCSB BRANCH STAMP &amp; CODE</td> <td>Address _____</td> </tr> <tr> <td> </td> <td> </td> <td>Email _____</td> </tr> <tr> <td>BANK BRANCH SERIAL NO.</td> <td>SCSB SERIAL NO.</td> <td>Tel. No (with STD code) / Mobile _____</td> </tr> <tr> <td> </td> <td> </td> <td>2. PAN OF SOLE / FIRST BIDDER _____</td> </tr> </table>		SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER			Mr. / Ms. _____	SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	SCSB/BANK/SCSB BRANCH STAMP & CODE	Address _____			Email _____	BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Tel. No (with STD code) / Mobile _____			2. PAN OF SOLE / FIRST BIDDER _____																									
SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER																																										
		Mr. / Ms. _____																																										
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	SCSB/BANK/SCSB BRANCH STAMP & CODE	Address _____																																										
		Email _____																																										
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Tel. No (with STD code) / Mobile _____																																										
		2. PAN OF SOLE / FIRST BIDDER _____																																										
<table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL</td> <td style="width: 30%;">6. INVESTOR STATUS</td> </tr> <tr> <td> </td> <td>NRI Non-Resident Indian(s) (Repatriation basis)</td> </tr> <tr> <td>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</td> <td>FII FII or Sub-account not a Corporate/Foreign Individual</td> </tr> <tr> <td>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</td> <td>FIIA FII Sub-account Corporate/Individual</td> </tr> <tr> <td rowspan="2"> <table border="1" style="width: 100%;"> <tr> <th rowspan="2">Bid Options:</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> <th rowspan="2">A. CATEGORY</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th> </th> </tr> <tr> <td>Option 1</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> Retail Individual Bidder</td> </tr> <tr> <td>(OR) Option 2</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> Non-Institutional Bidder</td> </tr> <tr> <td>(OR) Option 3</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> QIB</td> </tr> </table> </td> <td> <input type="checkbox"/> FVCII Foreign Venture Capital Investor  <input type="checkbox"/> FPI Foreign Portfolio Investors  <input type="checkbox"/> OTH Others (Please Specify) _____         </td> </tr> </table>		3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR STATUS		NRI Non-Resident Indian(s) (Repatriation basis)	For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	FII FII or Sub-account not a Corporate/Foreign Individual	4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")	FIIA FII Sub-account Corporate/Individual	<table border="1" style="width: 100%;"> <tr> <th rowspan="2">Bid Options:</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> <th rowspan="2">A. CATEGORY</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th> </th> </tr> <tr> <td>Option 1</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> Retail Individual Bidder</td> </tr> <tr> <td>(OR) Option 2</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> Non-Institutional Bidder</td> </tr> <tr> <td>(OR) Option 3</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> QIB</td> </tr> </table>	Bid Options:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	A. CATEGORY	Bid Price	Retail Discount	Net Price		Option 1					<input type="checkbox"/>	<input type="checkbox"/> Retail Individual Bidder	(OR) Option 2					<input type="checkbox"/>	<input type="checkbox"/> Non-Institutional Bidder	(OR) Option 3					<input type="checkbox"/>	<input type="checkbox"/> QIB	<input type="checkbox"/> FVCII Foreign Venture Capital Investor <input type="checkbox"/> FPI Foreign Portfolio Investors <input type="checkbox"/> OTH Others (Please Specify) _____	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	6. INVESTOR STATUS																																											
	NRI Non-Resident Indian(s) (Repatriation basis)																																											
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID	FII FII or Sub-account not a Corporate/Foreign Individual																																											
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")	FIIA FII Sub-account Corporate/Individual																																											
<table border="1" style="width: 100%;"> <tr> <th rowspan="2">Bid Options:</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> <th rowspan="2">A. CATEGORY</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> <th> </th> </tr> <tr> <td>Option 1</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> Retail Individual Bidder</td> </tr> <tr> <td>(OR) Option 2</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> Non-Institutional Bidder</td> </tr> <tr> <td>(OR) Option 3</td> <td> </td> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td><input type="checkbox"/> QIB</td> </tr> </table>	Bid Options:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	A. CATEGORY	Bid Price	Retail Discount	Net Price		Option 1					<input type="checkbox"/>	<input type="checkbox"/> Retail Individual Bidder	(OR) Option 2					<input type="checkbox"/>	<input type="checkbox"/> Non-Institutional Bidder	(OR) Option 3					<input type="checkbox"/>	<input type="checkbox"/> QIB	<input type="checkbox"/> FVCII Foreign Venture Capital Investor <input type="checkbox"/> FPI Foreign Portfolio Investors <input type="checkbox"/> OTH Others (Please Specify) _____											
			Bid Options:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	A. CATEGORY																																			
Bid Price	Retail Discount	Net Price																																										
Option 1					<input type="checkbox"/>	<input type="checkbox"/> Retail Individual Bidder																																						
(OR) Option 2					<input type="checkbox"/>	<input type="checkbox"/> Non-Institutional Bidder																																						
(OR) Option 3					<input type="checkbox"/>	<input type="checkbox"/> QIB																																						
<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">7. PAYMENT DETAILS</td> <td style="width: 40%;">PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/></td> </tr> <tr> <td>Amount paid (₹ in figures) _____ (₹ in words) _____</td> <td> </td> </tr> <tr> <td>ASBA Bank A/c No. _____</td> <td> </td> </tr> <tr> <td>Bank Name &amp; Branch _____</td> <td> </td> </tr> </table>		7. PAYMENT DETAILS	PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	Amount paid (₹ in figures) _____ (₹ in words) _____		ASBA Bank A/c No. _____		Bank Name & Branch _____																																				
7. PAYMENT DETAILS	PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>																																											
Amount paid (₹ in figures) _____ (₹ in words) _____																																												
ASBA Bank A/c No. _____																																												
Bank Name & Branch _____																																												
<small>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 ANNEXED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY ACKNOWLEDGE AND CONFIRM THIS BIDDER'S UNDERTAKING AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILING OF THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small>																																												
<table border="1" style="width: 100%;"> <tr> <td style="width: 33%;">8A. SIGNATURE OF SOLE / FIRST BIDDER</td> <td style="width: 33%;">8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) <small>I/We authorize the SCSB to deal with as are necessary to make the Application in the line</small></td> <td style="width: 33%;">BROKER / SCSB / DP / RTA STAMP (Acknowleging upload of Bid to Stock Exchange system)</td> </tr> <tr> <td> </td> <td>1) _____ 2) _____ 3) _____</td> <td> </td> </tr> <tr> <td>Date : _____</td> <td> </td> <td> </td> </tr> </table>	8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) <small>I/We authorize the SCSB to deal with as are necessary to make the Application in the line</small>	BROKER / SCSB / DP / RTA STAMP (Acknowleging upload of Bid to Stock Exchange system)		1) _____ 2) _____ 3) _____		Date : _____			TEAR HERE																																		
8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) <small>I/We authorize the SCSB to deal with as are necessary to make the Application in the line</small>	BROKER / SCSB / DP / RTA STAMP (Acknowleging upload of Bid to Stock Exchange system)																																										
	1) _____ 2) _____ 3) _____																																											
Date : _____																																												
LOGO	<b>XYZ LIMITED</b> <b>INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b>	Bid cum Application Form No. _____ PAN of Sole / First Bidder _____																																									
<table border="1" style="width: 100%;"> <tr> <td style="width: 30%;">DPID / CI ID</td> <td style="width: 30%;">Amount paid (₹ in figures)</td> <td style="width: 20%;">Bank &amp; Branch</td> <td style="width: 20%;">Stamp &amp; Signature of SCSB Branch</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="2">Received from Mr./Ms. _____</td> <td rowspan="2"> </td> </tr> <tr> <td> </td> <td>Telephone / Mobile _____</td> <td>Email _____</td> </tr> </table>	DPID / CI ID	Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch					ASBA Bank A/c No.	Received from Mr./Ms. _____				Telephone / Mobile _____	Email _____	TEAR HERE																												
DPID / CI ID	Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch																																									
ASBA Bank A/c No.	Received from Mr./Ms. _____																																											
	Telephone / Mobile _____	Email _____																																										
<table border="1" style="width: 100%;"> <tr> <td style="width: 15%;"><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b></td> <td style="width: 30%;">Option 1</td> <td style="width: 15%;">Option 2</td> <td style="width: 15%;">Option 3</td> <td style="width: 25%;">Stamp &amp; Signature of Broker / SCSB / DP / RTA</td> <td style="width: 20%;">Name of Sole / First Bidder</td> </tr> <tr> <td>No. of Equity Shares</td> <td> </td> <td> </td> <td> </td> <td rowspan="3"> </td> <td rowspan="3"> </td> </tr> <tr> <td>Bid Price</td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>Amount Paid (₹)</td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td>ASBA Bank A/c No.</td> <td colspan="4"> </td> <td style="text-align: center;"><b>Acknowledgement Slip for Bidder</b></td> </tr> <tr> <td>Bank &amp; Branch</td> <td colspan="4"> </td> <td style="text-align: right;">Bid cum Application Form No. _____</td> </tr> </table>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder	No. of Equity Shares						Bid Price				Amount Paid (₹)				ASBA Bank A/c No.					<b>Acknowledgement Slip for Bidder</b>	Bank & Branch					Bid cum Application Form No. _____	TEAR HERE											
<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder																																							
No. of Equity Shares																																												
Bid Price																																												
Amount Paid (₹)																																												
ASBA Bank A/c No.					<b>Acknowledgement Slip for Bidder</b>																																							
Bank & Branch					Bid cum Application Form No. _____																																							

### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including letters notifying the unblocking of the bank accounts of Bidders (other than Anchor Investors) 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, Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant 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/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013 which is reproduced below:

**“Any person who:**

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** 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/Applicants should inform their respective DP.

#### 4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

- (a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose 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/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted

Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants 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/Applicants 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/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications 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/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for any correspondence(s) related to an Offer.
- (d) Bidders/Applicants 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/Applicants’ 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 Prospectus/RHP 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/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- (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 Offer 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 Application 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 application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application 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/Prospectus 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.

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.

- (b) 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 ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) 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 Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RII may revise or withdraw their bids until Bid/Offer 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.
- (e) 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 Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) 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/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Offer size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) 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 Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer 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 (For details of Bidders may refer to (Section 5.6 (e))).

#### 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 Designated Intermediary 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 Offer 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 Net Offer 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 Category.

#### 4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

#### 4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

- (b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants 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/Applicants should ensure that their investor status is updated in the Depository records.

#### 4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorization provided in the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus 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.
- (b) RIIs who Bid at Cut-off price shall be blocked on the Cap Price.
- (c) All Bidders (except Anchor Investors) can participate in the Offer only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order.

##### 4.1.7.1. **Instructions for Anchor Investors:**

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by RTGS or NEFT.
- (c) The Anchor Escrow Bank(s) shall maintain the monies in the Anchor Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

##### 4.1.7.2. **Payment instructions for Bidders (other than Anchor Investors)**

- (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 a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may 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 Bids cum Application Forms can be submitted.
- (f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) **Bidders bidding through Designated Intermediaries** other than a SCSB, should note that ASBA 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 ASBA 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 upload such Bids on the Stock Exchange platform 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 Offer 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 Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### 4.1.7.1.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer 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 Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful 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 Offer 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 Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

#### 4.1.7.2 **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 Offer may block for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder (other than employees) may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### 4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants 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/Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/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/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

#### 4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblocking of funds, the Bidders/Applicants should contact the Registrar to the Issue.
  - ii. In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
  - iv. In case of queries relating to uploading of Bids by a Designated Intermediary, the Bidders/Applicants should contact the relevant Designated Intermediary.
  - v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- (c) The following details (as applicable) should be quoted while making any queries –
  - i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.

- ii. name and address of the Designated Intermediary, where the Bid was submitted or
- iii. Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- (a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their Bids or withdraw their bids until Bid/Offer Closing date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

<b>COMMON BID REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Address : ..... Contact Details: ..... CIN No. ....	<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT OIBs, AND ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS</b>																
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : .....																
		Bid cum Application Form No. _____																
<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b>																
		Mr./Ms. _____																
		Address _____																
		Tel. No (with STDcode) / Mobil _____																
<b>SUBBROKER'S / SUBAGENT'S STAMP &amp; CODE</b>	<b>ESCBROW BANK/SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE / FIRST BIDDER</b>																
		_____																
<b>BANK BRANCH SERIAL NO.</b>	<b>ESCB SERIAL NO.</b>	<b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b>																
		NSDL _____ CDSL _____																
<small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small>																		
<b>PLEASE CHANGE MY BID</b>																		
<b>4. FROM (AS PER LAST BID OR REVISION)</b>																		
<b>Bid Options</b>	<b>No. of Equity Shares Bid</b> (Bids must be in multiples of Bid Lot as advertised) (In Figures)	<b>Price per Equity Share (₹) "Cut-off"</b> (Price in multiples of ₹ 1/- only) (In Figures)																
		<b>Bid Price</b> <b>Retail Discount</b> <b>Net Price</b> <b>"Cut-off"</b> (Please ✓/tick)																
Option 1																		
(OR) Option 2																		
(OR) Option 3																		
<b>5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")</b>																		
<b>Bid Options</b>	<b>No. of Equity Shares Bid</b> (Bids must be in multiples of Bid Lot as advertised) (In Figures)	<b>Price per Equity Share (₹) "Cut-off"</b> (Price in multiples of ₹ 1/- only) (In Figures)																
		<b>Bid Price</b> <b>Retail Discount</b> <b>Net Price</b> <b>"Cut-off"</b> (Please ✓/tick)																
Option 1																		
(OR) Option 2																		
(OR) Option 3																		
<b>6. PAYMENT DETAILS</b>																		
Additional Amount Paid (₹ in figures) _____		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>																
ASBA Bank A/c No. _____																		
Bank Name & Branch _____																		
<small>WE, ON BEHALF OF THE APPLICANT, IF ANY, HEREBY CONFIRM THAT WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE BID INVOLVING BOOK BUILDING AND AGREED TO ACCEPT THE GENERAL UNDERTAKING DOCUMENT FOR INITIAL PUBLIC ISSUES (IIPU) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN UNDER ABOVE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE DETAILED TERMS FOR FILLING UP THE BID cum APPLICATION FORM GIVEN HEREIN.</small>																		
<b>7A. SIGNATURE OF SOLE / FIRST BIDDER</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s)</b> (AS PER BANK REC. O/D/S) <small>If We authorize the SCSB to do all work as necessary to make the Application as per</small>	<b>BROKER / SCSEB / DP / RTA STAMP</b> (Acknowledging upload of Bid in Book Exchange system)																
	(1) _____ (2) _____ (3) _____																	
TEAR HERE																		
LOGO	<b>XYZ LIMITED</b> BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA																
		Bid cum Application Form No. _____																
DPID / CLID _____		PAN of Sole / First Bidder _____																
Additional Amount Paid (₹) _____ Bank & Branch _____		<b>Stamp &amp; Signature of SCSB Branch</b>																
ASBA Bank A/c No. _____																		
Received from Mr./Ms. _____																		
Telephone / Mobile _____	Email _____																	
TEAR HERE																		
<b>XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td style="width:15%;">Option 1</td> <td style="width:15%;">Option 2</td> <td style="width:15%;">Option 3</td> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Additional Amount Paid (₹)				<b>Stamp &amp; Signature of Broker / SCSEB / DP / RTA</b> Name of Sole / First Bidder _____ <b>Acknowledgement Slip for Bidder</b> Bid cum Application Form No. _____
	Option 1	Option 2	Option 3															
No. of Equity Shares																		
Bid Price																		
Additional Amount Paid (₹)																		
ASBA Bank A/c No. _____																		
Bank & Branch _____																		

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

**4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants 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 options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs and Retail Individual Shareholders, such Bidders/Applicants 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 and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 (which will be less Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (which will be less Employee Discount).
- (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 Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer 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 will be unblocked.

**4.2.3 FIELD 6: PAYMENT DETAILS**

- (a) All Bidders/Applicants are required to authorize blocking of the full Bid Amount (less Discount (if applicable) at the time of submitting the Bid Revision Form. In case of Bidders/Applicants 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/Applicant, Bidder/Applicant may Offer 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/Applicant 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 RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer 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 no additional amount is required for blocking Bidder/Applicant and the Bidder/Applicant 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 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

### 4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

#### 4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs.15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed Rs. 200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

- ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
    - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Offer portion in public category.
    - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
    - iii. Applications 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.

#### 4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

#### 4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### 4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Offer
- (b) Application Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order or through stock invest.

##### 4.3.5.1 **Payment instructions for Applicants**

- (a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- (b) Applicants must specify only such Bank Account number maintained with the SCSB in the Application Form. The Application Form submitted by an ASBA Applicant 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) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants 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 Bids cum Application Forms can be submitted.
- (f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### 4.3.5.2 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
  - (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Application to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.
  - (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Offer Closing Date.

#### 4.3.5.3 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### 4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS &

## ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

### 4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

#### 4.4.1 Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the CRTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

## SECTION 5: OFFER PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

### 5.1 SUBMISSION OF BIDS

- (a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediary to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

### 5.2 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/Offer 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/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

### **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants 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/Offer 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/Offer Period.

### **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid, 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 Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalization of basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to
  - i. the Bids accepted by the Designated Intermediary;
  - ii. the Bids uploaded by the Designated Intermediary; and
  - iii. 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.

### 5.5.1 GROUND FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- (c) Bids/Applications by OCBs;
- (d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) Bids/Applications by persons in the United States;
- (i) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (j) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (k) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (l) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (m) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (n) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (o) 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;
- (p) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (q) Submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (r) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares which are not in multiples as specified in the RHP;
- (s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

- (t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (u) Bank account mentioned in the Bid cum Application Form may not be an account maintained by SCSB. Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (v) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Anchor Escrow Bank;
- (w) Where no confirmation is received from SCSB for blocking of funds;
- (x) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (y) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;
- (z) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (aa) Bids/Applications 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.

## 5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (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. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants 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%

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
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 Offer 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 book running lead managers, may finalise the Offer Price at or below such cut-off price, i.e., at or below Rs. 22.00. All bids at or above this Offer Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## SECTION 6: OFFER PROCEDURE IN FIXED PRICE ISSUE

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.** As the Offer Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“**ASBA Account**”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. 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 Offer (excluding any Offer 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 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (**“Maximum RII Allottees”**). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### 7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### 7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price

may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) 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 along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### 7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer subject to compliance with the following requirements:
- i. not more than 60% of the QIB Category 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 15 Anchor Investors for allocation of more than Rs. 250 crores and an additional 10 Anchor Investors for every additional Rs. 250 crores or part thereof, 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 Bid cum 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 Offer Price is higher than the Anchor Investor Offer 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 Offer Price and the Anchor Investor Offer 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 Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### 7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Anchor Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Anchor Escrow Accounts, as per the terms of the Cash Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Cash Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer 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/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**  
  
Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.
- (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) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Bid/Offer Closing 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 six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within six Working Days of the Bid/Offer 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 RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act 2013, the Issuer may be punishable with a fine which shall not be less than Rs. 5 lakhs but which may extend to Rs. 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 3 lakhs, or with both.

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 may take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not refunded to Bidders within the prescribed time 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 such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

#### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, as applicable, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Rule 19(2)(b) of the SCRR. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of prescribed time period under applicable laws, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

#### **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 1,000 failing which the entire application monies may be refunded forthwith.

## 8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

## 8.3 MODE OF REFUND

1. **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.
2. **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
3. In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' 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 Bid cum Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or 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 Offer, the Escrow Collection Banks, 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. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- i. **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- ii. **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code (“**IFSC**”), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine- digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- iii. **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and
- iv. **RTGS**—Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Anchor Escrow Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders/Applicants may refer to RHP/Prospectus.

#### **8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working Days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Offer 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. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in the Draft Red Herring Prospectus, the description as ascribed to such term in the Draft Red Herring Prospectus shall prevail.*

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Escrow Account	Account opened with the Anchor Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Anchor Escrow Bank	Refer to definition of Banker(s) to the Offer
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is 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 Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Offer/Anchor Escrow Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Anchor Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date

<b>Term</b>	<b>Description</b>
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
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 Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants 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 websites of the Stock Exchanges
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may 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. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>

<b>Term</b>	<b>Description</b>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.  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 respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Anchor Escrow Bank from the Anchor Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries /Collecting Agent	Syndicate Members, sub-syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and CRTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the CRTAs where Bidders can submit the Bid cum Application Forms to CRTAs.  The details of such Designated RTA Locations, along with names and contact details of the CRTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations 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 RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Cash Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Anchor Escrow Bank and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
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
IPO	Initial public offering
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.

<b>Term</b>	<b>Description</b>
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
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 RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
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 Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
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 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-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
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
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Offer Price	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 Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Offer Account	An account opened with the Banker to the Offer to receive monies from the Anchor Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations

<b>Term</b>	<b>Description</b>
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/ Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI which offers the facility of ASBA and the list of which is available on the website of the <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s)	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Bid/Offer Opening Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

## **SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

*Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provision of the Articles of Association of our Company are detailed below.*

*The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part A and Part B, the provisions of Part B shall prevail. However, Part B shall automatically terminate and cease to have any force and effect from the date of receipt of final approval for listing and trading of the Equity Shares of the Company on the recognized stock exchanges in India subsequent to an initial public offering of the equity shares of the Company without any further action by the Company or by the Shareholders and Part A shall continue to be in effect.*

### **PART A OF THE ARTICLES OF ASSOCIATION**

#### **Applicability of the Table F**

Article 1 provides that the “The regulations contained in Table ‘F’ of Schedule I of the Companies Act, 2013 shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.”

#### **Share Capital**

Article 4 provides that “The Authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association with the power to increase or reduce such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles”

Article 5 provides that “Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the Shares or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to compliance with Section 53 of the Act, at a discount as they may, from time to time, think fit and proper, and may also issue and allot Shares in the capital of the Company in payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company in or about the conduct of its business and the Shares which may be so allotted may be issued as fully paid up Shares and if so issued shall be deemed to be fully paid up Shares, provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.”

Article 6 provides that “Where at any time, it is proposed to increase its subscribed capital by the issue/allotment of further Shares either out of the unissued capital or increased Share Capital then, such further Shares may be offered to:

- (a) persons who, at the date of offer, are holders of Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those Shares by sending a letter of offer subject to the following conditions: (i) the offer shall be made by notice specifying the number of Shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined; (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in (i) shall contain a statement of this right; and (iii) after expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company;

Nothing in sub-Article (a) (ii) above shall be deemed to extend the time within which the offer should be accepted; or to authorize any person to exercise the right of renunciation for a second time on the ground

that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

- (b) employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable laws; or
- (c) any persons, whether or not those persons include the persons referred to in (a) or (b) above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act, if a special resolution to this effect is passed by the Company in a General Meeting."

Article 13 provides that "If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class. To every such 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."

### **Commission**

Article 19 provides that "The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 or the Act (as amended from time to time), provided that the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder."

Article 20 provides that "The rate or amount of the commission shall not exceed the rate or amount prescribed under the applicable rules."

Article 21 provides that "The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other."

### **Calls on Shares**

Article 29 provides that "Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than 1 (one) month from the date fixed for the payment of the last preceding call."

Article 30 provides that "Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares."

Article 32 provides that "A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments."

Article 33 provides that "The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof."

Article 34 provides that "If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10 % (ten per cent) per annum or at such lower rate, if any, as the Board may determine."

Article 37 provides that "The Board may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate as determined by the Board and the member paying

such sum in advance agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The member shall not be entitled to any 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 these Articles shall mutatis mutandis apply to any calls on debentures of the Company.”

## **Lien**

Article 47 provides that “The Company shall have a first and paramount lien on every Share or debenture (not being a fully paid-up Share or debenture) registered in the name of each Member (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of such Share or debenture and no equitable interest in any Share or debenture shall be created except upon the footing and condition that this Article will have full effect. Fully paid-up Shares shall be free from all liens.

Provided that the Board may at any time declare any Shares or debentures wholly or in part to be exempt from the provisions of this Article.”

Article 48 provides that “The Company’s lien, if any, on a Share shall extend to all dividends and bonuses declared and payable by the Company from time to time in respect of such Shares.”

Article 49 provides that “The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien, provided that no sale shall be made:

- (a) unless a sum in respect of which the lien exists is presently payable;
- (b) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.”

Article 52 provides that “A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien.”

## **Transfer of Shares**

Article 53 provides that “The securities or other interest of any Member shall be freely transferable, provided that any contract or arrangement between 2 (two) or more persons in respect of transfer of securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.”

Article 54 provides that “Subject to the provisions of the Act, these Articles and any other applicable law for the time being in force, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within 1 (one) month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration or transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares.”

Article 55 provides that “Save as otherwise provided in the Act, no transfer of a Share shall be registered 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 has been delivered to the Company together with the certificate or certificates of shares, and is no such certificate is in existence, then the letter of allotment of the shares. Application for the registration of the transfer of a share may be made either by the transferor or by the transferee provided that where such application is made by the transferor, no registration shall, in the case of a partly paid share be affected unless the Company

gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 weeks from the date of receipt of the notice, enter in the register the name of the transferee on the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 days previous notice in accordance with the Act or any other time period as may be specified by law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, provided that such registration shall not be suspended for more than 30 days at any one time or for more than 45 days in the aggregate in any year.”

Article 56 provides that “No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.”

### **Transmission of Shares**

Article 57 provides that “On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in these Articles 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.”

Article 58 provides that “Any person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

- (a) to be registered as holder of the Share; or
- (b) to make such transfer of the Share as the deceased or insolvent Member could have made.

Article 59 provides that “The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.”

Article 64 provides that “If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.”

Article 65 provides that “The notice issued under Article 64 shall:

- (i) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (ii) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.”

Article 66 provides that “If the requirement of any such notice as aforesaid is not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.”

Article 67 provides that “A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.”

Article 68 provides that “At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.”

Article 69 provides that “A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by the person to the Company in respect of the Shares.”

Article 70 provides that “The liability of such person shall cease if and when the Company shall have received

payment in full of all such monies in respect of the Shares.”

Article 71 provides that “A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all person claiming to be entitled to the Share.”

Article 72 provides that “The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or otherwise disposed of.”

Article 73 provides that “The transferee shall there upon be registered as the holder of the Share.”

Article 74 provides that “The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.”

Article 75 provides that “The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.”

### **Alteration of Share Capital**

Article 77 provides that “Subject to the provisions of the Act, the Company may from time to time by ordinary resolution, undertake any of the following:

- (a) consolidate or divide, all or any of the Share Capital into Shares of larger amount than its existing Shares;
- (b) convert all or any of its fully paid-up Shares into stock, and re-convert that stock into fully paid-up Shares of any denomination;
- (c) sub-divide its existing Shares or any number of them into Shares of smaller amount than is fixed by the Memorandum of Association of the Company, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; or
- (d) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of Share Capital by the amount of the Shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.”

Article 78 provides that “Subject to the provisions of the Act, the Company may, from time to time, by special resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable law:

- (a) the Share Capital;
- (b) any capital redemption reserve account; or
- (c) any Share premium account.”

### **General Meetings**

Article 80 provides that “An annual General Meeting shall be held each year within the period specified by the Applicable Law. Not more than 15 (fifteen) months shall elapse between the date of one annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any annual General Meeting may be held. Every annual General Meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine.”

Article 83 provides that “The Board shall on the requisition of such number of member or members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting

of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.”

### **Proceedings at General Meetings**

Article 84 provides that “A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days’ notice either in writing or through electronic mode in such manner as prescribed under the Act, provided that a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than 95% (ninety-five percent) of the Members entitled to vote at such meeting.

Notice of every meeting shall be given to the members and to such other person or persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by section 20 of the Act.”

Article 89 provides that “The chairperson, if any, of the Board shall preside as chairperson at every General Meeting of the Company. If there is no such chairperson or if he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall choose one of the Directors present to be chairperson of the meeting.”

### **Votes of Members**

Article 99 provides that “Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

- (a) on a show of hands, every Member present in person shall have 1 (one) vote; and
- (b) on a poll, the voting rights of Members shall be in proportion to their share in the paid-up Share Capital.”

Article 106 provides that “No Member shall be entitled to exercise any voting rights either personally or by proxy at any general meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.”

### **Proxy**

Article 109 provides that “Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the Proxy so appointed shall have no right to speak at the meeting.”

Article 110 provides that “The proxy shall not be entitled to vote except on a poll.”

Article 111 provides that “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 not less than 48 (forty eight) 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 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.”

Article 112 provides that “An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.”

### **Directors**

Article 114 provides that “Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution.”

### **Proceedings of the Board**

Article 128 provides that “A minimum number of 4 (four) Board meetings shall be held every year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board, in accordance with the provisions of the Act.”

Article 129 provides that “Subject to the provisions of the Act and the rules framed thereunder, all or any of the Directors or members of any committee of the Board may participate in a meeting of the Directors or such committee through video conferencing or other audio visual means.”

Article 130 provides that “No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act and the rules framed thereunder or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum under this Article, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.”

### **Powers of the Board**

Article 150 provides that “The business of the Company shall be vested in the Board of Directors and the Board shall be responsible for the overall direction and management of the Company. Subject to the provisions of the Act, the Board shall have the right to delegate any of their powers to such committee of Directors, managing director, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.”

Article 151 provides that “Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but 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.”

### **Borrowing Powers**

Article 160 provides that “Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.”

Article 161 provides that “The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company and its free reserves.”

Article 162 provides that “Subject to the provisions of these Articles, any bonds, debentures, debenture-stock or other 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 the Board shall consider to be for the benefit of the Company.”

### **Dividends and Reserves**

Article 163 provides that “The Company in a general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. No dividend shall be payable except out of the profits of the Company or any other undistributed profits.”

Article 164 provides that “Subject to the provisions of the Act, 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.”

Article 165 provides that “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 may be properly applied, including provision for meeting contingencies or for equalising 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, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.”

Article 166 provides that “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.”

Article 168 provides that “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.”

Article 170 provides that “Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or 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 of the Company, or to such person and to such address as the holder or joint holders may in writing direct.”

Article 176 provides that “The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “Unpaid Dividend of Eris Lifesciences Limited”. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act. No unclaimed or unpaid dividend shall be forfeited by the Board.”

### **Capitalisation of Profits**

Article 177 provides that “The Company in a General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of 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 Article 178 amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.”

Article 178 provides that “The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 179, either in or towards:

- (a) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
- (b) 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

- (c) Partly in the way specified in sub-Article (a) and partly in that specified in sub-Article (b) above.
- (d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.
- (e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.”

Article 179 provides that “Whenever such a resolution as aforesaid shall have been passed, the Board shall:

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and
- (b) generally do all acts and things required to give effect thereto.”

#### **PART B OF THE ARTICLES OF ASSOCIATION**

Part B of the Articles of Association provide for, among other things, the rights of shareholders pursuant to the shareholders’ agreement executed with certain shareholders of our Company. For more details on the shareholders’ agreements, see “*History and Certain Corporate Matters – Material Agreements*” on page 128.

**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 entered into more than two years before the date of the Draft Red Herring Prospectus) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder may be inspected at our Registered Office, from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

***Material Contracts to the Offer***

1. Offer Agreement dated February 8, 2017 entered into among our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated February 7, 2017 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, Escrow Bank(s), Refund Bank and the Registrar to the Offer.
4. Share Escrow Agreement dated [●] entered into among the Selling Shareholders, our Company and a share escrow agent.
5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer.
6. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs and Syndicate Members.

***Other Material Contracts in relation to our Company***

1. Shareholders' agreement dated August 26, 2011 entered into among our Company, Mr. Amit Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah, Mr. Rajendrakumar Rambhai Patel, Mr. Inderjeet Singh Negi, Mr. Hetal Rasiklal Shah, Mr. Kaushal Kamlesh Shah, Mr. Rakeshbhai Bhikhabhai Shah, Mr. Bhikhabhai Chimanlal Shah and Botticelli, as amended by amendment agreement dated January 20, 2017.
2. Share purchase agreement dated November 23, 2016 entered into among our Company and Udane Limited, PharmaServ Ventures Private Limited, Zyduz Trading Company Limited, Ashok Gajanan Paigankar, Suneela Ashok Paigankar, Sameer Paigankar, PharmaServ Solutions Private Limited, Gayatri Desai and Rakesh Mangwana and share purchase and shareholders' agreement dated December 12, 2016 among our Company, Kinedex Healthcare Private Limited and Rakesh Dhuria, Anita Dhuria. Neeru Dhuria, Atul Arora and Rakesh Dhura & Son (HUF).

***Material Documents***

1. Certified copies of our Memorandum of Association and Articles of Association as amended until date.
2. Certificates of incorporation dated January 25, 2007, February 9, 2007 and February 2, 2017.
3. Board resolution of our Company dated February 2, 2017, authorizing the Offer and other related matters.
4. Consent letters of each of the Selling Shareholders authorizing their respective portions of the Offer for Sale.
5. Board resolution of the Investor Selling Shareholder dated January 13, 2017, approving its portion of the Offer.
6. Copies of annual reports for the five Fiscal years, i.e., Fiscals 2016, 2015, 2014, 2013 and 2012.
7. The examination reports of the Auditors, Deloitte Haskins & Sells, LLP, Chartered Accountants, on our restated financial information included in this Draft Red Herring Prospectus.
8. Copy of the Eris Lifesciences Employee Stock Option Plan 2017.
9. Consent of the Auditors, Deloitte Haskins & Sells, LLP, Chartered Accountants, as referred to, in their capacity and for inclusion of their examination reports on our restated financial information and for inclusion of the statement of tax benefits in the form and context in which it appears in this Draft Red Herring Prospectus.
10. Consents of Bankers to our Company, the BRLMs, Syndicate Members, Registrar to the Offer, Bankers to the Offer, Escrow Banks, Refund Banks, legal counsels, industry data provider, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer as referred to act, in their respective capacities.
11. Employment agreements each dated April 1, 2016 entered into between our Company and Mr. Amit

- Indubhushan Bakshi, Mr. Himanshu Jayantbhai Shah, Mr. Inderjeet Singh Negi, Mr. Rajendrakumar Rambhai Patel and Mr. Kaushal Kamlesh Shah.
12. The Statement of Tax Benefits dated January 31, 2017 from the Auditors, Deloitte Haskins & Sells, LLP, Chartered Accountants.
  13. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
  14. SEBI final observation letter dated [●].
  15. Tripartite Agreement dated January 25, 2017 among our Company, NSDL and the Registrar to the Offer.
  16. Tripartite Agreement dated January 27, 2017 among our Company, CDSL and the Registrar to the Offer.
  17. Due diligence certificate to SEBI from the BRLMs, dated February 8, 2017.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We 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 or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

\_\_\_\_\_  
**(Mr. Amit Indubhushan Bakshi)**  
**(Chairman and Managing Director)**

\_\_\_\_\_  
**(Mr. Himanshu Jayantbhai Shah)**  
**(Executive Director)**

\_\_\_\_\_  
**(Mr. Inderjeet Singh Negi)**  
**(Executive Director)**

\_\_\_\_\_  
**(Mr. Sanjiv Dwarkanath Kaul)**  
**(Nominee Director)**

\_\_\_\_\_  
**(Ms. Vijaya Sampath)**  
**(Independent Director)**

\_\_\_\_\_  
**(Mr. Rajiv Gulati)**  
**(Independent Director)**

\_\_\_\_\_  
**(Mr. Shardul Suresh Shroff)**  
**(Independent Director)**

\_\_\_\_\_  
**(Dr. Kirit Nanubhai Shelat)**  
**(Independent Director)**

### SIGNED BY CHIEF FINANCIAL OFFICER

\_\_\_\_\_  
**(Mr. Sachin Shah)**  
**(Chief Financial Officer)**

Date: February 8, 2017

**DECLARATION BY BOTTICELLI, AS A SELLING SHAREHOLDER**

Botticelli certifies that all statements about or in relation to itself and the Equity Shares offered by it through the Offer for Sale in this Draft Red Herring Prospectus, are true and correct. Botticelli assumes no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder in this Draft Red Herring Prospectus.

**For and on behalf of Botticelli**

---

Name: Veena Kunniyah

Designation: Director

Date: February 8, 2017

**DECLARATION BY MR. AMIT INDUBHUSHAN BAKSHI, AS A SELLING SHAREHOLDER**

Mr. Amit Indubhushan Bakshi certifies that all statements about or in relation to him and the Equity Shares offered by him through the Offer for Sale in this Draft Red Herring Prospectus, are true and correct. Mr. Amit Indubhushan Bakshi further certifies that other than as stated in this Draft Red Herring Prospectus, all approvals and permissions, if any, required by him towards the Offer for Sale have been obtained, are currently valid and have been complied with.

**Signed by Mr. Amit Indubhushan Bakshi**

---

Date: February 8, 2017

**DECLARATION BY MR. HIMANSHU JAYANTBHAI SHAH, AS A SELLING SHAREHOLDER**

Mr. Himanshu Jayantbhai Shah certifies that all statements about or in relation to him and the Equity Shares offered by him through the Offer for Sale in this Draft Red Herring Prospectus, are true and correct. Mr. Himanshu Jayantbhai Shah further certifies that other than as stated in this Draft Red Herring Prospectus, all approvals and permissions, if any, required by him towards the Offer for Sale have been obtained, are currently valid and have been complied with.

**Signed by Mr. Himanshu Jayantbhai Shah**

---

Date: February 8, 2017

**DECLARATION BY MR. INDERJEET SINGH NEGI, AS A SELLING SHAREHOLDER**

Mr. Inderjeet Singh Negi certifies that all statements about or in relation to him and the Equity Shares offered by him through the Offer for Sale in this Draft Red Herring Prospectus, are true and correct. Mr. Inderjeet Singh Negi further certifies that other than as stated in this Draft Red Herring Prospectus, all approvals and permissions, if any, required by him towards the Offer for Sale have been obtained, are currently valid and have been complied with.

**Signed by Mr. Inderjeet Singh Negi**

---

Date: February 8, 2017

**DECLARATION BY MR. RAJENDRAKUMAR RAMBHAI PATEL, AS A SELLING SHAREHOLDER**

Mr. Rajendrakumar Rambhai Patel certifies that all statements about or in relation to him and the Equity Shares offered by him through the Offer for Sale in this Draft Red Herring Prospectus, are true and correct. Mr. Rajendrakumar Rambhai Patel further certifies that other than as stated in this Draft Red Herring Prospectus, all approvals and permissions, if any, required by him towards the Offer for Sale have been obtained, are currently valid and have been complied with.

**Signed by Mr. Rajendrakumar Rambhai Patel**

---

Date: February 8, 2017

**DECLARATION BY MR. KAUSHAL KAMLESH SHAH, AS A SELLING SHAREHOLDER**

Mr. Kaushal Kamlesh Shah certifies that all statements about or in relation to him and the Equity Shares offered by him through the Offer for Sale in this Draft Red Herring Prospectus, are true and correct. Mr. Kaushal Kamlesh Shah further certifies that other than as stated in this Draft Red Herring Prospectus, all approvals and permissions, if any, required by him towards the Offer for Sale have been obtained, are currently valid and have been complied with.

**Signed by Mr. Kaushal Kamlesh Shah**

---

Date: February 8, 2017

**DECLARATION BY MR. BHIKHABHAI CHIMANLAL SHAH, AS A SELLING SHAREHOLDER**

Mr. Bhikhabhai Chimanlal Shah certifies that all statements about or in relation to him and the Equity Shares offered by him through the Offer for Sale in this Draft Red Herring Prospectus, are true and correct. Mr. Bhikhabhai Chimanlal Shah further certifies that other than as stated in this Draft Red Herring Prospectus, all approvals and permissions, if any, required by him towards the Offer for Sale have been obtained, are currently valid and have been complied with.

**Signed by Mr. Bhikhabhai Chimanlal Shah**

---

Date: February 8, 2017

**DECLARATION BY MR. RAKESHBHAI BHIKHABHAI SHAH, AS A SELLING SHAREHOLDER**

Mr. Rakeshbhai Bhikhabhai Shah certifies that all statements about or in relation to him and the Equity Shares offered by him through the Offer for Sale in this Draft Red Herring Prospectus, are true and correct. Mr. Rakeshbhai Bhikhabhai Shah further certifies that other than as stated in this Draft Red Herring Prospectus, all approvals and permissions, if any, required by him towards the Offer for Sale have been obtained, are currently valid and have been complied with.

**Signed by Mr. Rakeshbhai Bhikhabhai Shah**

---

Date: February 8, 2017

**DECLARATION BY MR. HETAL RASIKLAL SHAH, AS A SELLING SHAREHOLDER**

Mr. Hetal Rasiklal Shah certifies that all statements about or in relation to him and the Equity Shares offered by him through the Offer for Sale in this Draft Red Herring Prospectus, are true and correct. Mr. Hetal Rasiklal Shah further certifies that other than as stated in this Draft Red Herring Prospectus, all approvals and permissions, if any, required by him towards the Offer for Sale have been obtained, are currently valid and have been complied with.

**Signed by Mr. Hetal Rasiklal Shah**

---

Date: February 8, 2017