



## CIAN HEALTHCARE LIMITED

Our Company was originally incorporated as "Cian Healthcare Private Limited" at Pune, Maharashtra as a private limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated January 07, 2003 bearing Corporate Identification Number U24233PN2003PTC017563 issued by Registrar of Companies, Pune, Maharashtra. Subsequently, our Company was converted into a public limited Company pursuant to special resolution passed by the shareholders at the Extraordinary General Meeting held on November 19, 2018 and fresh certificate of incorporation consequently upon change of name was issued by Registrar of Companies, Pune, Maharashtra dated November 30, 2018 and name of our Company was changed to Cian Healthcare Limited. The Corporate Identification Number is U24233PN2003PLC017563. For details of incorporation, change of name and registered office of our Company, please refer to the chapter titled "General Information" and "Our History and Certain Other Corporate Matters" beginning on page 52 and 157 respectively of this Draft Red Herring Prospectus.

**Registered Office:** Milkat No. 3339, Block No.1, From South Side, C.S.No.227 /2 + 3A, Harpale Park, Opp Berger Paint, Phursungi, Pune- 412308, Maharashtra, India. | **Tel No:** 020-41471234 /265 | **Email:** [cs@cian.co](mailto:cs@cian.co) | **Website:** [www.cian.co](http://www.cian.co) | **Contact Person:** Usha Jaswani, Company Secretary & Compliance Officer

## OUR PROMOTERS: SURAJ ZANWAR &amp; KAVITA ZANWAR

THE ISSUE	
<p>INITIAL PUBLIC ISSUE OF UP TO 62,16,000 EQUITY SHARES OF FACE VALUE OF ₹. 10.00/- EACH ("EQUITY SHARES") OF CIAN HEALTH CARE LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (THE "ISSUE PRICE"), (INCLUDING A PREMIUM OF RS [•] PER EQUITY SHARE), AGGREGATING ₹ [•] LAKHS ("THE ISSUE"), OF WHICH [•] EQUITY SHARES OF FACE VALUE OF ₹ 10.00/- FOR CASH AT A PRICE OF ₹ [•] EACH AGGREGATING ₹ [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [•] EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE, AGGREGATING TO ₹ [•] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [•] AND [•] RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.</p> <p>THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED IN ALL INDIA EDITIONS (WIDELY CIRCULATED) OF ENGLISH NATIONAL DAILY NEWSPAPER [•], ALL INDIA EDITIONS OF (WIDELY CIRCULATED) HINDI NATIONAL DAILY NEWSPAPER [•] AND [•] EDITIONS OF THE REGIONAL NEWSPAPER (WIDELY CIRCULATED), WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE BOMBAY STOCK EXCHANGE OF INDIA LIMITED ("BSE", OR THE "STOCK EXCHANGE") FOR THE PURPOSES OF UPLOADING ON IT'S WEBSITES. THIS ISSUE IS BEING IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED FROM TIME TO TIME.</p>	
<p>THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS [•] TIMES OF THE FACE VALUE</p>	
<p>THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS IS BOOK BUILT ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 287 OF THIS DRAFT RED HERRING PROSPECTUS.</p>	
<p>In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after such 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.</p>	
<p>In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self-Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 287 of this Draft Red Herring Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 32 of the Companies Act, 2013</p>	
<p>RISK IN RELATION TO THE FIRST ISSUE</p>	
<p>This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is ₹ 10.00 and the Issue price of ₹ [•] per Equity Share is [•] times of the face value. The Issue Price (as determined by our Company in consultation with the Book Running Lead Manager as stated in the chapter titled 'Basis for Issue Price' beginning on page 94 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such 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.</p>	
<p>GENERAL RISKS</p>	
<p>Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the Company and this issue, including the risks involved. The Equity Shares offered in the issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 25 of this Draft Red Herring Prospectus.</p>	
<p>COMPANY'S ABSOLUTE RESPONSIBILITY</p>	
<p>The Issuer, 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 this Issue, which is material in the context of this Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission or inclusion 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.</p>	
<p>LISTING</p>	
<p>The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of Bombay Stock Exchange of India Limited ("BSE SME"). Our Company has received an approval letter dated [•] from Bombay Stock Exchange of India Limited for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the Designated Stock Exchange will be the BSE.SME</p>	
LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 <p><b>FEDEX SECURITIES PRIVATE LIMITED</b> 305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai 400099, Maharashtra, India. <b>Tel No.:</b> +9181049 85249 <b>Fax No.:</b> 022 2618 6966 <b>E-mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a> <b>Website:</b> <a href="http://www.fedsec.in">www.fedsec.in</a> <b>Contact Person:</b> Rinkesh Saraiya <b>SEBI Registration Number:</b> INM000010163 <b>Investor Grievance E-mail:</b> <a href="mailto:mb@fedsec.in">mb@fedsec.in</a></p>	 <p><b>BIGSHARE SERVICES PRIVATE LIMITED</b> 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400 059, India. <b>Tel No.:</b> +91 22 62638200 <b>Fax No.:</b> +91 22 62638299 <b>E-mail:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Babu Raphael <b>SEBI Registration No.:</b> INR000001385 <b>Investor Grievance E-mail:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a></p>
<p>ISSUE OPENS ON [•]</p>	
<p>ISSUE CLOSES ON [•]</p>	

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under SEBI ICDR Regulations 2018, the Companies Act 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder.*

*Notwithstanding the foregoing, the terms not defined but used in the chapters titled “Statement of Tax Benefits”, “Financial Statements”, “Outstanding Litigation and Material Developments”, “Key Regulations and Policies” and section titled “Main Provisions of Articles of Association” beginning on pages 98, 179, 144 and 318, respectively, shall have the meanings ascribed to such terms in the respective sections.*

#### General Terms

Term	Description
“Cian Health Care Limited”/ “CHCL”/ “Cian”/ “the Company” / “the Issuer”/ “We” / “Us” / “our Company”	Unless the context otherwise indicates or implies, refers to Cian Healthcare Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office at. Milkat No. 3339, Block No. 1, From South Side, C.S. No. 227/2 + 3A, Harpale Park, Opp Berger Paint, Phursungi, Pune 412308, Maharashtra, India.
Promoter(s) / Core Promoter(s)	The Promoters of our Company are Suraj Zanwar and Kavita Zanwar.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1)(pp) of SEBI ICDR Regulations as disclosed in the chapter titled “Our Promoter and Promoter Group” beginning on page 174 of this Draft Red Herring Prospectus

#### Company related terms

Term	Description
Appraisal Report	Techno Economic Viability Report dated March 21, 2018 issued by Vijaya Bank prepared by Mitcon Consultants & Engineering Services Limited
Articles/ Articles of Association / AOA	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board, as described in “Our Management” beginning on page 160 of this Draft Red Herring Prospectus
Board/ Board of Directors	The Board of Directors of our Company, as duly constituted from time to time including any committees thereof, as the context may refer to
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Usha Jaswani
CIN	Corporate Identification Number of our Company U24233PN2003PLC017563

Term	Description
Appraisal Report	Techno Economic Viability Report dated March 21, 2018 issued by Vijaya Bank prepared by Mitcon Consultants & Engineering Services Limited
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Chandra Prakash Singh
Corporate Office	The Corporate Office is located at 2 <sup>nd</sup> Floor, Prem deep Building, Above Latur Co-operative Bank, Kondhwa Road, Lulla Nagar Chowk, Pune - 411040, Maharashtra, India
CSR Committee	The committee of the Board of Directors constituted as the Company's CSR Committee in accordance with Section 135 of the Companies Act, 2013 and rules made thereunder.
Director(s)	Director(s) on the Board, unless otherwise specified
Equity Share(s)	Equity Shares of our Company having face value of ₹. 10 each, fully paid up, unless otherwise specified in the context thereof
Equity Shareholders	Persons/ entities holding Equity Shares of our Company
Group Companies	Companies (other than our Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in "Our Group Companies" beginning on page 268 of this Draft Red Herring Prospectus
Independent Directors	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled "Our Management" beginning on page 160 of this Draft Red Herring Prospectus
ISIN	International Securities identification Number is INE05BN01019
KMPs/ Key Managerial Personnel	Key management personnel of our Company in terms of Regulation 2(1)(bb) of SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and individuals described in the chapter titled "Our Management" beginning on page 160 of this Draft Red Herring Prospectus.
MoA / Memorandum/ Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board described in the chapter titled "Our Management" beginning on page 160 of this Draft Red Herring Prospectus.
Peer Reviewed Auditor	Our Peer Reviewed Auditors, M/s A. Biyani & Co., Chartered Accountants (Firm Registration No. 140489W)
Registered Office	Milkat No. 3339, Block No. 1, From South Side, C.S. No. 227/2 + 3A, Harpale Park, Opp Berger Paint, Phursangi, Pune 412308, Maharashtra, India
Statutory Auditors	Our Statutory Auditors, M/s Agarwal Dhand Motwani & Co, Chartered Accountants (Firm Registration No. 002824C)
Subsidiaries	The Subsidiaries of our Company as disclose in "History and Certain Corporate, Matters - Our Subsidiaries" from page 157 of this Draft Red Herring Prospectus
Specified Security	Specified Security mean Equity Shares

Term	Description
Appraisal Report	Techno Economic Viability Report dated March 21, 2018 issued by Vijaya Bank prepared by Mitcon Consultants & Engineering Services Limited
Stakeholders Relationship Committee	The Stake Holders Relationship Committee of our Board

#### ISSUE RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotted / Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue
Allotment Date	Date on which the Allotment is made
Allottee(s)	The successful Bidder to whom the Equity Shares are being / have been allotted
Allotment Advice	Note, advice or intimation of Allotment sent to the Bidder who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account
Application Lot	[•] Equity Shares
Application Amount	The value indicated in the Application Form and payable by the Bidder/blocked in the ASBA Account on submission of an Application Form in the Issue
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidders	All Bidders except Anchor Investors
Bankers to the Company	IDBI Bank Limited Dena Bank Corporation Bank Vijaya Bank Small Industries Development Bank of India (SIDBI)
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s) and Public Issue Account Bank(s)
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the Issue and which is described in the chapter titled "Issue Procedure" beginning on page 287 of this Draft Red Herring Prospectus
Bid	An Indication to make an application during Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Draft Red Herring Prospectus and Bid cum Application Form.

Term	Description
Bidder	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
Bidding Centers	Broker centres notified by BSE where bidders can submit the Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers, are available on the website of the BSE
Book Building Process/ Book Building Method	The book building route as provided under Schedule XIII of the SEBI (ICDR) Regulations in terms of which this Issue is being made.
Book Running Lead Managers or BRLM	The Book Running Lead Managers to the Issue namely, Fedex Securities Private Limited.
Bid / Issue Closing Date	The date on which the Issue closes for subscription.
Bid / Issue Opening Date	The date on which the Issue opens for subscription.
Bid / Issue Period	The period between the Issue Opening Date and the Issue Closing Date (inclusive of such date and the Issue Opening Date) during which prospective bidders can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of bidders. Our Company, in consultation with the BRLM, may decide to close applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published.
CAN / Confirmation of Allocation Note	A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and will not be finalised and above which no Bids will be accepted.
Client ID	Client identification number of the Bidder's beneficiary account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Bidders with the Registrar to the Issue and SME Platform of Bombay Stock Exchange of India Limited and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalised by our Company in consultation with the BRLM, Only Retail
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details

Term	Description
	of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchange
Depositories	NSDL and CDSL or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant/DP	A depository participant registered with SEBI under the Depositories Act.
Prospectus	The Prospectus issued in accordance with Section 32 of the Companies Act and filed with SME Platform of National Stock Exchange of India Limited under SEBI ICDR Regulations
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account, or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account following which the Board of Directors shall Allot the Equity Shares to successful Bidders in the Issue
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Bidders, in relation to the Offer
Designated Stock Exchange	SME Platform of Bombay Stock Exchange of India Limited
Designated CDP Locations	Such centers of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of Bombay Stock Exchange of India Limited
Designated SCSB Branches	Such Branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpis=yes&amp;intmid=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpis=yes&amp;intmid=35</a>
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the Bombay Stock Exchange of India Limited
Designated Market Maker	[•] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Draft Red Herring Prospectus	This Draft Red Herring Prospectus filed with SME Platform of Bombay Stock Exchange of India Limited, prepared and issued by our Company in accordance with SEBI ICDR Regulations.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI



Term	Description
	registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Agent	Escrow agent appointed pursuant to the Escrow Agreement namely [●]
Escrow Agreement	An agreement to be entered among our Company the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s), the BRLM and the Syndicate Members for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being [●]
First Bidder	Bidder whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under SEBI FPI Regulations
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. CIR/CFD/DIL/12/2013 dated October 23, 2013, notified by SEBI, suitably modified and included in the chapter titled "Issue Procedure" beginning on page 287 of this Draft Red Herring Prospectus
Issue Proceeds	The proceeds from the Issue available to the Company
Issue / Issue Size / Public Issue / IPO / Offer	Initial Public Issue of up to 62,16,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per equity share (including a premium of ₹ [●] per equity share) aggregating to ₹ [●] Lakhs by our Company.
Issue Price	₹ [●] per Equity Share
Issue Agreement	The agreement dated [●] 2018 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Listing Agreement	The Listing Agreement to be signed between our Company and SME Platform of Bombay Stock Exchange of India Limited
Market Making Agreement	The Market Making Agreement dated [●] 2018 between our Company, Lead Manager and Market Maker
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs for the Market Maker in this Issue
MSE	Micro and small enterprises
Mutual Fund(s)	Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (the Issue Price) aggregating up to ₹ [●] Lakhs
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to chapter titled "Objects of the Issue" beginning on page 82 of this Draft Red Herring Prospectus



Term	Description
Non-Institutional Bidders / Non Institutional Investor / NIB/ NII	All Bidders (including Eligible NRIs), who are not QIBs or Retail Individual Bidders and who have applied for Equity Shares for an amount of more than ₹ 2,00,000
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
Non-Syndicate Broker Centre	Refer SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012 consequent to which stock exchanges have uploaded the Non-Syndicate Broker Centres on their respective websites, where the Application Forms can be submitted
Non-Syndicate Stock Broker	A stock broker registered as a member of Stock Exchange who has not entered into a sub-Syndicate Agreement with the Syndicate Member and is not a part of the Syndicate
Non-Syndicate Stock Broker Mechanism	The process of investors applying through Non-Syndicate Stock Broker at a Non-Syndicate Broker Centre pursuant to SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require
Pricing Date	The date on which the Issue Price is categorized by our Company in consultation with the BRLM pursuant to the Book Price Issue
Public Issue Account	The account to be opened with the Banker to the Issue under section 40 of Companies Act, 2013 to received monies from the ASBA Accounts.
Qualified Foreign Investors / QFIs	A qualified foreign investor as defined in SEBI FPI Regulations
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI ICDR Regulations
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto
Refund through electronic transfer of funds	Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Registered Brokers	Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012
Registrar Agreement	The agreement dated [●], entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue

Term	Description
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Issue/Registrar	Registrar to the Issue being Bigshare Services Private Limited
Retail Individual Bidders/RIBs/ Retail Individual Investors/ RIIs	Individual Bidders (including HUFs applying through their karta and Eligible NRIs), submitting Application Forms, who have applied for Equity Shares for an amount not more than ₹ 200,000 in any of the application options in the Net Issue
Revision Form	The form used by the Bidders, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidders can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date
Prospectus	The Prospectus to be issued in accordance with Section 32 of the Companies Act and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto
SEBI (Alternative Investment Funds) Regulations/SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SME	Small and medium sized enterprises
Self-Certified Syndicate Bank(s) / SCSBs	A bank registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA a list of which is available on website of SEBI ( <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> )
Syndicate Member	Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter.
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Bidder, as proof of registration of the Application Form
Underwriters	[•]
Underwriting Agreement	The Agreement dated [•] entered between the Underwriter and our Company, on or after the pricing date, but prior to filing the Prospectus with the RoC
U.S Securities Act	U.S Securities Act of 1933, as amended
Working Days	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays

Term	Description
	and public holidays, on which commercial banks in Mumbai are open for business; (c) 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 Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI

### Conventional, General and Industry Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined under SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards issued by ICAI as notified under the Companies (Accounts) Rules, 2014
APAC	Asia-Pacific
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BRC	British Retail Consortium
Bn.	Billion
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016, as amended
CCPS	Compulsorily Convertible Preference Shares
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CIS	Commonwealth of Independent States
Companies Act	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, along with the relevant rules made thereunder as may be amended from time to time
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act) along with the relevant rules made thereunder
Cr.	Crore
CSR	Corporate Social Responsibility
CSO	Central Statistics Organization
CY	Calendar Year
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant Identification
EGM/ EOGMs	Extraordinary General Meeting
EPS	Earnings Per Share
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EMEA	Europe, Middle East, and Africa
EPFO	Employees' Provident Fund Organization
ESIC	Employee State Insurance Corporation
FBP	Foreign Bill Purchase
FC	Foreign Currency

Term	Description
FCNR Account/ FCNR	Foreign currency non-resident account
FDI	Foreign Direct Investment
FD	Fixed Deposit
FEMA Act/ FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto
FFS	Form Filled Sealed
FI	Financial Institution
FICCI	Federation of Indian Chambers of Commerce & Industry
Financial Year / Fiscal / FY	Unless stated otherwise, the period of 12 (twelve) months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board, Department of Economic Affairs, Ministry
FVCI	Foreign venture capital investors as defined and registered under SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General Index Register under IT Act
GMP	General Manufacturing Practice
Gol or Government	Government of India
GST	Goods and Services Tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
HVAC	Heating, Ventilation and Air Conditioning
IBEF	India Brand Equity Foundation
ICAI	The Institute of Chartered Accountants of India
IEC	Import Export Code
IFRS	International Financial Reporting Standards
IIA	India Industries Association
IMF	International Monetary Fund
Rs. / Rupees / INR / ₹	Indian Rupees
RM	Raw Material
Indian GAAP	Generally Accepted Accounting Principles in India
INCOTERMS	International Commercial Terms
IST	Indian Standard Time
IT Act	The Income Tax Act, 1961
IT Rules	Income Tax Rules, 1962
Kms	Kilometres
LC	Letter of Credit
LIBOR	London Interbank Offered Rate
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of funds-based lending rate
M&E	Media and Entertainment
MICR	Magnetic Ink Character Recognition
MPVD	Multi-Channel Video Programming Distributor
MNCs	Multi-National Companies
Mn	Million

Term	Description
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MT	Metric Tonnes
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996
MoU	Memorandum of Understanding
N.A. / NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NR	Non-resident
NRE Account	Non-Resident External Account
NRI	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
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. OCBs are not allowed to invest in the Issue
OTT	Over the tap media services
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PICS	Pharmaceutical Inspection Co-operation Scheme
RBI	Reserve Bank of India
RONW	Return on Net Worth
RoCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEZ	Special Economic Zones
SEBI	The Securities and Exchange Board of India constituted under SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000

Term	Description
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Sq. metres	Square Metres
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number under provisions of applicable VAT Laws
TPA	Tonnes Per Annum
UK	United Kingdom
U.S. / USA / United States	United States of America
USD / US\$	United States Dollars
UV	Ultraviolet
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be
WCDL	Working Capital Demand Loan
WCTL	Working Capital Term Loan
WEO	World Economic Outlook
WHO	World Health Organization
Wilful defaulter	A wilful defaulter, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations, means a person who or which is categorised as a wilful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guideline on wilful defaulter issued by the RBI.
YoY	Year on year



## FORWARD-LOOKING STATEMENTS

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

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, including, regulatory changes pertaining to the industries in India in which we operate 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 its 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 and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- any disruption in production at, or shutdown of, our manufacturing facility;
- success of product development process and our ability to conceptualise new products;
- grant of product approvals from respective regulatory authorities
- renew and maintain statutory and regulatory permits;
- dependency on our key customers and key suppliers;
- competition from international and domestic companies;
- fluctuations in foreign exchange rates;
- changes in the legal, regulatory, economic and political environment in India;
- general economic and business conditions in India and other countries;

For further discussion on factors that could cause actual results to differ from expectations, please refer to section titled “*Risk Factors*”, and chapters titled “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 25, 124 and 227 of this Draft Red Herring Prospectus 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 gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance. Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance.

These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although, we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Book Running Lead Manager nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI ICDR Regulations, our Company and the Book Running Lead Manager will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the SME Platform of BSE Limited for this Issue

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India. Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### Financial Data

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the Financial Statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus, as amended” issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the section titled “*Financial Statements*” beginning on page 179 this Draft Red Herring Prospectus. Our Financial Statements are derived from our audited financial statements prepared in accordance with Indian GAAP, the Companies Act, and have been restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus, as amended” issued by ICAI. Our Fiscal commences on April 1<sup>st</sup> of each year and ends on March 31<sup>st</sup> of the next year. All references to a particular Fiscal are to the twelve (12) months period ended March 31<sup>st</sup> of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Any percentage amounts, as set forth in section titled “*Risk Factors*”, and chapters titled “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s Financial Statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI ICDR Regulations and Guidance Note on “Reports in Company Prospectus, as amended” issued by ICAI as stated in the report of our Statutory and Peer Reviewed Auditor, set out in the section titled “*Financial Statements*” beginning on page 179 of this Draft Red Herring Prospectus.

### Currency and Units of Presentation

All references to:

- “Rupees” or “INR” or “Rs.” or “₹” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “Lakhs” units. One Lakh represents 1,00,000.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal place.

## **Industry and Market Data**

Unless stated otherwise, industry and market data and various forecasts used throughout this Draft Red Herring Prospectus have been obtained from publicly available information, industry sources and government publications. Industry sources as well as government publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. We believe the industry and market data used in this Draft Red Herring Prospectus is reliable, however, it has not been independently verified by our Company or the Book Running Lead Manager or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. In accordance with SEBI ICDR Regulations, the chapter titled "*Basis for Issue Price*" beginning on page 94 of this Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Book Running Lead Manager have independently verified such information.

## SUMMARY OF OFFER DOCUMENT

### SUMMARY OF BUSINESS

Our Company is a WHO-GMP & ISO -9001:2015 certified transnational manufacturing Company with wide range of Pharmaceutical, Nutraceutical, Ayurvedic, Cosmeceuticals, Sexual Wellness and Food supplement products. Our Company has a full-fledged F & D and regulatory department. Our Company complies with the standard manufacturing practices as laid down by the World Health Organization and is also certified by the Food and Drug Control Administration.

Our Company develops, manufactures and commercializes pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and regulatory aspects under 12 therapeutic segments like Orthopaedics, Gynaecology, Paediatrics, Cardiac, Diabetic, Dermatology, Pain Management, Antibiotics, Neuro, Critical Care, Gastro-Intestinal and Nutraceuticals, alongwith 10 sales division focused on developing and growing our engagements in specialist and super specialist division. Our company works under different business models like Brand Business, Export, Third Party Manufacturing and Government Supplies

### SUMMARY OF INDUSTRY

The Indian pharmaceutical industry has contributed immensely not just to Indian but to global healthcare outcomes. India continues to play a material role in manufacturing various critical, high-quality and low-cost medicines for Indian and global markets. It supplies 50 to 60 percent of global demand for many vaccines (including ARVs), 40 percent of generics consumed in the US and 25 percent of all the medicines dispensed in the UK. Over the last 5 years, 35 to 38 percent of total ANDAs approved (including 25 to 30 percent of total injectable ANDAs) have been filed from Indian sites. The Indian Pharmaceutical Market (IPM) was valued at ₹ 10,278 crore in the month of September 2016 clocking a strong 10% growth over same period last year (SPLY). On a MAT September basis, the industry was valued at ₹111,022 crores and reflected a 13% growth with volumes contributing around 40% of this growth and New Introductions playing an important role with around 38% contribution to the overall growth. The retail channel remained the largest channel in IPM contributing 84% of the overall sales and reflected a 13% growth. The hospital and doctor channel contributed to 10% & 6% of the overall sales and reflected a 17% & 15% growth respectively on a MAT September basis

For more details please refer chapter titled “*Industry Overview*” beginning on page 101 of this Draft Red Herring Prospectus

### PROMOTERS

The Promoters of our Company are Suraj Zanwar and Kavita Zanwar

### ISSUE SIZE

The Issue size comprises of issuance of up to 62,16,000 Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on January 09, 2019 and approved by the shareholders of our Company vide a special resolution at the EGM held on January 14, 2019 pursuant to section 62(1)(c) of the Companies Act.

### OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects (“*Objects of the Issue*”):

(₹ in Lakhs)		
Sr No	Particulars	Estimated Amount
1.	Upgradation of existing plant i.e. Unit 1 situated at Roorkee, Uttarakhand India	[●]

Sr No	Particulars	Estimated Amount
2.	Margin money for Setting up of manufacturing facility i.e. Unit 2 situated at Roorkee, Uttarakhand, India	727.58
3.	Enhancement of our Company's brand through advertising and other brand-building activities	[•]
4.	Long term working capital requirements*	[•]
5.	Acquisitions and other strategic initiatives	708.73
6.	General corporate purposes**	[•]
	<b>Total</b>	<b>[•]</b>

\*to be finalized upon determination of issue price

\*\*the amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue

#### PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Sr. No.	Name of the Shareholder	Pre – Issue	
		No. of shares	% of pre-Issue capital
	<b>Promoter</b>		
1.	Suraj Zanwar	9,360,000	54.59
2.	Kavita Zanwar	2,400,000	14.00
	<b>Total (A)</b>	<b>1,17,60,000</b>	<b>68.59</b>
	<b>Promoter Group</b>		
3.	Shakuntala Zanwar	6,00,000	3.50
4.	Pankaj Zanwar	42,00,000	24.50
5.	Girish Dargad	1,050	0.01
	<b>Total (B)</b>	<b>48,01,050</b>	<b>28.00%</b>
	<b>Grand Total (A+B)</b>	<b>16,561,050</b>	<b>96.60%</b>

#### SUMMARY OF FINANCIAL INFORMATION

(₹ in Lakhs)

Particulars	Six Months ended September 30, 2018	For the year ended		
		2018	2017	2016
Share Capital	1680.00	140.00	140.00	140.00
Networth	2226.84	1716.81	1329.46	1098.18
Revenue (total income)	3301.45	5959.34	5185.36	4715.62
Profit after Tax	398.10	387.35	231.28	154.71
Earnings per share				
- Basic	28.44	27.67	16.52	15.45
- Diluted	7.93	27.67	16.52	15.45
Net Asset Value per Equity Share (in ₹)				
- Basic	159.99	122.63	94.96	78.44
- Diluted	13.33	10.22	7.91	6.54
Total borrowings				
- Long Term Borrowings	2476.20	2459.65	2399.88	2035.96



Particulars	Six Months ended September 30, 2018	For the year ended		
		2018	2017	2016
- Short Term Borrowings	2,158.96	2,304.15	1,567.89	1,070.11

### QUALIFICATIONS OF AUDITORS

The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

### SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS

A summary of pending legal proceedings and other material litigations involving our Company is provided below:

S. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/Regulatory proceedings	Material civil litigation	Aggregate amount involved* (in ₹)
1.	<b>Company</b>					
	By the Company	35	2	-	3	81,24,689
	Against the Company	2	NA	-	-	60,25,880
2.	<b>Directors</b>					
	By the Directors		-	-	-	-
	Against the Directors	2	2	-	-	2,67,970
3.	<b>Promoters (Other than who our Directors)</b>					
	By the Directors	-	-	-	-	-
	Against the Directors	-	-	-	-	-

For further details, please refer chapter titled “*Outstanding Litigations & Material Developments*” beginning on page 251 of this Draft Red Herring Prospectus.

### RISK FACTORS

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page 25 of this Draft Red Herring Prospectus.

### SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

(₹ in Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Contingent Liabilities				
a. Claims against the company not acknowledged as debts				
b. Guarantees	103.77	110.63	236.96	627.59
c. Other Money for which the company is contingently liable	-	-	6.09	-
(b) Commitments				
<b>Total</b>	<b>103.77</b>	<b>110.63</b>	<b>243.05</b>	<b>627.59</b>

**SUMMARY OF RELATED PARTY TRANSACTIONS**

(₹ in Lakhs)

Particulars	Till 30/09/2018	2017-18	2016-17	2015-16
<b><u>Unsecured Loan Accepted Cr</u></b>				
Suraj Zanwar	217.30	821.83	374.85	631.52
Pankaj Zanwar	-	138.35	52.50	273.00
Kavita Zanwar	-	-	-	0.93
Sheetal Zanwar	-	-	-	-
Shakuntala Zanwar	-	-	-	1.00
Dhiraj Zanwar	-	0.67	-	3.00
Sangita Zanwar	-	-	-	4.00
Zanwar And Family	-	-	-	-
Jugal Kishore Malu	-	-	-	-
Suraj Zanwar (HUF)	-	-	-	1.79
Dhiraj Zanwar (HUF)	-	-	-	8.75
<b><u>Unsecured Loan Repayment Dr</u></b>				
Suraj Zanwar	355.54	652.00	578.74	856.45
Pankaj Zanwar	26.56	101.32	306.63	293.98
Kavita Zanwar	-	-	-	1.43
Sheetal Zanwar	-	-	-	-
Sheetal Zanwar	-	-	-	-
Shakuntala Zanwar	-	-	0.95	1.00
Dhiraj Zanwar	-	-	-	-
Dhiraj Zanwar	-	-	-	51.33
Zanwar And Family	-	-	-	-
Jugal Kishore Malu	-	-	-	-
Radheshyam Bhandari	-	-	-	-
Sangita Zanwar	-	-	-	18.72
Pooja Dargad	-	-	-	-
Nandkishore Dargad	-	-	-	-
Suraj Zanwar (Huf)	-	2.90	-	-
Dhiraj Zanwar (Huf)	-	0.67	-	-
<b><u>REMUNERATION</u></b>				
Suraj Zanwar	24.00	48.00	36.00	20.40
Pankaj Zanwar	9.00	18.00	18.00	18.00
Kavita Zanwar	-	-	0.70	8.40
<b><u>SALARY</u></b>				
Suraj Zanwar	-	-	-	-
Pankaj Zanwar	-	-	-	-
Kavita Zanwar	-	18.00	7.70	-
Riyaz Khan	2.94	5.88	-	-
Jayant Tillo	3.90	7.80	-	-
<b><u>INTEREST</u></b>				
Suraj Zanwar	-	25.00	30.87	49.94
Pankaj Zanwar	-	25.00	30.98	40.86
Kavita Zanwar	-	-	-	-
Sheetal Zanwar	-	-	-	-
Shakuntala	-	-	-	-

Particulars	Till 30/09/2018	2017-18	2016-17	2015-16
Dhiraj Zanwar	-	-	4.43	4.43
Suraj Zanwar Huf	-	-	-	-
Jugal Kishore Malu	-	-	-	-
Zanwar and Family	-	-	-	-
<b>COMMISSION</b>				
Shakuntala Zanwar	-	1.00	0.95	1.00
<b>CLOSING BALANCE (Loan (Receivable)/Payable)</b>				
Suraj Zanwar	121.51	263.49	68.66	241.68
Pankaj Zanwar	119.61	146.17	84.14	307.29
Kavita Zanwar	-	-	-	-
Sheetal Zanwar	-	-	-	-
Shakuntala Zanwar	-	-	-	-
Dhiraj Zanwar	0.67	0.67	-	-
Radheshyam Bhandari	0.72	0.72	0.72	0.72
Sangita Zanwar	-	-	-	-
Suraj Zanwar (Huf)	-	-	2.90	2.90
Dhiraj Zanwar (Huf)	-	-	0.67	0.67
Nandkishore Dargad	-	-	-	-
Pooja Dargad	-	-	-	-
Zanwar and Family	-	-	-	-
Jugal Kishore Malu	-	-	-	-

#### FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Draft Red Herring Prospectus

#### WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

The weighted average price at which the equity shares were acquired by each of our Promoters in the one year preceding the date of this Draft Red Herring Prospectus

Name	No of Shares Acquired	Weighted Average Cost of Acquisition per Equity Share (in ₹)*
Suraj Zanwar	85,80,000	Nil
Kavita Zanwar	22,00,000	Nil

Since the number of Equity Shares acquired by each of our promoters in the last one (1) year preceding the date of this Draft Red Herring Prospectus is for consideration other than cash, the weighted average price of equity share is Nil

#### AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Red Herring Prospectus is:

Name	Average Cost of Acquisition per Equity Share (in ₹)
Suraj Zanwar	0.83
Kavita Zanwar	0.83

#### DETAILS OF PRE-ISSUE PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

#### ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Except as set out below, our Company has not issued Equity Shares for consideration other than cash in last one year:

Date of allotment	No. of Equity Shares allotted	Face Value (In ₹)	Issue Price (In ₹)	Reason / Nature of allotment	Benefit accrued to our Company	Persons to whom allotment were made
August 28, 2018	1,54,00,000	10	N/A	Bonus in the ratio of 11 Equity Shares for every 1 Equity Share held	Nil	<ul style="list-style-type: none"> <li>• Suraj Zanwar</li> <li>• Kavita Zanwar</li> <li>• Shakuntala Zanwar</li> <li>• Pankaj Zanwar</li> <li>• Radheshyam Bhandari</li> </ul>
October 31, 2018	1,30,205	10	86.002*	Conversion of Debentures into Equity Shares	Nil	<ul style="list-style-type: none"> <li>• Radheshyam Bhandari</li> <li>• Jamuna Bhandari <ul style="list-style-type: none"> <li>• Abhishek Bhandari</li> </ul> </li> <li>• Satish Bhandari</li> <li>• Shruti Bhandari</li> <li>• Shakuntala Bhandari</li> </ul>

\*For the purpose of rounding off Company converted debentures at following prices to each of the shareholders. Radheshyam Bhandari – ₹. 86.00, Shruti Bhandari - ₹. 86.00272, Shakuntala Bhandari, Jamuna Bhandari, Abhishek Bhandari, Satish Bhandari - ₹. 86.00246

## SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Except as stated below, Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Red Herring Prospectus.

Date of Shareholder's Resolution	Details of Change	AGM / EGM
August 13, 2018	Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Shares of ₹ 10 each. Pursuant to the subdivision the following shall be the authorised share capital of the Company  <i>"The authorised share capital of our Company shall be ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each"</i>	EGM

## SECTION II – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below and the Financial Statements incorporated in this Draft Red Herring Prospectus, before making an investment in the Equity Shares of our Company. Any potential investor in, and subscribers of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For further details, please refer to chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 124 and 227, respectively of this Draft Red Herring Prospectus, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.*

*The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality therein:*

- *Some risks may not be material at present but may have a material impact in the near future.*
- *Some risks may not be material individually but may be found material when considered collectively*
- *Some risks may have material impact qualitatively and not quantitatively and vice-versa*

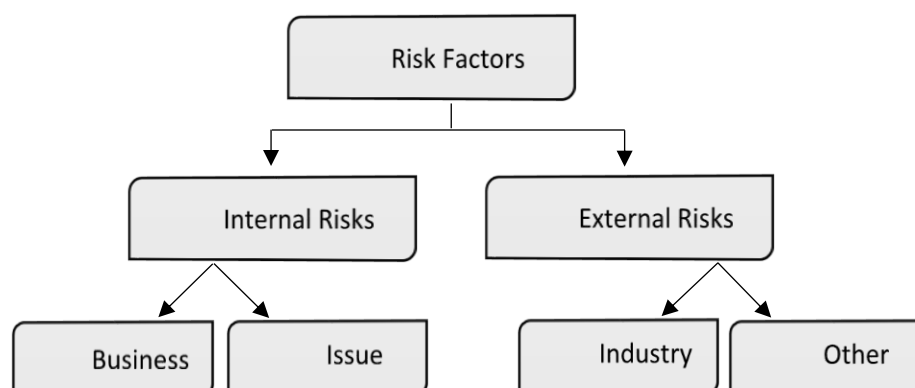
*We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of, or deem immaterial or irrelevant, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares and may also have an adverse effect on our business. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks 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. For further details, please refer to chapter titled “Forward-Looking Statements” beginning on page 14 of this Draft Red Herring Prospectus.*

*Unless otherwise indicated, all financial information included herein are based on our Financial Statements. Please refer to the section titled “Financial Statements” beginning on page 179 of this Draft Red Herring Prospectus.*



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



## INTERNAL RISKS:

### Business Related Risks:

- 1. Our Company, Promoters and Directors are involved in certain legal proceedings. An adverse outcome in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

We are currently involved in various legal proceedings. These proceedings are pending in various courts and authorities at different levels of adjudication. The amounts claimed in these proceedings have been disclosed to the extent ascertainable, excluding contingent liabilities but including amounts claimed jointly and severally from us and other parties.

A summary of the proceedings involving our Company, Promoters and Directors is provided below:

S. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/Regulatory proceedings	Material civil litigation	Aggregate amount involved* (in ₹)
4.	<b>Company</b>					
	By the Company	35	2	-	3	81,24,689
	Against the Company	2	NA	-	-	60,25,880
5.	<b>Directors</b>					
	By the Directors		-	-	-	-
	Against the Directors	2	2	-	-	2,67,970
6.	<b>Promoters (Other than who our Directors)</b>					
	By the Directors	-	-	-	-	-
	Against the Directors	-	-	-	-	-

\*the amount of interest, if any, is not ascertainable.

There can be no assurance that these legal proceedings will be decided in our favour and consequently it may divert the attention of our management and Promoters which may lead us to incur significant expenses in such proceedings. Further, we may have to make provisions in our

financial statements, which could increase our expenses and liabilities and any adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. For details in relation to certain material litigations, refer to the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 251 of this Draft Red Herring Prospectus.

**2. *Our Company is not in possession of some of the certified true copy of certain litigations described in the chapter titled "Outstanding Litigation and Material Developments".***

Our Company is not in possession of certified true copy of certain litigations described in the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 251 of the Draft Red Herring Prospectus. Accordingly, reliance has been placed on the unaffirmed litigation documents to describe the facts of litigation in the aforesaid chapter. Therefore, we cannot assure you that all information pertaining to the above is accurate.

**3. *Our Company is not in possession of litigation information/documents pertaining to certain litigation which may be ongoing.***

Our Company is not in possession of information/documents pertaining to litigation listed below which was instituted by/ against the Company. Despite efforts made by our Company, our Company has not been able to procure any relevant documents pertaining the below listed litigation and hence the facts regarding these matters have been not been included in the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 251 of the Draft Red Herring Prospectus

- a) Suit filed by our Company against M/s Walis Pharmaceutical before the Joint Civil Judge, Junior Division, Pune bearing R.C.S. No. 398 of 2016;
- b) Suit filed by Ashok Kumar Bhoormalji against our Company before the City Civil Judge, Bangalore bearing O.S. No. 5051 of 2017;
- c) Application for waiver of the amount in respect of the payment of ₹ 49,01,810 by the Company in respect of outstanding demand of ₹ 55,10,530 by the income tax authorities.

Also, our Company is not able to get the current status of few of the matters which are mentioned on the chapter titled "*Outstanding Litigation and Material Developments*" beginning on page 251 of the Draft Red Herring Prospectus.

**4. *Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities. Further, some of the approvals are required to be transferred in the name of "Cian Healthcare Limited" from "Cian Healthcare Private Limited", pursuant to conversion of our Company from private to public. Any failure to obtain and renew them or failure to transfer them in name of "Cian Healthcare Limited" in a timely manner may adversely affect our business operations.***

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may have expired and we may have either made or are in the process of making an application to obtain such approval or its renewal. Further, we cannot assure that we will be able to obtain the approvals for which applications have been made including renewals in a timely manner or at all.

The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. If our Company fails to comply with, or unable to comply with any of these conditions stipulated under the licenses, our certificate of registration / licenses for carrying on a particular activity may be suspended and / or cancelled and we will not be able to carry on such activity, which would adversely impact our business and results of operations. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business.

Our Company is in the process of updating some of its certificates/ licenses with respect to the details of our offices/ units or updation of its name from “Cian Healthcare Private Limited” to “Cian Healthcare Limited” after the conversion from private to public company. The same will be updated in the Red Herring Prospectus.

In addition to the above, our Company has applied for (i). Consent from Uttarakhand Environment Protection & Pollution Control Board for the Ganga XGN - Xtended Green Node, (ii). Registration under the Contract Labour (Regulation and Abolition) Act, 1970, (iii). License under Food Safety and Standards Act, 2006 for our registered office in the category of central license. However, the Company is awaiting for these license/ approval from the concerned authorities.

For more information on the licenses obtained by our Company and the licenses applied for by our Company, please refer chapter titled "Government and Other Statutory Approvals" beginning on page [●] of the Draft Red Herring Prospectus. ***Our Company was required to inform the drugs licensing authority in writing in the event of any change in the constitution and in such change the current licence was to be valid for a maximum period of 3 months from the date of such change.***

Our Company, pursuant to change of its constitution i.e. conversion from private to public on November 30, 2018, has intimated the drugs licensing authority in relation to such change for almost all of the drugs licenses. However, our Company has not received the updated licences or applied for the fresh licence even after the lapse of the three months period from the change of the constitution of the Company. As such, the current licenses are not valid and the drugs licensing authority may take some actions against our Company if our Company fails to get the updated license or the fresh license from the concerned authority.

5. ***Our Company has applied for registration of certain trademarks in its name. Until such registrations are granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill.***

We have filed applications seeking registration for 13 trademarks with the Controller General of Patents, Design and Trademarks, Government of India which is currently pending for approval. There can be no assurance that our applications will be accepted and will be registered. During the pendency of our application for registration of these trademarks, we may face difficulties in protecting our private labels in the event of a possible infringement of the same. In the event we are not able to obtain registrations, we may not be able to avail the legal protection or prevent unauthorised use of such trademarks by third parties, which may adversely affect our goodwill and business. For further details on the trademarks and patents, registered or pending registration, please refer to the titled “Business Overview” beginning on page 124 of this Draft Red Herring Prospectus.

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

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

- The Drugs and Cosmetics Act, 1940 (“DCA”)
- The Drugs and Cosmetics Rules, 1945 (“DC Rules”)
- Essential Commodities Act, 1955 (the “ECA”)
- Food Safety and Standard Act, 2006
- The Environment Protection Act, 1986 (“Environment Protection Act”)
- Air (Prevention and Control of Pollution) Act, 1981

- Water (Prevention and Control of Pollution) Act, 1974
- Hazardous Waste Management & Handling Rules, 2008

Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being initiated against us, third party claims or the levy of regulatory fines, which may adversely affect our business, results of operations and financial condition. Further amendments to such statutes may impose additional provisions to be followed by our Company and accordingly our Company may need to avoid use of certain ingredients in preparation of our products, discontinue any range of product, incur clean-up and remediation costs, as well as damages, payment of fines or other penalties, closure of production facilities for non-compliance, other liabilities and related litigation, which could adversely affect our business, prospects, financial condition and results of operations.

**7. We do not own our Registered office and from which we operate.**

Our Registered Office located in Pune, is not owned by us. The details of the same are under:

Address	Name of Owner	Status	Date of Agreement	Rent	Lease Period
Milkat No. 3339, Block No. 1, from South Side, C.S. No 227/2+3A, Harpale Park, Opposite Berger paint, Phursungi Pune, Maharashtra 412308	Mr. Nanasahab Ramdas Harpale, Mr. Swapnil Nanasahab Harpale and Mrs. Anita Nanasahab Harpale	Licens or	Leave and License Agreement dated September 01, 2015	₹. 52,000/- p.m. w.e.f. September 01, 2015	September 01, 2015 to August 31, 2020.

There can be no assurance that the term of the agreements will be continued for very long time and in the event the lessor/licensor terminates the agreements, we may require to vacate the registered office and show room and identify alternative premises immediately at reasonable rent and enter into fresh lease or leave and license agreement. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability.

**8. Our Company requires significant amount of Working Capital for a continuous growth. Our inability to meet the working capital requirement may have an adverse effect on the operations as well as profitability of the Company.**

Our Business is working capital intensive and the growth of business depends working capital requirements.

(₹ in Lakhs)

Particulars	FY 2016 – 17	FY 2017 – 18	FY 2018 – 19	FY 2019 – 20 (estimated)
<b>Current Assets</b>				
Inventories	1,230.46	1,583.24	[●]	[●]
Trade Receivables	1,373.51	2,556.86	[●]	[●]
Cash and Bank Balances	106.80	58.79	[●]	[●]
Short term Loans and Advances	196.80	282.39	[●]	[●]
<b>Total Current Assets (A)</b>	<b>2,907.57</b>	<b>4,481.28</b>	[●]	[●]
<b>Current Liabilities</b>				
Trade Payables	200.39	483.11	[●]	[●]
Other Liabilities	261.24	302.98	[●]	[●]
Short Term Liabilities	1,767.55	2,581.24	[●]	[●]

Particulars	FY 2016 – 17	FY 2017 – 18	FY 2018 – 19	FY 2019 – 20 (estimated)
<b>Total Current Liabilities (B)</b>	<b>2,229.18</b>	<b>3,367.33</b>	[●]	[●]
<b>Net working capital requirements (A – B)</b>	<b>678.39</b>	<b>1,113.95</b>	[●]	[●]
<i>Sources of funds</i>				
<b>Working Capital from Bank</b>	<b>678.39</b>	<b>1,113.95</b>	[●]	[●]
<b>Internal Accruals</b>	<b>0.00</b>	<b>0.00</b>	[●]	[●]
<b>Balance by Equity</b>	<b>0.00</b>	<b>0.00</b>	[●]	[●]
<b>Total Funding</b>	<b>678.39</b>	<b>1,113.95</b>	[●]	[●]
<b>Additional funding through IPO Proceeds</b>				[●]

Our Company intends to continue growing by expanding our operation and geographical reach. All these factors require huge working capital requirements in a very effective manner. Our inability to maintain sufficient cash flow and credit facility in timely manner could adversely affect our operation and profitability of the Company. For Further details regarding working capital requirement, please refer to the Chapter “*Objects of the Issue*” beginning on Page 82 of this Draft Red Herring Prospectus.

**9. We are subject to risks associated with potential acquisitions and our expansion strategy.**

One of the Objects of the Issue is to utilize a part of the net proceeds towards acquisition of Dr. Smith Biotech Private Limited. This type of strategic acquisitions requires substantial capital expenditure. Cash generated from our existing operating activities, taken together with proceeds from the Offer and funds that are available under our existing credit facilities, may not be sufficient to fund our current expansion strategy and we may need other third-party financing to support our strategy. If such third-party financing is insufficient or not available on commercially acceptable terms, these additional expansion opportunities could be curtailed or stopped until sufficient funding is secured. Any business that we acquire may have unknown or contingent liabilities, including liabilities for failure to comply with healthcare laws and regulations, and we may become liable for the past actions of such businesses.

**10. Our cost of production is exposed to fluctuations in the prices of materials. Our Company is dependent on third party suppliers for procuring the raw material.**

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

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

Our products face intense competition from products commercialized or under development by competitors in all of our product portfolios. We compete with local companies, multi-national corporations and companies from the rest of world. If our competitors gain significant market

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

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

We own and operate only one manufacturing facility situated at Roorkee, Uttarakhand. All of our products are manufactured at this facility only. The locality of the facility is prone to natural calamities evidenced by the events happened in the recent past such as floods, heavy rains, etc. Therefore, in the event any natural calamity in the area, our ability to manufacture the products may be adversely affected. Apart from natural calamities, our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

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

Being a manufacturer of Nutraceutical and Wellness Products, we are subject to significant regulatory scrutiny. Our manufacturing facility at Roorkee, Uttarakhand must manufacture products in accordance with Good Manufacturing Practices stipulated by WHO, State level food and drug administrations, and other regulatory agencies, as applicable. Further, we are liable for the quality of our products for the entire duration of the shelf life of the product manufactured by us. After our products reach the market, certain developments could adversely affect demand for our products, including any contamination of our products by intermediaries, re-review of products that are already marketed, new scientific information, greater scrutiny in advertising and promotion, the discovery of previously unknown side effects or the recall or loss of approval of products that we manufacture, market or sell. Disputes over non-conformity of our products with such quality standards or specifications are generally referred to independent government approved testing laboratories. If any such independent laboratory confirms that our products do not conform to the prescribed or agreed standards and specifications, we shall have to bear the expenses of replacing and testing such products, which could adversely affect our business, results of operations and financial condition. We also face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality problems. Such adverse publicity harms the brand image of our Company and products. We may be subject to claims resulting from manufacturing defects or negligence in storage and handling of our products. Any loss of our reputation or brand image, for whatsoever reason may lead to a loss of existing business contracts



and adversely affect our ability to enter into additional business contracts in the future. We currently carry no products liability insurance with respect to our manufactured products.

**14. The Appraisal Report envisages certain threats and concerns, in respect of the setting up of additional manufacturing facility proposed to be set up by the company, which might affect our profitability and results of operation. The concerns and threats provided for in the appraisal report have been enumerated below.**

The weaknes and threats provided for setting up of additional manufacturing facility in the appraisal report of Mitcon Consultants & Engineering Services Limited dated March 21, 2018 have been enumerated below:

Strengths:	Opportunities:
<ul style="list-style-type: none"> <li>• Rich experience in Marketing &amp; Selling led by our Managing Director, Suraj Zanwar supported by skilled manpower</li> <li>• More than 2000 brand diversified portfolio catering to all the segments with presence PAN India</li> <li>• Experience of the Promoters in the related business for over 15 years</li> <li>• Access to the right vendors and materials to allow them to turn around orders quicker than other companies in their field</li> <li>• Have the type of purchasing power that gives them better prices on materials</li> <li>• Well-established distribution network extending to rural areas</li> <li>• Strong brands in the FMCG sector</li> <li>• Low cost operations</li> </ul>	<ul style="list-style-type: none"> <li>• Entry in the market of Govt., Supply and Exports where own Mgf. Is a pre-requisite</li> <li>• Reduction in Inventory holding coupled with improved quality and timely delivery</li> <li>• Capitalization on the marketing setup by backward integration thereby reducing the dependency on contract manufacturers</li> <li>• Due to increased health awareness in India, the setting up of number of hospitals / clinics with laboratories are expected to increase every year, which is expected to gives boost to market company's products</li> <li>• Global market is lucrative</li> <li>• Can take help of expertise from technical persons to curb competition</li> <li>• Large domestic market</li> <li>• Export potential</li> <li>• Increasing income levels is estimated to result in faster revenue growth</li> <li>• Indian government's Swachh Bharat mission</li> <li>• GST lowered duty</li> <li>• Increasing purchasing power and premiumisation of soaps has created a growing need for premium, feature-rich products, such as herbal soaps</li> </ul>
Weaknesses:	Threats:
<ul style="list-style-type: none"> <li>• Stringent pricing regulations by Govt. may affect the profitability of the Company</li> <li>• Presence of more unorganized players versus the organized ones, resulting in increasingly competitive environment characterized by stiff price competition</li> <li>• More dependent on contract manufacturing</li> <li>• QA &amp; QC need more pro-active roles</li> <li>• Low export levels</li> </ul>	<ul style="list-style-type: none"> <li>• Changes in Government policies</li> <li>• Supply chain disruption</li> <li>• Excessive lead times in case of more contract work</li> <li>• Inventory float and the difficulty of tracking it</li> <li>• Imports and regulatory structure</li> <li>• Slowdown in rural demand</li> <li>• Presence of chemicals and other toxic elements in soaps can damage skin texture or trigger allergies, in some people</li> </ul>

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

Entities in India and abroad could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. We may have to invest in our products to prevent counterfeit versions of our products from being distributed in the markets. Such measures include, monitoring products in the market and initiating actions against counterfeiters, each of which may entail incurring significant costs at our end. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer.

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

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. Further certain agreements also impose financial and other restrictive covenants such as maintenance of financial ratios, submission of results, etc. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance. For further details in this regard, please refer chapter titled "*Financial Indebtedness*" beginning on page 235 of this Draft Red Herring Prospectus.

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

We export our Products from India and payment for these sales is received in foreign currency. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

**18. Our operations are subject to various risks inherent to our business activities and we do not maintain insurance coverage in accordance with applicable industry standards.**

Our business operations involve significant risks and occupational hazards that are inherent to our business activities and may not be eliminated through the implementation of preventive measures. These risks and hazards could result in personal injury, grievous hurt or even death of our personnel, which could result in additional litigation costs, damage to or destruction of properties, environmental damage, business interruption, legal liability, damage to our business reputation and corporate image and, in severe cases, fatalities. The occurrence of natural disasters including earthquake, fire, severe weather, floods, power outages and the consequences,

damages and disruptions resulting from them may adversely affect our business and operations. In addition, natural disasters or accidents can result in unexpected hazards, such as fires, explosions and discharge of toxic gases etc. We may become subject to liabilities, including liabilities for environmental or industrial accidents or pollution or other hazards, in addition to compensation payable to personnel affected by any such incidents. It may have a material adverse impact on our business, reputation, financial condition and results of operations.

**19. The laws of various countries govern our Suppliers contracts and disputes arising from such contracts may be subject to the exclusive jurisdiction of courts situated in such countries.**

Several of our sale orders executed with our suppliers are governed by the laws of the country in which either the supplier is incorporated or where the business of the supplier is situated and any disputes related to such contracts may be subject to the exclusive jurisdiction of courts situated in such countries. Lawsuits with respect to such disputes may be instituted in courts situated outside India, and it may become unfeasible for our Company to manage such litigation or obtain enforcement of awards made in such suits. Further, we may also incur significant litigation costs as a result of pursuing dispute resolution mechanisms outside India.

**20. Delays or defaults in client payments could result in a reduction of our profits. We may be subject to working capital shortages due to delays or defaults in payments by clients.**

If client(s) default in their payments in due time to which we have devoted significant resources it could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

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

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

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

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

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

**23. The Company intends to intend to utilize ₹ 708.73 lakhs from the IPO Proceeds towards acquisitions and strategic initiatives including acquisition of Dr. Smiths Biotech Private Limited (“Dr. Smiths”). Our company has issued letter of intent along with offer letter to Suraj Zanwar and Kavita Zanwar holding 16,10,367 and 5,89,633 equity shares respectively aggregating to 73.20% and 26.80% respectively of the total paid-up share capital of Dr. Smiths for purchase of shares.**

Our company is in the process to acquire 100.00% of the shareholding of Dr. Smith i.e. 22,00,000 ordinary shares for an aggregate consideration comprising of consideration of ₹ 708.73 lakhs. As per the share purchase agreement, ₹ 708.73 will be paid as the consideration. As on the date of this Draft Red Herring Prospectus, except for the acquisition of the Dr. Smith as mentioned above, we have not entered into any definitive agreements towards any future acquisitions or strategic initiatives. Any disruptions in meeting the object of the issue could materially and adversely affect our business, financial condition and results of operations.

**24. We have indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.**

As of September 30, 2018, we have outstanding debt of 4526.09 lakhs. (Including Short term and Long-Term Borrowings) Such level of indebtedness has important consequences to us, such as:

- Increasing our vulnerability to general adverse economic, industry and competitive conditions;
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- Affecting our credit rating;
- Limiting our ability to borrow more money both now and in the future; and
- Increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt bears interest at floating rates.

If any of these risks were to materialize, our business and results of operations may be adversely affected. For further information, see section titled “*Financial Indebtedness*” on page 235 of this Draft Red Herring Prospectus.

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

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

affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather-related problems, strikes, lockouts, inadequacies in the road infrastructure and port facilities, or other events could impair ability to procure raw materials or delivery of goods on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

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

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

**27. Our Company has no formal supply agreement or contract with some of our vendors/suppliers for the uninterrupted supply of major raw materials. Our business may be adversely affected if there is any disruption in the raw material supply or due to non-availability of raw material.**

We do not have any formal agreements with some of our vendors/suppliers as we operate on a purchase order system. Due to the absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations. In the event of any disruption in the raw materials supply or the non-availability of raw materials, the production and dispatch schedule may be adversely affected impacting the sales and profitability of the Company. In the event the prices of such raw materials were to rise substantially, we may find it difficult to make alternative arrangements for supplies of our raw materials, on the terms acceptable to us, which could materially affect our business, results of operations and financial condition.

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

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

**29. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the**

**‘Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition.**

As on date of this Draft Red Herring Prospectus, we have not made any alternate arrangements for meeting our capital requirements for some of the objects of the issue. We meet our capital requirements through our bank finance, debts, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this offer or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “*Objects of the Issue*” beginning on page 82 of this Draft Red Herring Prospectus.

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

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

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “*Dividend Policy*” beginning on page 178 of this Draft Red Herring Prospectus.

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

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

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

Our Company has entered into transactions with our certain related parties. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please see section titled "*Financial Statements*" beginning on page 179 of this Draft Red Herring Prospectus.

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

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

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

Post this Issue, our Promoter and Promoter Group will collectively own [•] % of our equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company. In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

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

Our Company uses third party transportation for delivery of our raw materials and finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations. In addition such goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations. Further, disruptions of transportation services due to weather-related problems, strikes, lockouts, inadequacies in the road infrastructure and port facilities, or other events could impair ability to procure raw materials or delivery of goods on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

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

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

**38. Third party industry and statistical data in this Draft Red Herring Prospectus may be incomplete, incorrect or unreliable.**

Neither the Lead Manager nor the Company have independently verified the data obtained from the official and industry publications and other sources referred in this Prospectus and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. The discussion of matters relating to India, its economy and our industry in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information, please refer to section titled "*Industry Overview*" beginning on page no. 101 of this Draft Red Herring Prospectus.

**39. The requirements of being a listed company may strain our resources.**

We are not a listed Company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies which may adversely affect the financial position of the Company.

**40. Our Company has not complied with certain statutory provisions under various acts. Such non-compliance/lapses may attract penalties.**

Our Company is required to make filings under various rules and regulations as applicable under the Companies Act, 2013 and under the applicable provisions of the Companies Act, 1956 some of which have not been done within the stipulated time period as mentioned in the statutory act(s). Such delay/noncompliance may in the future render us liable to statutory penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions concerned. While this could be attributed to technical lapses and human errors, our Company is in the process of setting up a system to ensure that requisite filings are done appropriately with the requisite timeline.



**41. The Company has not placed orders for Plant & Machinery for our proposed object, as specified in the Objects of the Offer.**

Any delay in placing orders, procurement of plant & machinery and equipment's may delay our implementation schedule and may also lead to increase in price of these plant & machinery and equipment's, further affecting our revenue and profitability. As on date of the Draft Red Herring Prospectus, we have not placed orders for plant & machinery required to be set up. Our Company has not made any advance payment towards the same. We have identified the type of plant and machinery required to be bought towards proposed object. However, we are yet to place orders for entire 100.00% of the Plant & Machinery as detailed in the "*Objects of the Issue*" beginning on Page 82 of this Draft Red Herring Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management's views of the desirability of current plans, change in supplier of equipment's, among others, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machinery, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun in the implementation of the Project, which would have a material adverse effect on our business, results of operations and financial condition. For further details, please refer to the chapter titled "*Objects of the Issue*" beginning on page 82 of this Draft Red Herring Prospectus.

**42. Our Promoter and Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration.**

Our Promoter and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, and benefits deriving from their directorship and shareholding in our Company. Our Promoter are interested in the transactions entered into between our Company and themselves. For further details, please refer to the chapters titled "*Business Overview*" and "*Our Promoter and Promoter Group*", beginning on page nos. 124 and 174 respectively and the chapter titled "*Financial Statements*" on page 179 of this Draft Red Herring Prospectus.

**43. Our manufacturing facility is currently underutilized.**

Our Manufacture process is a manual or semi - automated processes to certain extent and limited capacity of certain ancillary machineries like packing machinery and also due to the wet & dry machine cleaning process we are unable to fully utilize the existing capacity of our manufacturing facility. We propose to upgrade our manufacturing facility by utilizing some portion of the Net Proceeds so as to enable us to enhance our capacity utilization and thereby expand our business operations and consequently results of operations. For further details, please refer chapter titled "*Objects of the Issue*" beginning on page 82 of the Draft Red Herring Prospectus. However, if we are not able to upgrade our manufacturing facility in the planned manner, we may not be able to fully utilize our installed capacity and thereby absorb our fixed costs. Consequently, we may be unable to expand our business operations and take advantage of the business opportunities available.

**44. Delay in raising funds from the IPO could adversely impact the implementation schedule.**

The proposed fund requirement of working capital, as detailed in the chapter titled "*Objects of the Issue*" beginning on Page 82 is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe.

**45. Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them.**

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

**Issue Related Risks:**

**46. Our Company's management will have flexibility in applying the proceeds of this issue within the parameters as mentioned in the chapter titled "Objects of the Issue" beginning on page 82 of this Draft Red Herring Prospectus**

We intend to use part of the net proceeds towards setting up of additional manufacturing facility. We intend to deploy the net issue proceeds in financial year 2018-19- and such deployment is based on certain assumptions and strategy which our company believes to implement in future. While the Company has obtained an appraisal report for setting up of its additional manufacturing facility and shall be following the schedule of implementation and deployment as per the appraisal report, however there can no assurance that the funds raised from the issue may not remain idle on account of change in assumptions, market conditions, strategy of our company, etc. For further details on the issue of net proceeds, please refer chapter titled "Objects of the Issue" beginning on page 82 of this Draft Red Herring Prospectus.

**47. The Offer price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer and the market price of our Equity Shares may decline below the offer price and you may not be able to sell your Equity Shares at or above the Offer Price.**

The Offer Price of our Equity Shares has been determined by book building method. This price is based on numerous factors and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Offer Price. Among the factors that could affect our share price include without limitation. The following:

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

**48. Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.**

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market

price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

#### **EXTERNAL RISKS:**

##### **Industry Risks:**

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

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

#### **50. Malpractices by some players in the industry affect overall performance of emerging Companies.**

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

##### **Other Risks:**

#### **51. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.**

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "*Key Industry Regulations and Policies*" beginning on page 144 for details of the laws currently applicable to us. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities. GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable. If such tax laws, rules and regulations are

amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

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

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

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

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

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

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

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

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

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

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

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

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

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

Prior to this Issue, there has been no public market for our Equity Shares. Our Company and the Lead Manager have appointed NNM Securities Private Limited as Designated Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

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

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted unless the post issue formalities are completed after the Equity Shares have been issued. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of "BSE". Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

## SECTION III – INTRODUCTION

### THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
<b>Issue of Equity Shares by our Company</b>	Up to 62,16,000 Equity Shares of face value of ₹10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
<b>Of Which</b>	
<b>Market Maker Reservation Portion</b>	Up to [●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
<b>Net Issue to the Public</b>	Up to [●] Equity Shares of face value of ₹10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs
<b>Of Which</b>	
<b>(A) Retail Portion</b>	[●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs i.e. 50% of the Net Issue shall be available for allocation Retail Individual Investors
<b>(B) Non – Institutional Portion</b>	[●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors.
<b>Pre-and Post-Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	[●] Equity Shares of face value of ₹ 10 each
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares of face value of ₹ 10 each
<b>Use of Issue Proceeds</b>	For details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 82 of this Draft Red Herring Prospectus.

#### **Notes**

- 1) *The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on January 09, 2019 and approved by the shareholders of our Company vide a special resolution at the EGM held on January 14, 2019 pursuant to section 62(1)(c) of the Companies Act This Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, 2018, as amended. For further details please refer to section titled “Issue Structure” beginning on page 312 of this Draft Red Herring Prospectus.*
- The Issue is being made through the Book Building Process wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants.
  - However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being

received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines. For details, please refer chapter titled "*Issue Procedure*" beginning on page 287 of this Draft Red Herring Prospectus.

Subject to valid Applications being received at the Issue Price, under subscription, if any, in any category would be met with spill-over from the other categories or a contribution of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange i.e. BSE SME

**SUMMARY OF FINANCIAL INFORMATION**

**ANNEXURE 1 - RESTATED BALANCE SHEET**

(₹ In Lakhs)

Particulars		From 1 <sup>st</sup> April to 30th September 2018	As At 31 <sup>st</sup> March 2018	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholders' funds</b>				
	(a) Share capital	1,680.00	140.00	140.00	140.00
	(b) Reserves and surplus	546.84	1,576.81	1,189.46	958.18
<b>2</b>	<b>Share application money pending allotment</b>	13.02	-	-	-
<b>3</b>	<b>Non-current liabilities</b>				
	(a) Long-term borrowings	2,476.20	2,459.65	2,399.88	2,035.96
	(b) Deferred tax liabilities (Net)	112.24	124.62	95.57	74.10
	(c) Long-term Provisions	38.67	33.74	39.72	38.79
	(d) Other Long-term Liabilities	6.87	39.53	18.68	34.97
<b>4</b>	<b>Current liabilities</b>				
	(a) Short-term borrowings	2,049.89	2,304.15	1,567.89	1,070.11
	(b) Trade payables	555.21	483.11	200.39	1,081.94
	(c) Other current liabilities	620.48	560.78	408.82	175.27
	(d) Short-term provisions	12.78	40.09	67.41	72.48
	<b>TOTAL</b>	<b>8,112.21</b>	<b>7,762.47</b>	<b>6,127.82</b>	<b>5,681.81</b>
<b>II</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	(a) Fixed assets				
	(i) Tangible assets	3,337.93	3,195.53	2,902.96	2,597.15
	(ii) Intangible Assets	-	-	-	-
	(iii) Intangible Assets under development	-	-	-	-
	(iv) Capital Work in Progress	-	-	-	-
	Less: Accumulated Depreciation	615.61	540.90	386.01	244.55
	Net Block	2,722.33	2,654.63	2,516.95	2,352.60
	(b) Non-Current Investments	-	-	-	-
	(c) Long-term loans and advances	253.07	225.70	249.32	177.79
	(d) Other Non-Current Assets	374.12	400.74	453.98	482.23
<b>2</b>	<b>Current assets</b>				
	(a) Current Investments	25.71	-	-	-
	(b) Inventories	1,773.35	1,583.25	1,230.45	1,217.11
	(c) Trade receivables	2,385.35	2,556.85	1,373.50	1,220.92
	(d) Cash and cash equivalents	144.01	58.79	106.80	56.88
	(e) Short-term loans and advances	254.96	31.95	21.77	63.97
	(f) Other Current Assets	179.30	250.57	175.04	110.30
	<b>TOTAL</b>	<b>8,112.21</b>	<b>7,762.47</b>	<b>6,127.82</b>	<b>5,681.81</b>

Accounting Policies & Notes on Accounts. As per our Report on Even date attached

For A. Biyani & Co.

For Cian Healthcare Limited

Ashutosh Biyani  
Proprietor

Director

Director



M. No. 165017  
F.R.N. 140489W  
Place: Mumbai  
Date: December 07, 2018

**ANNEXURE 2 – RESTATED STATEMENT OF PROFIT & LOSS**

(₹ In Lakhs)

Particulars		Refer Note No.	From 1 <sup>st</sup> April to 30th September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
I.	Revenue from operations	16	3,273.46	5,941.70	5,178.32	4,668.21
II.	Other income	17	27.99	17.64	7.04	47.41
III.	<b>Total Revenue (I + II)</b>		3,301.45	5,959.34	5,185.36	4,715.62
IV.	<b>Expenses:</b>					
	Cost of Material Consumed	18	2,127.13	4,328.64	3,528.13	3,582.52
	Changes in inventories of Stock-in-Trade	19	(190.11)	(352.78)	(13.35)	(347.33)
	Employee benefits expense	20	335.83	413.62	419.00	418.11
	Finance costs	21	224.53	553.90	498.47	380.14
	Depreciation and amortization expense	22	106.76	208.13	194.70	192.96
	Other expenses	23	176.42	294.82	250.53	273.20
	<b>Total expenses</b>		2,780.56	5,446.33	4,877.47	4,499.60
V.	<b>Profit before tax (III-IV)</b>		520.89	513.01	307.89	216.02
VI	<b>Tax expense:</b>					
	(1) Current tax		135.17	96.62	55.14	26.53
	(2) Deferred tax		(12.38)	29.04	21.47	34.78
	(3) Less: MAT Credit Entitlement		-	-	-	-
	Previous year tax Adjustment		-	-	-	-
VII	<b>Profit (Loss) for the period (V-VI)</b>		398.10	387.35	231.28	154.71

Accounting Policies & Notes on Accounts  
As per our Report on Even date attached  
For A. Biyani & Co.  
Chartered Accountant

For Cian Healthcare Limited

Ashutosh Biyani  
Proprietor  
M. No. 165017  
F.R.N. 140489W  
Place: Mumbai  
Date: December 07, 2018

Director

Director

**ANNEXURE 3 - RESTATED STATEMENT OF CASH FLOWS**

(₹ In Lakhs)

Particulars	From 1 <sup>st</sup> April to 30th September 2018		For the year ended 31 <sup>st</sup> March 2018		For the year ended 31 <sup>st</sup> March 2017		For the year ended 31 <sup>st</sup> March 2016	
<b>Cash flow from Operating Activities</b>								
<b>Net Profit Before tax as per Statement of Profit &amp; Loss</b>		520.89		513.01		307.89		216.02
Adjustments for:								
Depreciation & Amortization Exp.	106.76		208.13		194.70		192.96	
Interest Income	-		-		-		-	
Loss on Sale of Fixed Assets	3.58		-		-			
Provisions for Expenses	-		6.57		15.36		1.11	
Provisions for Employee benefit	4.93		(3.22)		0.92		9.91	
Finance Cost	224.53	339.80	553.90	765.38	498.47	709.45	380.14	584.12
<b>Operating Profit before working capital changes</b>		860.69		1,278.39		1,017.34		800.14
<b>Changes in Working Capital</b>								
Trade receivable	171.50		(1,183.3 5)		(152.5 8)		(239.2 4)	
Other Loans and advances receivable	(223.01)		(10.18)		42.20		(36.39 )	
Inventories	(190.10)		(352.80 )		(13.34)		(347.3 3)	
Other Current Assets	71.27		(75.53)		(64.74)		(110.0 2)	
Trade Payables	72.10		282.72		(881.5 5)		694.95	
Other Current Liabilities	59.70		104.27		207.72		94.51	
Short Term Borrowings	(254.26)		736.26		497.78		169.09	
Short term Provisions	(36.74)		(21.29)		(19.28)		30.45	
Current Investment	(25.71)	(355.25)	-	(519.90)	-	(383.79)	-	256.02
<b>Net Cash Flow from Operation</b>		505.44		758.49		633.55		1,056.1 6
Less: Income Tax paid		135.17		48.93		29.32		59.21

Particulars	From 1 <sup>st</sup> April to 30th September 2018		For the year ended 31 <sup>st</sup> March 2018		For the year ended 31 <sup>st</sup> March 2017		For the year ended 31 <sup>st</sup> March 2016	
Less: Prior Period Expenses		17.21		15.36		1.11		7.66
<b>Net Cash Flow from Operating Activities (A)</b>		<b>353.06</b>		<b>694.20</b>		<b>603.12</b>		<b>989.29</b>
<b>Cash flow from investing Activities</b>								
Purchase of Fixed Assets	(154.01)		(292.57 )		(305.8 1)		(80.18 )	
Sale of Fixed Assets	2.60		-		-		-	
Other Non- Current Assets (Net)	26.62		-		(25.00)		(342.5 2)	
Movement in Loans & Advances	(27.37)		23.62		(71.53)		(85.39 )	
Purchase/Sale of Investment	-		-		-		0.05	
Long Term Loans & Advances	-		-		-		-	
		(152.16)		(268.95)		(402.34)		(508.04 )
<b>Net Cash Flow from Investing Activities (B)</b>		<b>(152.16)</b>		<b>(268.95)</b>		<b>(402.34)</b>		<b>(508.04 )</b>
<b>Cash Flow from Financing Activities</b>								
Proceeds from Share capital	13.02		-		-		160.00	
Security Premium	111.94		-		-		-	
Proceeds From long Term Borrowing (Net)	16.55		59.77		363.91		(198.9 8)	
Interest Paid	(224.53)		(553.90 )		(498.4 7)		(380.1 4)	
Other Long- Term Liabilities	(32.66)		20.85		(16.29)		(54.95 )	
Dividend paid (Including DDT)	-	(115.68)	-	(473.28)		(150.84)	-	(474.07 )
<b>Net Cash Flow from Financing Activities (C)</b>		<b>(115.68)</b>		<b>(473.28)</b>		<b>(150.84)</b>		<b>(474.07 )</b>

Particulars	From 1 <sup>st</sup> April to 30th September 2018		For the year ended 31 <sup>st</sup> March 2018		For the year ended 31 <sup>st</sup> March 2017		For the year ended 31 <sup>st</sup> March 2016	
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>85.22</b>		<b>(48.02)</b>		<b>49.94</b>		<b>7.18</b>
Opening Cash & Cash Equivalents		58.79		106.81		56.88		49.69
<b>Cash and cash equivalents at the end of the period</b>		<b>144.01</b>		<b>58.79</b>		<b>106.81</b>		<b>56.88</b>
<b>Cash And Cash Equivalents Comprise:</b>								
Cash		14.75		1.72		2.96		27.30
<b>Bank Balance:</b>								
Current Account		129.26		57.07		103.85		29.58
Deposit Account								
<b>Total</b>		<b>144.01</b>		<b>58.79</b>		<b>106.81</b>		<b>56.88</b>

For A. Biyani & Co.

For Cian Healthcare Limited

Chartered Accountant  
Ashutosh Biyani

Director

Director

Proprietor  
M. No. 165017  
F.R.N. 140489W  
Place: Mumbai  
Date: December 07, 2018

## GENERAL INFORMATION

Our Company was originally incorporated as “Cian Healthcare Private Limited” as a private limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated January 07, 2003 bearing Corporate Identification Number U24233PN2003PTC017563 issued by Registrar of Companies, Pune, Maharashtra. Subsequently, our Company was converted into a public limited Company pursuant to special resolution passed by the shareholders dated November 19, 2018 and the name of our Company was changed to ‘Cian Healthcare Limited’ to reflect the legal status of our Company pursuant to a fresh certificate of incorporation granted by the Registrar of Companies, Pune, Maharashtra dated November 30, 2018. For further details, please refer the Chapter titled “*History and Certain Corporate Matters*” beginning on page 157 of this Draft Red Herring Prospectus

The Corporate Identity Number of our Company is U24233PN2003PLC017563.

### Registered Office of our Company

#### Cian Healthcare Limited

Milkat No. 3339, Block No. 1, From South Side  
C.S.No. 227/2 + 3A, Harpale Park,  
Phursungi, Pune- 412308, Maharashtra, India

**Tel No:** 020-41471234 / 265

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

**E-mail:** [cs@cian.co](mailto:cs@cian.co)

### Corporate Office of our Company

1<sup>st</sup> Floor, Premdeep Building,  
Above Latur Urban Co-op Bank Ltd,  
Lulla Nagar Chowk, Camp-Kondhwa Road,  
Pune – 411 040, Maharashtra, India.

**Tel No:** 020-41471234 / 265

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

**E-mail:** [cs@cian.co](mailto:cs@cian.co)

### Registrar of Companies

Our Company is registered with Registrar of Companies, Pune located at:

Registrar of Companies  
PCNTDA Green Building,  
Block A, 1st & 2nd Floor,  
Near Akurdi Railway Station, Akurdi,  
Pune – 411044, Maharashtra, India

### Board of Directors of our Company

Our Board of Directors comprises of the following directors as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name	Designation	DIN	Address
1.	Suraj Zanwar	Managing Director	01304850	D1, 2057, 5th Floor, Shobha Carnation, Kondhwa BK, Pune - 411048, Maharashtra, India
2.	Pankaj Zanwar	Non-Executive Director	05172308	E-502, Treasure Park, Sant Nagar, Opp. Walvekar Nagar, Araneshwar Haveli, Pune – 411009, Maharashtra, India.

Sr. No.	Name	Designation	DIN	Address
3.	Riyaz Khan	Whole Time Director	07578366	Behind Sheetal Petrol Pump, Ashoka Mews, Building K, Flat No. 107, S. No. 40/41, Kondhwa Khurd, Pune, Maharashtra – 411048, India
4.	Balasubramaniam Padmanabhan	Independent Director	01987724	E-1001, Empire Square, Off Mumbai Pune Road, CS No.-4746, Next to AutoCluster, Pune City, Chinchwad East, Pune -411019, Maharashtra, India
5.	Smita Khanna	Independent Director	06560184	Bungalow No. 4, Siddharth Estates Co Society Road No 10, Near Joggers Park, Kalyani Nagar, Pune City, Pune – 411006, Maharashtra, India

For further details of our Directors, please refer chapter titled “Our Management” beginning on page 160 of this Draft Red Herring Prospectus.

#### Company Secretary and Compliance Officer

##### Usha Jaswani

Milkat No. 3339, Block No. 1, From South Side  
C.S.No. 227/2 + 3A, Harpale Park,  
Phursungi, Pune- 412308, Maharashtra, India

**Tel No:** 020-41471234 / 265

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

**E-mail:** [cs@cian.co](mailto:cs@cian.co)

**Investors may contact our Company Secretary and Compliance Officer and / or the Registrar to the Issue and/ or the Book Running Lead Manager, in case of any pre-issue or post-issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non- receipt of funds by electronic mode. All Complaint's, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.**

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

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

Statutory Auditor	Peer Review Auditor
<b>Agarwal Dhand Motwani &amp; Co.</b> Address: 401, Mohit Highland, Next to Kotak Mahindra Bank, Off Salunkhe Vihar Road, Wanworie, Pune – 411 048 <b>Email:</b> <a href="mailto:Info@admconsultants.in">Info@admconsultants.in</a> <b>Tel No:</b> 020 - 41208566 <b>Contact Person:</b> Jai Motwani <b>Firm Registration No.</b> 002824C	<b>A Biyani &amp; Co.</b> 411, Gundecha Industrial Complex, Next to Big Bazar, Opp. W.E Highway, Akurli Road, Kandivali (East), Mumbai – 400 101, Maharashtra, India <b>Email:</b> <a href="mailto:abiyanico@gmail.com">abiyanico@gmail.com</a> <b>Tel No:</b> +91 8976600300 <b>Contact Person:</b> Ashutosh Biyani <b>Firm Registration No:</b> 140489W <b>Peer review Registration No:</b> 011454

### Book Running Lead Manager

#### Fedex Securities Private Limited

305, Enterprise Centre,  
Nehru Road, Vile Parle (East),  
Mumbai – 400099, Maharashtra, India

**Tel No:** +91 8104985149

**Fax No:** +91 22 26186966

**Contact Person:** Rinkesh Saraiya

**Email:** mb@fedsec.in

**Website:** www.fedsec.in

**Investor Grievance Email:** mb@fedsec.in

**SEBI Registration Number:** INM000010163

### Legal Advisor to the Issue

#### Rajani Associates, Advocates & Solicitors

204-207, Krishna Chambers, 59,  
New Marine Lines, Churchgate, Mumbai-400 020,  
Maharashtra, India

**Tel No:** +91 22 4096 1000

**Fax No:** +91 22 4096 1010

**Contact Person:** Sangeeta Lakhi

**Email:** [sangeeta@rajaniassociates.net](mailto:sangeeta@rajaniassociates.net)

**Website:** www.rajaniassociates.net

### Registrar to the Issue

#### Bigshare Services Private Limited

1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri East, Mumbai – 400059

**Tel No:** +91 22 62638200

**Fax No:** +91 22 62638299

**E-mail:** ipo@bigshareonline.com

**Website:** www.bigshareonline.com

**Contact Person:** Babu Raphael

**SEBI Registration No:** INR000001385

**Investor Grievance Email:** investor@bigshareonline.com

Bankers to our Company	
<b>IDBI Bank Limited</b> Address: - IDBI House, Dnyaneshewar Paduka Chowk, F.C Road, Shivaji Nagar, Pune – 411004, Maharashtra, India <b>Tel No:</b> 020 25678 383/ 85 25678585 <b>E-mail:</b> Saurabh.singh@idbi.co.in <b>Contact Person:</b> Saurabh Singh <b>Website:</b> <a href="http://www.idbi.com">www.idbi.com</a>	<b>Dena Bank</b> 396/2, Lalwani Estate, Pune Satara Road, Pune - 411037, Maharashtra, India <b>Tel No:</b> 020 24272426 <b>E-mail:</b> swarga@denabank.co.in <b>Contact Person:</b> Kishor Babu <b>Website:</b> <a href="http://www.denabank.com">www.denabank.com</a>
<b>Corporation Bank</b> Plot No C-36, Near Double Tree Hotel, M.I.D.C, Telco Road, Chinchwad, Pune – 411019, Maharashtra, India <b>Tel No:</b> 020 – 27455641 / 27479773 <b>E-mail:</b> cb0445@corpbank.co.in	<b>Vijaya Bank</b> Address: - Vinayak Nivas, 1 <sup>st</sup> Floor, 1206/A-32, Shirole Road, Opp. Shambhaji Park, Pune - 411004, Maharashtra, India <b>Tel No:</b> 020- 25588025 / 25588021 <b>E-mail:</b> bm5104@vijayabank.co.in;

Bankers to our Company	
<b>Contact Person:</b> Rajat Gupta <b>Website:</b> <a href="http://www.corpbank.com">www.corpbank.com</a>	<b>Contact Person:</b> Prashanth Kamath <b>Website:</b> <a href="http://www.vijayabank.com">www.vijayabank.com</a>
<b>Small Industries Development Bank of India (SIDBI)</b> Address: - 305 & 305A, 3 <sup>rd</sup> floor, Kakde Bizz Icon, Pune University Road, Near E-Square, Shivaji Nagar, Pune – 411016, Maharashtra, India <b>Tel No:</b> 020 25530813 <b>E-mail:</b> <a href="mailto:Psurana@Sidbi.in">Psurana@Sidbi.in</a> <b>Contact Person:</b> P. Surana <b>Website:</b> <a href="http://www.sidbi.in">www.sidbi.in</a>	

#### Bankers to the Issue and Refund Banker

[•]

Address: - [•]

**Tel No:** [•]

**E-mail:** [•]

**Contact Person:** [•]

**Website:** [•]

#### Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time

#### Registered Brokers

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Applicants can submit Application Forms in the Issue using the stock brokers network of the SME Platform of Bombay Stock Exchange of India Limited i.e., through the Registered Brokers at the Broker Centers.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of Bombay Stock Exchange of India Limited. The details of the Broker Centers of the Registered Brokers will be available on the website of SEBI.

#### Registrar and Share Transfer Agents

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with RTAs who are registrars and transfer agents registered with SEBI and have furnished their details to Bombay Stock Exchange of India Limited for acting in such capacity.

The list of the RTAs eligible to accept Applications Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Bombay Stock Exchange of India Limited.

#### Collecting Depository Participants

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with CDPs who are registered with SEBI and have furnished their details to Bombay Stock Exchange of India Limited for acting in such capacity.



The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Bombay Stock Exchange of India Limited.

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

Fedex Securities Private Limited is the sole Book Running Lead Manager to this Offer shall be undertaking all activities in relation to this Offer. Hence, the statement of inter-se allocation of responsibilities among Book Running Lead Manager is not applicable.

#### **Credit Rating**

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

#### **IPO Grading**

Since the Issue is being made in terms of Chapter IX of SEBI ICDR Regulations 2018, there is no requirement of appointing an IPO grading agency.

#### **Monitoring Agency**

As per regulation 262(1) of SEBI ICDR Regulations 2018, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakhs. Since the Issue size is only of ₹ [●] Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

#### **Expert Opinion**

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

Our Company has received a written consent from our Peer Review Auditor, A Biyani & Co., Chartered Accountants, with respect to their report on the Financial Statements dated December 07, 2018 and the Statement of Tax Benefits dated December 07, 2018, to include their name in this Draft Red Herring Prospectus, as required under Companies Act read with SEBI ICDR Regulations as "Expert", defined in section 2(38) of the Companies Act and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

#### **Appraising Entity**

Our project has been appraised by Vijaya Bank on Techno Economic Viability report issued by Mitcon Consultants & Engineering Services Limited dated March 21, 2018

#### **Syndicate Member**

As on date of Draft Red Herring Prospectus, company has not appointed any syndicate members

#### **Trustees**

This being an issue of Equity Shares, the appointment of trustees is not required.

#### **Debenture Trustee**

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

#### **Brokers to the Issue**

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

#### **Filing of Draft Red Herring Prospectus**

A soft copy of Draft Red Herring Prospectus shall be filed with SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> as per Regulation 246 (5) of SEBI ICDR Regulations and SEBI shall not issue any observation on the offer document in terms of Regulation 246(2) of SEBI ICDR Regulations.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Draft Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus along with the documents required to be filed under Section 32 of the Companies Act will be delivered to the RoC situated at PCNTDA Green Building, BLOCK A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune - 411044, Maharashtra, India.

### **Book Building Process**

The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of the Draft Red Herring Prospectus within the Price Band, which will be decided by our Company in consultation with the BRLM, and advertised in [●] editions of the English national newspaper, [●] editions of the Hindi national newspaper, and [●] editions of the Marathi newspaper (Marathi being the regional language of Pune where our Registered and Corporate Office is located), each with wide circulation, at least two working days prior to the Bid / Issue Opening Date. The Issue Price is finalized after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

1. our Company;
2. the BRLM;
3. the Syndicate Members; if any
4. the Registrar to the Offer;
5. the Registered Brokers;
6. the Escrow Collection Bank(s); and
7. the SCSBs.

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process Issue, wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines. Our Company will comply with the SEBI ICDR Regulations 2018 for this Issue. In this regard, our Company has appointed the Book Running Lead Manager to procure subscriptions to the Issue.

**In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bids prior to the Bid/issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, please refer to section titled "Issue Procedure" beginning on page 287 of this Draft Red Herring Prospectus.**

**QIBS (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process and Retail Individual Bidders have the option to participate through the ASBA Process. Anchor Investors are not permitted to participate through the ASBA Process.**

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

We will comply with the SEBI ICDR Regulations 2018 and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed Fedex Securities Private Limited as the Book Running Book Running Lead Manager [BRLM], respectively to manage the Issue and procure subscriptions to the Issue.

Further [●] % of the Issue is reserved for allocation to the Market Maker.

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

**Illustration of Book Building and Price Discovery Process:** *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per equity share, issue size of [●] equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at

various prices and is collated from bids received from various investors

Bid Quantity	Bid Amount	Cumulative Quantity	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100%
2000	21	5000	166.67%
2500	20	7500	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., ₹ 22.00 in the above example. The issuer, in consultation with the Book Running Book Running Lead Manager will finalize the issue price at or below such cutoff price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

**Steps to be taken by the Bidders for Bidding:**

- 1) Check eligibility for making a Bid (see section titled “Issue Procedure” on page 287 of this Draft Red Herring Prospectus);
- 2) Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- 3) Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- 4) Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant ‘s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;
- 5) Ensure that the Bid cum Application Form is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid cum Application Form;

## Bid/Issue Programme

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

Event	Indicative timeline
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on SME Platform of Bombay Stock Exchange of India Limited	[●]

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned in the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs and the Syndicate ASBA Bidding Locations, **On the Bid/Issue Closing Date, Bids (excluding ASBA Bidders) shall be uploaded until** (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) until 5.00 p.m. or until such time as permitted by the NSE in case of Bids by Retail Individual Bidders. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE.

In case of discrepancy of data between the Stock Exchange and the Designated Branches of the SCSBs, the decision of the Registrar to the Issue, in consultation with the BRLM, our Company and the Designated Stock Exchange, based on the physical / electronic records, as the case may be, of the Bid cum Application Forms shall be final and binding on all concerned. Further, the Registrar to the Issue may ask for rectified data from the SCSB

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Emerge Platform of Bombay Stock Exchange of India Limited are taken within six (6) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from SME Platform of Bombay Stock Exchange of India Limited. The commencement of trading of the Equity Shares will be entirely at the discretion of SME Platform of Bombay Stock Exchange of India Limited and in accordance with the applicable laws.

Application Forms and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by SME Platform of Bombay Stock Exchange of India Limited, in case of Application Forms by Retail Individual Applicants after considering the total number of applications received up to the closure of timings and reported by the Book Running Lead Manager to the SME Platform of Bombay Stock Exchange of India Limited within half an hour of such closure. It is clarified that the Application Forms not uploaded on the electronic system would be rejected. Application Forms will be accepted only on Working Days during the Issue Period.

Due to limitation of time available for uploading the Application Forms on the Issue Closing Date, the Applicants are advised to submit their Application Forms one (1) day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Red Herring Draft Red Herring Prospectus are IST. Applicants are cautioned that in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public offerings, some Application Forms may not get uploaded due to lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under the Issue.

Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading the Bids received from Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

Our Company, in consultation with the BRLM, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI ICDR Regulations 2018. The Cap Price shall be less than or equal to 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can be revised up or down to a maximum of 20% of the Floor Price as originally disclosed at least two working days prior to the Bid /Issue Opening Date and the Cap Price will be revised accordingly.

**In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after revision of the Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate.**

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application prior to the Issue Closing Date. Allocation to Retail Individual Applicants in this Issue may be on a proportionate basis.

#### **Underwriters**

Our Company and the BRLM to the Issue hereby confirm that the Issue is 100% Underwritten.

The underwriting agreement is dated [●], and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriters have indicated their intention to underwrite the following number of Equity Shares being offered through this Issue.

<b>Name and Address of the Underwriter</b>	<b>Indicative Number of Equity Shares Underwritten*</b>	<b>Amount Underwritten (₹ in Lakhs)</b>	<b>% of the Net Issue size Underwritten</b>
[●]  <b>Tel No: [●]</b> <b>Fax No: [●]</b> <b>Email: [●]</b> <b>Contact Person: [●]</b> <b>Website: [●]</b> <b>Investor Grievance Email: [●]</b> <b>SEBI Registration Number: [●]</b>	[●]	[●]	100%
<b>Total</b>	<b>[●]</b>	<b>[●]</b>	<b>100%</b>

*\*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker on its own account in order to comply with the requirements of Regulation 261 of SEBI ICDR Regulations.*

In the opinion of the Board of Directors of the Company, the resources of the above-mentioned underwriters are sufficient to enable them to discharge their respective underwriting obligations in full.

#### Change in the Auditor during last 3 year

Except as mentioned below, there is no changes in the Auditor during last three (3) years as on date of this Draft Red Herring Prospectus

Details of Previous Auditor	Details of New Auditor	Reason
<b>Hanumantrao Lad &amp; Associates, Chartered Accountants</b> Office No 407 and 407, Block -III, Lloyd Chambers, Mangalwar Peth, Pune – 411011, Maharashtra, India. <b>Email – <a href="mailto:hanumantraolad@gmail.com">hanumantraolad@gmail.com</a></b> <b>Tel No- 020 66206833</b> <b>Contact Person – Hanumantrao Lad</b> <b>Firm Registration No: 129981W</b>	<b>Agarwal Dhand Motwani &amp; Co.</b> Address: 401, Mohit Highland, Next to Kotak Mahindra Bank, Off Salunkhe Vihar Road, Wanworie, Pune – 411 048 <b>Email: <a href="mailto:info@admconsultants.in">info@admconsultants.in</a></b> <b>Tel No: 020 - 41208566</b> <b>Contact Person: Jai Motwani</b> <b>Firm Registration No.002824C</b>	Resignation

#### Withdrawal of the Issue

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform SME Platform of Bombay Stock Exchange of India Limited on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from SME Platform of Bombay Stock Exchange of India Limited, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus.

#### Market Maker

Our Company, the Book Running Lead Manager have entered into an agreement dated [●], with the following Market Maker, duly registered with SME Platform of Bombay Stock Exchange of India Limited to fulfill the obligations of market making: -

**Name:** [●]

**Address:** [●]

**Tel No:** [●]

**Fax No:** [●]

**Email:** [●]

**Website:** [●]

**Contact Person:** [●]

**SEBI Registration Number:** [●]

**Market Maker Registration No. (SME Segment of BSE SME):** [●]

[●] is registered with SME Platform of Bombay Stock Exchange of India Limited as a Market Maker and has agreed to receive or deliver the Equity Shares in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in SEBI ICDR Regulations, as amended from time to time and the circulars issued by SME Platform of Bombay Stock Exchange of India Limited and SEBI in this matter from time to time.

Following is a summary of the key details pertaining to the market making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by SME Platform of Bombay Stock Exchange of India Limited. Further, the Market Maker(s) shall inform SME Platform of Bombay Stock Exchange of India Limited in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be ₹ 1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●] the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be ₹ [●] until the same, would be revised by SME Platform of BSE Limited.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Equity Shares of Market Maker in our Company reaches to 25% of Issue Size (including the [●] Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Equity Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, SME Platform of Bombay Stock Exchange of India Limited may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
7. The Equity Shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of Bombay Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under SME Platform of Bombay Stock Exchange of India Limited and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/ fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the SME Platform of Bombay Stock Exchange of India Limited, while force-majeure will be applicable for non-controllable reasons. The decision of the SME Platform of Bombay Stock Exchange of India Limited for deciding controllable and non-controllable reasons would be final.
9. The Market Maker shall have the right to terminate said arrangement by giving one-month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to



ensure compliance with the requirements of regulation 261 of the SEBI ICDR Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

10. Price Band and Spreads: SEBI Circular bearing reference no. CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 25,000 lakhs, the applicable price bands for the first day shall be
- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
  - Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

The following spread will be applicable on the SME Platform of Bombay Stock Exchange of India Limited

Sr. No	Market Price Slab (in ₹.)	Proposed Spread (in % to Sales Price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

11. SME Platform of Bombay Stock Exchange of India Limited will have all margins which are applicable on the Bombay Stock Exchange of India Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. Bombay Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to time.
12. BSE Limited will monitor the obligations on a real-time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the SME Platform of Bombay Stock Exchange of India Limited on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the SME Platform of Bombay Stock Exchange of India Limited from time to time. The SME Platform of Bombay Stock Exchange of India Limited. Bombay Stock Exchange of India Limited will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
13. The Department of Surveillance and Supervision of the Bombay Stock Exchange of India Limited would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
14. Punitive Action in case of default by Market Makers: SME Platform of BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision



of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time

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

Pursuant to SEBI circular no. CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹ 2,000 Lakhs	25%	24%
₹ 2,000 Lakhs to ₹ 5,000 Lakhs	20%	19%
₹ 5,000 Lakhs to ₹ 8,000 Lakhs	15%	14%
Above ₹ 8,000 Lakhs	12%	11%

All the above-mentioned conditions and systems regarding the market making arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and SME Platform of BSE Limited from time to time.

## CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Red Herring Prospectus and after the proposed Issue is set forth below:

*(Amount in ₹ Lakhs, except the share data)*

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	2,50,00,000 Equity Shares of face value of ₹. 10 each	2,500.00	
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		
	1,71,44,764 fully paid up Equity Shares of face value of ₹. 10 each	1,714.48	
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS*</b>		
	Issue of up to 62,16,000 Equity Shares of face value of ₹. 10 each at a price of ₹. [●] per Equity Share*	621.60	[●]
	<i>Which comprises of:</i>		
	<b>Market Maker Reservation portion:</b> Up to [●] Equity Shares of face value of ₹. 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs	[●]	[●]
	<b>Net Issue to the Public:</b> [●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs	[●]	[●]
	<i>Of which:</i>		
	<b>Allocation to Retail Individual Investors:</b> [●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs i.e. 50% of the Net Issue shall be available for allocation Retail Individual Investors	[●]	[●]
	<b>Allocation to Other than Retail Individual Investors:</b> [●] Equity Shares of face value of ₹ 10 each fully paid-up for cash at price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs i.e. 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors.	[●]	[●]
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE</b>		
	[●] Equity Shares of face value ₹ 10 at a price of ₹ [●] per Equity Share <sup>^</sup>	[●]	-
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		408.44
	After the Issue		[●]

*\*(1) The present Issue has been authorised by the Board of Directors of vide a resolution at its meeting held on January 09, 2019, and shareholders of our Company vide a special resolution passed pursuant to section 62 of the Companies Act at the EGM held on January 14, 2019.*

<sup>^</sup> Subject to finalisation of Basis of Allotment.

# To be finalized upon determination of the Issue Price.

### Details of increase in authorized share capital of our Company since incorporation

On incorporation, the initial authorised share capital of our Company was ₹ 2,00,000 divided into 2,000 Equity Shares of ₹ 100 each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Resolution	Details of Change	AGM / EGM
March 22, 2010	The authorised share capital of our Company increased from ₹ 2,00,000 divided into 2,000 Equity Shares of ₹ 100 each to ₹ 10,00,000 divided into 10,000 Equity Shares of ₹ 100 each	EGM
March 26, 2012	The authorised share capital of our Company increased from ₹ 10,00,000 divided into 10,000 Equity Shares of ₹ 100 each to ₹ 1,00,00,000 divided into 1,00,000 Equity Shares of ₹ 100 each.	EGM
March 19, 2016	The authorised share capital of our Company increased from ₹ 1,00,00,000 divided into 1,00,000 Equity Shares of ₹ 100 each to ₹ 1,40,00,000 divided into 1,40,000 Equity Shares of ₹ 100 each	EGM
August 13, 2018	The authorised share capital of our Company increased from ₹ 1,40,00,000 divided into 1,40,000 Equity Shares of ₹ 100 each to ₹ 5,00,00,000 divided into 5,00,000 Equity Shares of ₹ 100 each	EGM
August 13, 2018	Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Shares of ₹ 10 each. Pursuant to the subdivision the following shall be the authorised share capital of the Company <i>"The authorised share capital of our Company shall be ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each"</i>	EGM
August 28, 2018	The authorised share capital of our Company increased from ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each to ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹ 10 each	EGM

#### NOTES TO THE CAPITAL STRUCTURE

1. Share Capital history of our Company

a. The history of the equity share capital of our Company is detailed in the following table:

Date of Allotment	No. of Equity Shares allotted	Face Value (In ₹)	Issue Price (In ₹)	Nature of Consideration	Reason / Nature of Allotment	Cumulative No. of Equity Shares
Incorporation	1000 <sup>(i)</sup>	100	100	Cash	Subscription to MOA	1000
March 30, 2007	339 <sup>(ii)</sup>	100	100	Cash	Further Allotment	1,339
March 22, 2010	8,661 <sup>(iii)</sup>	100	100	Cash	Further Allotment	10,000
March 30, 2013	29,200 <sup>(iv)</sup>	100	394	Other than Cash	Conversion of unsecured loan to Equity Shares	39,200
March 30, 2013	800 <sup>(v)</sup>	100	9,375	Cash	Further Allotment	40,000
March 25, 2014	60,000 <sup>(vi)</sup>	100	200	Cash	Further Allotment	1,00,000
March 31, 2016	40,000 <sup>(vii)</sup>	100	400	Cash	Rights Issue	1,40,000
<i>Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Share of ₹ 10 each. The share position after the sub-division is as follows:</i>						
August 13, 2018	-	10	-	-	-	14,00,000
August 28, 2018	1,54,00,000 <sup>(viii)</sup>	10	N/A	Other than Cash	Bonus in the ratio of 11 Equity Shares for every 1 Equity Share held	168,00,000
October 5, 2018	1,98,830 <sup>(ix)</sup>	10	96	Cash	Rights Issue	1,69,98,830
October 31, 2018	15,729 <sup>(x)</sup>	10	96	Cash	Private Placement	1,70,14,559
October 31, 2018	1,30,205 <sup>(xi)</sup>	10	86.002	Other than Cash	Conversion of Debentures into Equity Shares	17,144,764

*\*For the purpose of rounding off Company converted debentures at following prices to each of the shareholders*

*Radheshyam Bhandari – ₹ 86.00, Shruti Bhandari - ₹ 86.00272, Shakuntala Bhandari, Jamuna Bhandari, Abhishek Bhandari, Satish Bhandari - ₹ 86.00246*

(i.) *Initial Subscribers to the Memorandum of Association of our Company:*

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Suraj Zanwar	500
2.	Gopal Zanwar	500
	<b>Total</b>	<b>1,000</b>

(ii.) *Further Allotment of 339 Equity Shares:*

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Shakuntala Zanwar	339
	<b>Total</b>	<b>339</b>

(iii.) Further Allotment of 8,661 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Suraj Zanwar	3,831
2.	Kavita Zanwar	4,830
	<b>Total</b>	<b>8,661</b>

(iv.) Conversion of unsecured loan to Equity Shares by allotment of 29,200 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Suraj Zanwar	13,169
2.	Kavita Zanwar	3,170
3.	Shakuntala Zanwar	1,661
4.	Pankaj Zanwar	11,200
	<b>Total</b>	<b>29,200</b>

(v.) Further Allotment of 800 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Radheshyam Bhandari	800
	<b>Total</b>	<b>800</b>

(vi.) Further Allotment of 60,000 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Suraj Zanwar	27,000
2.	Kavita Zanwar	12,000
3.	Shakuntala Zanwar	3,000
4.	Pankaj Zanwar	16,800
5.	Radheshyam Bhandari	1,200
	<b>Total</b>	<b>60,000</b>

(vii.) Rights Issue of 40,000 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Suraj Zanwar	33,000
2.	Pankaj Zanwar	7,000
	<b>Total</b>	<b>40,000</b>

(viii.) Bonus Issue of 1,54,00,000 Equity Shares:

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Suraj Zanwar	85,80,000
2.	Kavita Zanwar	22,00,000

Sr. No.	Name of the Person	No. of Shares Allotted
3.	Shakuntala Zanwar	5,50,000
4.	Pankaj Zanwar	38,50,000
5.	Radheshyam Bhandari	2,20,000
	<b>Total</b>	<b>1,54,00,000</b>

(ix.) *Rights Issue of 1,98,830 Equity Shares:*

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Vishnulal Zanvar	25,000
2.	Sanjay Zanvar	25,000
3.	Santosh Zanvar	25,000
4.	Ketan Kabra	10,000
5.	Padmavati Kankani	3,000
6.	Kapil Kankani	2,000
7.	Madhusudan Kabra j/o Rajesh Kabra	10,000
8.	Krishna Mundada	5,000
9.	Shrinivas Toshniwal	30,000
10.	Ruhi Gupta	521
11.	Gagandeep Walia	521
12.	Manjusha Chandak	521
13.	Abhilasha Gupta	521
14.	Rashmi Singh	1,050
15.	Ajay Kamble	521
16.	Nayan Nawander	12,150
17.	Vijay Nawander	12,150
18.	Amit Loya	12,150
19.	Sumit Loya	12,150
20.	Girish Dargad	1,050
21.	Ramkumar Dargad	525
22.	Ritesh Pallod	10,000
	<b>Total</b>	<b>1,98,830</b>

(x.) *Private Placement of 15,729 Equity Shares:*

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Maya Bhosle	521
2.	Anand Kabra	10,000
3.	Abhijit Karwa (HUF)	5,208
	<b>Total</b>	<b>15,729</b>

(xi.) *Conversion of Debentures into Equity Shares*

Sr. No.	Name of the Person	No. of Shares Allotted
1.	Radheshyam Bhandari	2,500

Sr. No.	Name of the Person	No. of Shares Allotted
2.	Jamuna Bhandari	26,041
3.	Abhishek Bhandari	26,041
4.	Satish Bhandari	26,041
5.	Shruti Bhandari	23,541
6.	Shakuntala Bhandari	26,041
	<b>Total</b>	<b>130,205</b>

**b. Issue of Equity Shares allotted for consideration other than cash:**

Except as set out below, our Company has not issued Equity Shares for consideration other than cash. Further, no benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of allotment	No. of Equity Shares allotted	Face Value (In ₹)	Issue Price (In ₹)	Reason / Nature of allotment	Benefit accrued to our Company	Persons to whom allotment were made
March 30, 2013	29,200	100	394	Conversion of unsecured loan to Equity Shares	Nil	<ul style="list-style-type: none"> <li>• Suraj Zanwar</li> <li>• Kavita Zanwar</li> <li>• Shakuntala Zanwar</li> <li>• Pankaj Zanwar</li> </ul>
August 28, 2018	1,54,00,000	10	N/A	Bonus in the ratio of 11 Equity Shares for every 1 Equity Share held	Nil	<ul style="list-style-type: none"> <li>• Suraj Zanwar</li> <li>• Kavita Zanwar</li> <li>• Shakuntala Zanwar</li> <li>• Pankaj Zanwar</li> <li>• Radheshyam Bhandari</li> </ul>
October 31, 2018	1,30,205	10	86.002*	Conversion of Debentures into Equity Shares	Nil	<ul style="list-style-type: none"> <li>• Radheshyam Bhandari</li> <li>• Jamuna Bhandari</li> <li>• Abhishek Bhandari</li> <li>• Satish Bhandari</li> <li>• Shruti Bhandari</li> <li>• Shakuntala Bhandari</li> </ul>

*\*For the purpose of rounding off Company converted debentures at following prices to each of the shareholders*

*Radheshyam Bhandari – ₹ 86.00, Shruti Bhandari - ₹ 86.00272, Shakuntala Bhandari, Jamuna Bhandari, Abhishek Bhandari, Satish Bhandari - ₹ 86.00246*

**c. Except as mentioned below, Our Company has not issued any Equity Shares at price below Issue Price within last one (1) year from the date of this Draft Red Herring Prospectus**

Date of Allotment	No. of Equity Shares allotted	Face Value (In ₹)	Issue Price (In ₹)	Nature of Consideration	Reason / Nature of Allotment	Cumulative No. of Equity Shares
[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]

## 2. History of the Equity Share capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold 1,17,60,000 Equity Shares, equivalent to 68.59 % of the issued, subscribed and paid-up Equity Share capital of our Company.

### a. Capital built-up of our Promoters:

Suraj Zanwar							
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price / Average Acquisition Price per Equity Share (In ₹)	Reason / Nature of Allotment	Percentage of the pre-issue capital (in %)	Percentage of the post-issued capital (in %) <sup>#</sup>
January 07, 2003	500	Cash	100	100	Subscription to MOA	0.36	[•]
March 30, 2006	(410)	Cash	100	100	Transfer to Kavita Zanwar	(0.29)	[•]
May 13, 2006	410	Cash	100	100	Transfer from Kavita Zanwar	0.29	[•]
March 22, 2010	3,831	Cash	100	100	Further Allotment	2.74	[•]
March 31, 2010	500	Cash	100	100	Transfer from Gopal Zanwar	0.36	[•]
March 30, 2013	13,169	Cash	100	294	Conversion of unsecured loan to Equity Shares	9.41	[•]
March 25, 2014	27,000	Cash	100	200	Further Allotment	19.29	[•]
March 31, 2016	33,000	Cash	100	400	Rights Issue	23.57	[•]
<b>Total Before Sub-Division</b>	<b>78,000</b>		<b>100</b>			<b>55.71</b>	<b>[•]</b>
<i>Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Share of ₹ 10 each. The share position after the sub-division is as follows:</i>							
<b>Total after sub-division</b>	<b>7,80,000</b>	-	<b>10</b>	-	-	<b>55.71</b>	<b>[•]</b>
August 28, 2018	85,80,000	Cash	10	N/A	Bonus in the ratio of 11 Equity Shares for every 1 Equity Share held	50.04	[•]
<b>Total</b>	<b>93,60,000</b>	-	<b>10</b>	-	-	<b>54.59</b>	<b>[•]</b>



# Subject to finalisation of Basis of Allotment

Kavita Zanwar							
Date of allotment / Transfer	No. of Equity Shares	Nature of Consideration	Face Value (In ₹)	Issue Price / Average Acquisition Price per Equity Share (In ₹)	Reason / Nature of Allotment	Percentage of the pre-issue capital (in %)	Percentage of the post-issued capital (in %) <sup>#</sup>
March 30, 2006	410	Cash	100	100	Transfer from Suraj Zanwar	(0.29)	
May 13, 2006	(410)	Cash	100	100	Transfer to Suraj Zanwar	0.29	
March 22, 2010	4,830	Cash	100	100	Further Allotment	3.45	
March 30, 2013	3,170	Cash	100	294	Conversion of unsecured loan to Equity Shares	2.26	
March 25, 2014	12,000	Cash	100	200	Further Allotment	8.57	
<b>Total Before Sub-Division</b>	<b>20,000</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>14.29</b>	<b>-</b>
<i>Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Share of ₹ 10 each. The share position after the sub-division is as follows:</i>							
<b>Total After Sub-Division</b>	<b>2,00,000</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>14.29</b>	<b>-</b>
August 28, 2018	22,00,000	Cash	10	N/A	Bonus in the ratio of 11 Equity Shares for every 1 Equity Share held	12.83	
<b>Total</b>	<b>24,00,000</b>		<b>10</b>			<b>14.00</b>	

# Subject to finalisation of Basis of Allotment

All the Equity Shares allotted to the Promoters as given above were fully paid up as on the date of such allotment

Following are the shares have been pledged with any bank/ financial institution and/ or with anybody else.

Name of Promoter	Number of Shares	Pledged or not
Suraj Zanwar	7,00,000	No
	50,000	Yes
	30,000	Yes
Kavita Zanwar	1,75,000	No
	25,000	Yes

\*the equity shares pledged are of face value of ₹ 10 each

**b. Details of Promoters' contribution locked in for three (3) years:**

Pursuant to the Regulations 236 and 238 of SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters, shall be locked-in for a period of three (3) years from the date of Allotment.

The lock-in of the minimum Promoters' contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the BSE SME before the listing of the Equity Shares.

Following are the details of minimum Promoters' contribution of [●] % which is subject to lock-in for three years does not consist of:

Promoters	Date of Allotment/ Acquisition and when made fully paid-up	No. of Equity Shares acquired	No. of Equity Shares locked in	Face Value (in ₹)	Issue Price (in ₹)	Nature of Allotment/ Transfer	Consideration (Cash/Other than cash)	Percentage of post-Issue paid-up capital <sup>#</sup>
Suraj Zanwar	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Kavita Zanwar	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
<b>Total</b>			[●]					[●]

<sup>#</sup> Subject to finalisation of Basis of Allotment

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- Equity Shares acquired three (3) years before the filing of the Draft Red Herring Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalisation of intangible assets involved in such transactions or resulting from a bonus issue by utilization of revaluation reserves or unrealised profits of our Company or from bonus issue against Equity Shares which are ineligible for computation of minimum Promoters' contribution;
- Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue;
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the minimum Promoter's contribution subject to lock-in;
- Equity Shares held by our Promoters that are subject to any pledge.

Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership into a company in the past one (1) year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm a limited liability partnership in the past one (1) year.

As on the date of this Draft Red Herring Prospectus, the Equity Shares held by the Promoters and members of the Promoter Group are not in dematerialised form and the same are in the process of dematerialisation.

The Equity Shares forming part of Promoter's contribution subject to lock in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of this Draft Red Herring Prospectus with RoC till the date of commencement of lock in period as stated in this Draft Red Herring Prospectus.

Other than the Equity Shares locked-in as Promoter's contribution for a period of three (3) years as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoters' contribution, as per Regulation 238(b) and Regulation 239 of the SEBI ICDR Regulations, shall be locked in for a period of one (1) year from the date of Allotment of Equity Shares in the Issue. As per Regulation 241 of the SEBI ICDR Regulations, such lock-in of the Equity Shares would be created and recorded by the Depositories as per applicable laws.

***Other requirements in respect of 'lock-in'***

In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI ICDR Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of SEBI Takeover Regulations, as applicable.

In terms of Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions or a systemically important non-banking finance company or a housing finance company, subject to the following:

- If the specified securities are locked-in in terms of sub-regulation (a) of Regulation 238 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 238 of the SEBI ICDR Regulations and the pledge of specified securities is one of the terms of sanction of the loan.

An oversubscription to the extent of 10% of the Issue can be retained, in consultation with BSE SME, for the purposes of rounding off to the nearer multiple of minimum allotment lot, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for three (3) years.

**a. Details of share capital locked in for one (1) year**

Other than the above-mentioned Equity Shares that would be locked-in for three (3) years, the entire pre-Issue capital of our Company would be locked-in for a period of one (1) year from the

date of Allotment in the Issue pursuant to Regulation 238(b) and Regulation 239 of SEBI ICDR Regulations.

**b. Other requirements in respect of lock-in**

Pursuant to Regulation 242 of SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked-in as Promoters' contribution for three (3) years under Regulation 238(a) of SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution or insurance companies registered with Insurance Regulatory and Development Authority of India for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 243 of SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations.

Further, pursuant to Regulation 243 of SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 239 of SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under SEBI ICDR Regulations has ended, subject to compliance with SEBI Takeover Regulations, as applicable.

3. The Equity Shares held by persons other than our Promoters and locked-in for a period of one (1) year from the date of Allotment may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.
4. As on date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and Sections 230-232 of the Companies Act.
5. Except as mentioned below, the Promoters, Promoter Group, Directors of our Company and their relatives have not undertaken any transactions of Equity Shares of our Company, during a period of six (6) months preceding the date on which this Draft Red Herring Prospectus is filed with BSE SME.

Date of Allotment	Name of allottee / transferred	No of shares Allotted / transferred	Category	Face Value (₹)	Issue Price	Nature of Allotment
August 28, 2018	Suraj Zanwar	8,580,000	Promoter	10	N/A	Bonus Issue

Date of Allotment	Name of allottee / transferred	No of shares Allotted / transferred	Category	Face Value (₹)	Issue Price	Nature of Allotment
August 28, 2018	Kavita Zanwar	2,200,000	Promoter	10	N/A	Bonus Issue
August 28, 2018	Shakuntala Zanwar	550,000	Promoter Group	10	N/A	Bonus Issue
August 28, 2018	Pankaj Zanwar	3,850,000	Promoter Group	10	N/A	Bonus Issue

Date of Allotment	Name of allottee / transferred	No of shares Allotted / transferred	Category	Face Value (₹)	Issue Price	Nature of Allotment
October 05, 2018	Girish Dargad	1,050	Promoter Group	10	96	Rights Issue

6. Shareholding Pattern of our Company and the Equity shares held by them is as follows:

The table below represents the current Shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of 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 of 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))	Number of Voting Rights held in each Class of securities (IX)		No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI =VII +X)	Number of Locked in shares (XII)		No. of shares Pledged Or Otherwise Encumbered (XIII)		No. of Equity shares held in De-mat Form (XIV)
								No of voting Right	Total as % of (A+B +C)			No (a)	As a % of total shares held (b)	No (a)	As a % of total shares held (b)	
A	Promoter and Promoter Group	5	1,65,61,050	--	--	1,65,61,050	96.60	1,65,61,050	96.60	--	96.60	--	--	1,40,000	0.82	[•]
B	Public	30	5,83,714	--	--	5,83,714	3.40	5,83,714	3.40	--	3.40	--	--	--	--	[•]
C	Non-Promoter Non-Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C1	Shares Underlying DRs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
C2	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	<b>Total (A+B+C)</b>	<b>35</b>	<b>1,71,44,764</b>	<b>--</b>	<b>--</b>	<b>1,71,44,764</b>	<b>100.00</b>	<b>1,71,44,764</b>	<b>100.00</b>		<b>100.00</b>	<b>--</b>	<b>--</b>	<b>1,40,000</b>	<b>0.82</b>	<b>[•]</b>

7. **Shareholding of our Promoters and Promoter group pre and post Issue:**

Provided below are details of Equity Shares held by our Promoters and Promoter Group as of the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of shares	% of pre-Issue capital	No. of shares	% of post-Issue capital <sup>#</sup>
	<b>Promoter</b>				
1.	Suraj Zanwar	9,360,000	54.59	9,360,000	[●]
2.	Kavita Zanwar	2,400,000	14.00	2,400,000	[●]
	<b>Total (A)</b>	<b>1,17,60,000</b>	<b>68.59</b>	<b>1,17,60,000</b>	<b>[●]</b>
	<b>Promoter Group</b>				
3.	Shakuntala Zanwar	6,00,000	3.50	600,000	[●]
4.	Pankaj Zanwar	42,00,000	24.50	4,200,000	[●]
5.	Girish Dargad	1,050	0.01	1,050	
	<b>Total (B)</b>	<b>48,01,050</b>	<b>28.00%</b>	<b>48,01,050</b>	<b>[●]</b>
	<b>Grand Total (A+B)</b>	<b>16,561,050</b>	<b>96.60%</b>	<b>16,561,050</b>	<b>[●]</b>

<sup>#</sup>Subject to finalisation of Basis of Allotment

Other than the following, none of our Key Management Personnel hold Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares (Face Value of ₹ 10 each)	Percentage of pre-Issue share capital (%)	Percentage of post-Issue share capital (%) <sup>#</sup>
1.	Suraj Zanwar	9,360,000	54.59	[●]
2.	Pankaj Zanwar	42,00,000	24.50	[●]

<sup>#</sup>Subject to finalisation of Basis of Allotment

8. **The list of shareholders holding 1% or more of the paid-up capital of our Company is as under:**

- a. Particulars of the shareholders holding 1% or more of the paid-up capital of our Company as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %) <sup>#</sup>
1.	Suraj Zanwar	9,360,000	54.59	[●]
2.	Kavita Zanwar	2,400,000	14.00	[●]
3.	Shakuntala Zanwar	6,00,000	3.50	[●]
4.	Pankaj Zanwar	42,00,000	24.50	[●]
5.	Radheshyam Bhandari	2,42,500	1.41	[●]
	<b>Total</b>	<b>1,68,02,500</b>	<b>98.00</b>	<b>[●]</b>

<sup>#</sup>Subject to finalisation of Basis of Allotment

- b. Particulars of shareholders holding 1% or more of the paid-up capital of our Company, ten (10) days prior to the date of filing this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Issue capital (in %)	Percentage of the post-Issue capital (in %) <sup>#</sup>
1.	Suraj Zanwar	9,360,000	54.59	[●]
2.	Kavita Zanwar	2,400,000	14.00	[●]
3.	Shakuntala Zanwar	6,00,000	3.50	[●]
4.	Pankaj Zanwar	42,00,000	24.50	[●]
5.	Radheshyam Bhandari	2,42,500	1.41	[●]
	<b>Total</b>	<b>1,68,02,500</b>	<b>98.00</b>	<b>[●]</b>

<sup>#</sup>Subject to finalisation of Basis of Allotment

- c. Particulars of shareholders holding 1% or more of the paid-up capital, one (1) year prior to the date of filling this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares*	Percentage of the pre-issue capital (in %)
1.	Suraj Zanwar	78,000	55.71
2.	Kavita Zanwar	20,000	14.29
3.	Shakuntala Zanwar	5,000	3.57
4.	Pankaj Zanwar	35,000	25.00
5.	Radheshyam Bhandari	2,000	1.43
	<b>Total</b>	<b>1,40,000</b>	<b>100.00</b>

\*The number of Equity Shares are prior to sub-division and Pursuant to Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Share of ₹ 10 each

- d. Particulars of shareholders holding 1% or more of the paid-up capital, two (2) years prior to the date of filling this Draft Red Herring Prospectus:

Sr. No.	Name of the Shareholder	No. of Equity Shares*	Percentage of the pre-issue capital (in %)
1.	Suraj Zanwar	78,000	55.71
2.	Kavita Zanwar	20,000	14.29
3.	Shakuntala Zanwar	5,000	3.57
4.	Pankaj Zanwar	35,000	25.00
5.	Radheshyam Bhandari	2,000	1.43
	<b>Total</b>	<b>1,40,000</b>	<b>100.00</b>

\*The number of Equity Shares are prior to sub-division and Pursuant to Sub-division of each Equity Share of our Company having face value of ₹ 100 each into Equity Share of ₹ 10 each

9. As on date of this Draft Red Herring Prospectus, our Company have thirty-Five (35) shareholders.
10. The Equity Shares, which are subjected to lock-in, shall carry the inscription “non-transferable” and the non-transferability details shall be informed to the depository. The details of lock-in shall also be provided to BSE SME before the listing of the Equity Shares.
11. None of the persons/entities comprising our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of any such entity/individual or otherwise during the period of six (6) months immediately preceding the date of this Draft Red Herring Prospectus.



12. Our Company, our Promoters, our Directors and the Lead Manager have not entered into any buy-back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person. There are no safety net arrangements for this public issue.
13. All the existing Equity Shares are fully paid up and as on the date of this Draft Red Herring Prospectus there are no partly paid up Equity Shares.
14. Neither the Lead Manager nor any of their associates (as defined under Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) hold any Equity Shares in our Company.
15. Our Company has neither granted any employee stock option nor issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme in the preceding three (3) years from the date of this Draft Red Herring Prospectus.
16. Our Company has not revalued its assets since inception and has not issued any Equity Shares by capitalizing any revaluation reserves.
17. Our Company presently does not have any intention, proposal, negotiation or consideration to alter its capital structure within a period of six (6) months from the date of Issue Opening Date, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise or issue of bonus or rights, except that if we acquire companies / business or enter into joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures. However, our Company has not entered into any acquisitions, joint ventures or strategic alliances as on the date of this Draft Red Herring Prospectus and has not identified any strategic investments or acquisition opportunities.
18. Except as stated below, there are no transactions in our Equity Shares, which have been purchased/ sold by our Promoters, persons in promoter group or by the Directors of our Company and their immediate relatives (as defined under sub-clause (pp) sub-regulation (1) Regulation 2 of the SEBI ICDR Regulations) during the six (6) months preceding the date of filing this Draft Red Herring Prospectus.

Date of Allotment	Name of allottee / transferred	No of shares Allotted / transferred	Category	Face Value (₹)	Issue Price	Nature of Allotment
October 05, 2018	Girish Dargad	1,050	Promoter Group	10	96	Rights Issue

19. As on date of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
20. The Equity Shares offered through this Issue shall be made fully paid-up or maybe forfeited within twelve (12) months from the date of allotment of securities in the manner specified under SEBI ICDR Regulations.
21. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
22. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the members of the Promoter Group during the period between the date of registering the Prospectus

with the RoC and the date of closure of the Issue shall be reported to the BSE SME within twenty-four (24) hours of the transaction.

23. Subject to valid Applications being received at the Issue Price, under subscription, if any, in any category would be met with spill-over from the other categories or a contribution of categories at the discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange.
24. There shall be only one denomination of Equity Shares of our Company at any given time, unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be prescribed by SEBI from time to time.
25. As per the applicable regulations, OCBs are not permitted to participate in the Issue.
26. Our Promoters and members of our Promoter Group will not participate in this Issue
27. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
28. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net Issue to the public portion

For the details of related party transactions, please refer section titled "*Financial Statements*" on page 179 of this Draft Red Herring Prospectus

## SECTION IV – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprises of fresh issue of up to 62,16,000 Equity Shares by our Company aggregating up to ₹ [•] Lakhs (“Fresh Issue”)

**Our Company proposes to utilize the Net Proceeds from the issue towards the following objects:**

1. Upgradation of existing plant i.e. Unit 1 situated at Roorkee, Uttarakhand, India
2. Margin Money for Setting up of manufacturing facility i.e. Unit 2 situated at Roorkee, Uttarakhand, India
3. Enhancement of our Company’s brand through advertising and other brand-building activities
4. Long term working capital requirements
5. Acquisitions and other strategic initiatives
6. General corporate purposes

**(collectively referred to as “Objects”)**

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange, enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

### NET PROCEEDS

The details of the proceeds of the issue are summarized in the table below:

		(₹ in lakhs)
Particulars	Estimated Amount	
Gross Proceeds from the Issue*	[•]	
Less: Issue related expenses*	[•]	
<b>Net Proceeds from the Issue*</b>	<b>[•]</b>	

*\*to be finalized upon determination of issue price*

### Requirement of funds and utilization of Net Proceeds

		(₹ in lakhs)
Sr No	Particulars	Estimated Amount
1.	Upgradation of existing plant i.e. Unit 1 situated at Roorkee, Uttarakhand India	[•]
2.	Margin money for Setting up of manufacturing facility i.e. Unit 2 situated at Roorkee, Uttarakhand, India	727.58
3.	Enhancement of our Company’s brand through advertising and other brand-building activities	[•]
4.	Long term working capital requirements*	[•]
5.	Acquisitions and other strategic initiatives	708.73
6.	General corporate purposes**	[•]
	<b>Total</b>	<b>[•]</b>

*\*to be finalized upon determination of issue price*

*\*\*the amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue*

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of variety of factors such as changes in our financial condition, business or strategy as well as external factors which may not be in our control and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management. In case of any surplus after utilization of the Net Proceeds for the stated objects, we may use such surplus towards general corporate purposes. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial Years towards the aforementioned objects.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

The above estimates are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see section titled “Risk Factors” on page 25 of this Draft Red Herring Prospectus.

Further, we do not intend to utilize the Net Proceeds to procure any second-hand plant and machinery. The Promoter or the Directors or the members of the Promoter Group do not have any interest in the proposed procurement of any plant and machinery or miscellaneous fixed assets or any of the entities from whom we have obtained quotations.

#### **Schedule of implementation and Deployment of Net Proceeds**

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in lakhs)				
Particulars	Total Estimated Cost	Amount to be funded from the Net Proceeds	Amount already deployed	Amount to be deployed in Financial Year 2020 <sup>(3)</sup>
Upgradation of existing plant i.e. Unit 1 situated at Roorkee, Uttarakhand India	[•]	[•]	-	[•]
Margin Money for Setting up of manufacturing facility i.e. Unit 2 situated at Roorkee, Uttarakhand, India	1,927.58	727.58	234.22 <sup>(1)</sup>	493.36
Enhancement of our Company’s brand through advertising and other brand-building activities	[•]	[•]	-	[•]
Long term working capital requirements	[•]	[•]	-	[•]
Acquisitions and other strategic initiatives	708.73	[•]	-	708.73
General corporate purposes <sup>(2)</sup>	[•]	[•]	-	[•]
<b>Total Net Proceeds from the Issue</b>	<b>[•]</b>	<b>[•]</b>	<b>234.22</b>	<b>[•]</b>

(1) As certified by M/s Agrawal Dhand Motwani & Co., Chartered Accountants, pursuant to their certificate having UDIN 19145469AAAAAB8418 dated February 23, 2019, the Company has paid ₹ 234.22 lakhs to M/s Nawcon Infrastructure towards owned contribution to the Unit 2, Roorkee, Uttarakhand, India and the same will be recouped out of issue proceeds.

(2) The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the issue

(3) As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2020. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2020 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

### Means of Finance

In the event of a shortfall in raising the requisite capital from the Net Proceeds, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals or debt. In case of any surplus of monies received in relation to the Fresh Issue, we may use such surplus towards general corporate purposes.

We confirm that we have made firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations 2018 through verifiable means towards at least seventy five percent of the stated means of finance, excluding the amounts to be raised through the issue.

### DETAILS OF THE OBJECTS OF THE ISSUE

#### 1. Upgradation of our existing plant i.e. Unit 1 situated at Roorkee, Uttarakhand India

We propose to utilize [•] lakhs towards upgradation of our existing plant situated at Khasara No 245, Village Sisona, Post Bhagwanpur, Tehsil Roorkee, District Haridwar, Uttarakhand 247661 India by revamping of ground floor, installing wall and ceiling panels, installing HVAC system & other utilities, setting of granulation tablet line of 120 kg, RM store & primary packaging store. The plant will have export orders compliance requirements of various West Africa, CIS and PICS countries. Equipment's will be as per GMP norms. The plant will be planned as per cGMP standards and as per WHO Geneva guidelines and for closed manufacturing concept.

#### Below are the details of the quotation received:

1. Quotation received from the party – [•]
2. Date of quotation – [•]
3. Reference number – [•]
4. Duration of the project will be approximately [•] months
5. Applicable taxes extra - [•]
6. Travelling and site visit expenses shall be paid at actuals

The following table depicts the summary and break-up of the estimated expenses as per quotation dated 15 Jan 2019 provided by M/s Nawcon Infrastructure:

(₹ in lakhs)				
Sr No.	Particulars	Estimated cost per quantity	Quantity	Total Amount
<b>1</b>	<b>Cost of Civil Works</b>			
A	Brick Wall demolishing	[•]	[•]	[•]
B	Civil work & repair	[•]	[•]	[•]
C	Plumbing work	[•]	[•]	[•]

Sr No.	Particulars	Estimated cost per quantity	Quantity	Total Amount
D	Epoxy work	[•]	[•]	[•]
	<b>Total Cost of Civil Works (A)</b>	[•]	[•]	[•]
<b>2</b>	<b>Purchase of Plant and Machinery</b>			
a	Granulation Line 120 Kg	[•]	[•]	[•]
b	Compression Machine	[•]	[•]	[•]
c	Coating Machine	[•]	[•]	[•]
d	Packaging Line	[•]	[•]	[•]
	<b>Total cost of Purchase of Plant and Machinery (B)</b>			[•]
<b>3</b>	<b>Other Assets</b>			
a	Ducting with HVAC	[•]	[•]	[•]
b	Cleanroom panels & ceiling panels	[•]	[•]	[•]
c	Expansion of purified water & utility pipe loop line	[•]	[•]	[•]
d	Electrical work (lightening, wires, earthling, LT cables, panels)	[•]	[•]	[•]
e	Fabrication work in utility area	[•]	[•]	[•]
f	Lifts	[•]	[•]	[•]
g	Fire hydrant system	[•]	[•]	[•]
h	Storage racks, pellets and hydraulic truck	[•]	[•]	[•]
i	CCTV & interlocking system	[•]	[•]	[•]
j	IPOQ lab items	[•]	[•]	[•]
k	Stainless Steel furniture	[•]	[•]	[•]
	<b>Total Cost of Other Assets (C)</b>			[•]
	<b>Total Cost of Upgradation of Roorkee Unit 1 (A + B + C)</b>			[•]

Our Company has not deployed any funds towards the aforementioned object

## 2. Setting up of manufacturing facility i.e. Unit 2 situated at Roorkee, Uttarakhand, India

Vijaya Bank has sanctioned loan for Roorkee Unit 2 facility based on appraisal and techno economic viability report prepared by Mitcon Consultants & Engineering Services Limited (“Mitcon”) dated March 21, 2018. The implementation schedule has been submitted to Vijaya Bank on August 18, 2018.

### Below are the details, scope and purpose of the appraisal:

The company has already identified various contractors / vendors / suppliers for proposed civil construction work and supply of HVAC components and plant and machinery required for proposed expansion in Roorkee plant. The land is already available and within existing manufacturing plant, additional construction and plant and machinery installations are proposed. The plant is situated at Khasara no 245 and 248, Village Sisona, Post Bhagwanpur, Tehsil Roorkee, District Haridwar, Uttarakhand 247661 India

### Project outlay

The project cost is estimated at ₹ 1927.58 lakhs. The project will be funded through debt of ₹ 1,200 lakhs from Vijaya Bank and company’s contribution of ₹ 727.58 lakhs which will be met out of issue proceeds. The cost of project and means of finance are detailed as below:

Particulars	Amount (₹ in lakhs)
Land improvement	20.00
Civil construction	520.00

Particulars	Amount (₹ in lakhs)
Plant and machinery	280.00
Other fixed assets	860.00
Contingencies & Pre-operative expenses	90.00
Capitalized interest cost	157.58
<b>Total</b>	<b>1,927.58</b>

#### Means of finance

Particulars	Amount (₹ in lakhs)
Term loan	1,200.00
Promoter's contribution	727.58
<b>Total</b>	<b>1,927.58</b>

#### Schedule of implementation

Sr. No.	Stages	Commencement / completion & Date of Expected date
(a)	Acquisition of Land	Completed
(b)	Levelling, Improvement of Land and demolition of existing structure	September – 2018
(c)	Civil Works for	
	Factory building: Modification	October – 2018 to April – 2019
(d)	Plant & Machinery	
	Order Placement for Machinery	October 2018
	Imported	-
	Received of Indigenous Machinery	April 2019
	Receipt of Imported Machinery	May 2019
(e)	Arrangement for power	Existing sanctioned capacity is sufficient for further expansion
(f)	Arrangement for water	Existing arrangements is sufficient for further expansion
(g)	Erection of equipment for expanded capacity	June – 2019
(h)	Commissioning for expanded capacity	September – 2019
(j)	Trial Run for expanded capacity	January - 2019 to May – 2019
(k)	Commercial Production in full swing for expanded capacity	October – 2019

#### Brief details about the project

##### Land Improvement

Land is already in the possession of the company. Land improvement cost is considered ₹ 20 lakhs. The same is based on the quotations received by the company. Land development work is already completed

##### Civil Construction

An amount of ₹ 520.00 lakhs is considered towards construction of plant and building. The same is based on the quotations received by the company. The admeasuring area of construction is 2,220 Sq. Meter. Construction has already started and the second slab casting is scheduled on February 28, 2019. Further break up of total of land and civil construction cost is as below:

Sr No.	Particulars	Unit	Quantity	Unit Rate in ₹	Amount (₹ in Lakhs)
1	Clean room modular operation works *	Sq. Mtr.	12,500	1,296	162.00
2	Civil work cost for construction of Sq Mtr area	Sq. Mtr.	1,620	14,000	226.80
3	Civil work for adjoinment	Sq. Mtr.	600	14,000	84.00
4	Epoxy work *	Sq. Mtr.	4,708	960	45.20
5	Lifts	Lumpsu m	1	2,200,000	22.00
	<b>Total</b>				<b>540.00</b>

\*Modular operation and epoxy work will start after 5 to 7 months

### Plant and machinery

The company proposed to acquire new machineries to be installed for Roorkee. The total cost of Plant & Machinery is estimated at ₹ 280.00 lakhs. Company has already identified machineries for which quotations has already been obtained. Company proposes to place an order for plant & machineries once proposed loan is disbursed. Delivery & installations of Plant & Machineries are expected to complete till June 2019. The tentative list of machineries and equipment is as below:

Sr No.	Particulars	Quantity	Capacity	Unit Price	Total Amount (₹ in lakhs)
1	Cream / Gel / Ointment Mfg plant	1	20 Mn tubes / annum	3,300,000	33.00
2	Efferversant tablet / protein powder / ayurveda products mfg plant	1	100 Mn tablets / PA	13,036,000	130.36
3	double rotary table - ting machine 'D' tooling	1	Set	2,844,000	28.44
4	Strip pack machine	1	Set	2,840,000	28.40
5	Soap moldering and punching machine	1	10000 soaps per day	3,250,000	32.50
6	Sachet machine	1	Set	5,000,000	50.00
	<b>Total</b>			<b>30,270,000</b>	<b>302.70</b>

It may be noted that as against ₹ 302.70 lakhs estimated by company, MITCON has accepted around ₹ 280 lakhs as the cost of plant & machinery. Further, MITCON has opined that for New machineries Costs considered are inclusive of taxes and duties, packing and forwarding charges, erection and commissioning charges. However, in case of any change in final price at the time of actual delivery, it is advised that rise in cost of project on account of actual taxes, duties, octroy etc. shall be brought in by the promoters.

### Other fixed assets

The total expenditure estimated towards other fixed assets is ₹ 860.00 lakhs. The break-up of the same is as under:

A summary of all the below sub heads is as under:

Particulars	Amount (₹ in lakhs)
Utilities & QC equipment	339.58
HVAC work	299.04
Electrical works	168.07



Particulars	Amount (₹ in lakhs)
Cost of mechanical piping, DM Plant and piping	53.31
<b>Total</b>	<b>860.00</b>

#### Utilities & QC equipment

Cost heading	Cost (₹ in lakhs)
SS furniture	21.33
Blow for sampling and dispensing booth	23.55
Inkjet printer	10.41
computer and software	9.28
Fire hydrant system	40.78
Genset	24.00
CCTV	7.54
Access Control	38.44
Storage racks	23.69
Weight machine	2.92
R&D / QA / QC items	99.45
QLTC - Transformer 600 KVA	10.00
Tube filing and sealing machine	13.21
Wrapping machine for soap	15.00
<b>Total</b>	<b>339.58</b>

#### HVAC work estimated cost

Quantity	Unit	Unit Rate	Quantity	Cost (₹ in lakhs)
New AHUS for production area (chiller cost is considered)	No	750,000	15.00	112.50
Force draft ventilation systems and comfort	Set	4,500,000	1.00	45.00
Ducting works	SQM	1,500	2,980.00	44.70
Insulation works	SQM	800	2,980.00	23.84
Hepa boxe, return risers and filters	Lumpsum	3,000,000	1.00	30.00
Electric penal and cabling for AHU	Lumpsum	1,800,000	1.00	18.00
Field instruments & scada system	Lumpsum	2,500,000	1.00	25.00
<b>Total</b>				<b>299.04</b>

#### Electrical works

Quantity	Unit	Unit Rate	Quantity	Cost (₹ in lakhs)
Control Panels	Set	4,500,000	1.00	45.00
Light Fixtures	Set	1,900,000	1.00	19.00
Wiring and cabling	Lumpsum	3,500,000	1.00	35.00
Earthing	Lumpsum	1,500,000	1.00	15.00
Miscellaneous work	Lumpsum	1,200,000	1.00	12.00
Telephone, computer and access control networking	Lumpsum	707,000	1.00	7.07
Diesel generator set	No	3,500,000	1.00	35.00
<b>Total</b>				<b>168.07</b>

## **Cost of mechanical piping, DM Plant and piping estimated cost is ₹ 53.31 lakhs**

### **Contingencies & Pre-operative expenses**

Contingency in the range of 5% is assumed on hard cost i.e. on land, civil, plant & machinery & other fixed assets. Over and above Preliminary expenses are considered which mainly includes consultancy expenses, statutory approval expenses, wages, salary, labour charges, travelling & administrative expenses, other cost directly related to project execution. These expenses are capitalized and considered as a cost of project.

### **Interest during Construction**

The process of construction of factory building for Roorkee has started from October 2018 onwards and building work is estimated to be completed by April 2019. Delivery & erection of Plant & Machineries are expected to complete till November 2018. Term loan of ₹ 1,200 lakhs are considered from June 2019 onwards and repayment is proposed to be started from October 2019 onwards. Interest during construction i.e. From September 2018 – September 2019 is ₹ 157.58 lakhs., which is capitalized and considered under project cost as reflected in cost of project as stated above.

### **Interest during construction**

Interest during construction is worked out to ₹ 144.89 lakhs. The same includes only TL interest during moratorium. The ROI for TL is assumed at 10.90% p.a. for calculating the projected financials in the appraisal report.

Further, we confirm that we have made firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations 2018 through verifiable means towards at least seventy five percent of the stated means of finance, excluding the amounts to be raised through the issue.

### **3. Enhancement of our Company's brand through advertising and other brand-building activities**

In order to strengthen our brand, our Company intends to enhance awareness of its brand through advertising and various other promotional activities. Our Company proposes to utilize ₹ [•] lakhs from the Issue proceeds towards enhancement of our Company's brand through advertising and other brand-building activities.

We are involved in the business of manufacturing of pharmaceutical, nutraceutical and food supplement products in India and export overseas under our own brand. In the industry in which we operate, awareness of consumers regarding products is a significant factor contributing to market share. Marketing and advertising activities provide a means of creating such product awareness and educating a potential consumer to make a purchase decision. Pharma companies in India undertake extensive advertising and promotion activities through various instruments across television, print and other media. We believe that to maximize the efficiency of such marketing activities, it is imperative to set appropriate budgeting in advance.

We have over the years focused our marketing and promotional activities on strengthening our brand and in particular, establishing, building and promoting the 'Cian' brand across India and overseas. We have invested in brand building through our marketing and sales promotional activities. We invest in marketing and sales promotion activities across various media depending on the markets we intend to tap, to increase our brand recognition among our existing and potential customers. We believe that developing recognition and reputation of our brand among consumers has contributed to the growth of our business and hence maintaining and enhancing our brand is critical to our business. Accordingly, we intend to spend significant financial resources in the future towards marketing and brand building activities to further enhance our brand presence and to expand our customer base

In Financial Year 2018 and 2017, we had incurred ₹ 262.28 lakhs and ₹ 237.33 lakhs, respectively, on advertising and other brand-building related activities.

#### 4. Meeting long term working capital requirements

Our business is working capital intensive. As on 31<sup>st</sup> March, 2018, our company's net working capital requirement was ₹ 1,113.95 Lakhs as against ₹ 678.39 lakhs as on 31<sup>st</sup> March, 2017. The net working capital requirement for financial year 2019 – 2020 is estimated to be ₹ [●] lakhs and the incremental working capital requirement of ₹ [●] lakhs will be met through the public issue. As on the date of this Draft Red Herring Prospectus we meet our working capital requirements of business through internal accruals and financing from banks & unsecured loans.

Basis of estimation of working capital requirement and estimated working capital requirement:

Particulars	FY 2016 – 17	FY 2017 – 18	FY 2018 – 19 (estimated)	FY 2019 – 20 (estimated)
<b>Current Assets</b>				
Inventories	1,230.46	1,583.24	[●]	[●]
Trade Receivables	1,373.51	2,556.86	[●]	[●]
Cash and Bank Balances	106.80	58.79	[●]	[●]
Short term Loans and Advances	196.80	282.39	[●]	[●]
<b>Total Current Assets (A)</b>	<b>2,907.57</b>	<b>4,481.28</b>	[●]	[●]
<b>Current Liabilities</b>				
Trade Payables	200.39	483.11	[●]	[●]
Other Liabilities	261.24	302.98	[●]	[●]
Short Term Liabilities	1,767.55	2,581.24	[●]	[●]
<b>Total Current Liabilities (B)</b>	<b>2,229.18</b>	<b>3,367.33</b>	[●]	[●]
<b>Net working capital requirements (A – B)</b>	<b>678.39</b>	<b>1,113.95</b>	[●]	[●]
<b>Sources of funds</b>				
Working Capital from Bank	678.39	1,113.95	[●]	[●]
Internal Accruals	0.00	0.00	[●]	[●]
Balance by Equity	0.00	0.00	[●]	[●]
<b>Total Funding</b>	<b>678.39</b>	<b>1,113.95</b>	[●]	[●]
<b>Additional funding through IPO Proceeds</b>				[●]

#### Key assumptions for working capital requirements

Particulars	No of days outstanding or holding level as on			Justification
	FY 2016 – 17	FY 2017 – 18	FY 2018 – 19 (assumptions of current year)	
Inventory	86.60 days	97.00 days	[●]	[●]
Trade Receivables	96.70 days	156.60 days	[●]	[●]
Trade Payables	20.80 days	44.40 days	[●]	[●]

#### 5. Acquisitions and other strategic initiatives

In pursuit of our strategy of inorganic growth through strategic acquisitions and alliances, we continue to evaluate opportunities for continued backward integration and to identify targets or partners for forward integration, including by way of selectively evaluating targets or partners for strategic acquisitions and investments, so as to strengthen our range of services and to benefit from economies of scale, leveraging operational synergies and knowledge sharing. Our strategy is to seek to acquire businesses with high growth potential, product and process competencies, and to integrate and grow

businesses through enhanced quality and servicing parameters and platforms coupled with our management know-how and experience.

We intend to utilize ₹ 708.73 lakhs from the IPO Proceeds towards acquisitions and strategic initiatives including acquisition of Dr. Smiths Biotech Private Limited (“Dr. Smiths”). Our company has issued letter of intent along with offer letter to Suraj Zanwar and Kavita Zanwar holding 16,10,367 and 5,89,633 equity shares respectively aggregating to 73.20% and 26.80% respectively of the total paid-up share capital of Dr. Smiths for purchase of shares. Our company is in the process to acquire 100.00% of the shareholding of Dr. Smith i.e. 22,00,000 ordinary shares for an aggregate consideration comprising of consideration of ₹ 708.73 lakhs as supported by valuation report issued by Finshore Management Services Limited (having SEBI registration number INM000012185) dated January 01, 2019 (“Acquisition Cost”). As per the share purchase agreement, ₹ 708.73 will be paid as the consideration. As on the date of this Draft Red Herring Prospectus, except for the acquisition of the Dr. Smith as mentioned above, we have not entered into any definitive agreements towards any future acquisitions or strategic initiatives.

In the event that there is a shortfall of funds required for such acquisitions and / or strategic initiatives then, such shortfall shall be met out of the amounts allocated for general corporate purposes and / or through internal accruals. In case the shortfall cannot be met through internal accruals or out of the amounts allocated for general corporate purposes then we shall borrow from the market. In the event that there is a surplus, such amounts shall be utilized towards other objects or general corporate purposes.

## 6. General corporate purposes

In terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25.00% of the gross proceeds of the issue.

Our management will have flexibility in applying ₹ [•] lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital expenditure, acquiring business premises, meeting exigencies, repaying long term loans etc. or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company from time to time.

## ISSUE RELATED EXPENSES

The total expenses of the issue are estimated to be approximately [•] lakhs. The break-up of estimated issue expenses are as follows:

(₹ in lakhs)				
Sr. No.	Activity	Estimated Expenses*	As a % of estimated issue related expenses	As a % of issue size
1	Lead manager(s) fees including underwriting commission	[•]	[•]	[•]
2	Brokerage, selling commission and upload fees	[•]	[•]	[•]
3	Registrars to the issue	[•]	[•]	[•]
4	Legal Advisors	[•]	[•]	[•]
5	Advertising and marketing expenses	[•]	[•]	[•]

Sr. No.	Activity	Estimated Expenses*	As a % of estimated issue related expenses	As a % of issue size
6	Regulators including stock exchanges	[•]	[•]	[•]
7	Printing and distribution of issue stationary	[•]	[•]	[•]
8	Others (Market Making fees, etc)	[•]	[•]	[•]
	<b>Total estimated issue related expenses</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

\*will be incorporated after finalization of issue price in the prospectus

Notes:

1. The fund deployed out of internal accruals up to February 23, 2019 is ₹ 50.40 lakhs towards Issue Expenses vide certificate having UDIN 19145469AAAAA5714 dated February 23, 2019 received from M/s. Agrawal Dhand Motwani & Co., Chartered Accountants and the same will be recouped out of issue expenses.
2. SCSBs will be entitled to a processing fee of ₹ 10 per application form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.
3. Selling commission payable to Registered Broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non-Institutional Applicants, would be ₹ 10 on the Applications wherein shares are allotted.
4. The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.
5. Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

#### **INTERIM USE OF NET PROCEEDS**

Our Company in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. The Net Proceeds pending utilization for the purposes described above, in accordance with the SEBI ICDR Regulations, our Company shall deposit the funds only in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

#### **BRIDGE FINANCING FACILITIES**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus which are proposed to be repaid from the Net Proceeds.

#### **APPRAISAL REPORT**

Apart from object margin money for setting up of manufacturing facility i.e. Unit 2 situated at Roorkee, Uttarakhand, India which has been appraised by Vijaya Bank on techno economic viability report prepared by Mitcon Consultants & Engineering Services Limited ("Mitcon"), none of the objects for which the Issue Proceeds will be utilized have been financially appraised by lead manager, financial institutions or banks.

#### **MONITORING UTILIZATION OF FUNDS**

As this is a Fresh Issue for less than ₹ 10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

#### **VARIATION IN OBJECTS**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

None of our suppliers / service providers for utilization of Issue proceeds for various Objects of the Issue are associated in any manner with our Company or any other related party directly or indirectly.

#### **OTHER CONFIRMATION**

Except for the acquisition of Dr. Smiths Biotech Private Limited, where our Company will purchase 100.00% equity shares of Dr. Smiths Biotech Private Limited from our promoters, No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel. Our Company has not entered into or is not planning to enter into any arrangement / agreements with Promoters, Directors, key management personnel, associates or Group Companies in relation to the utilization of the Net Proceeds of the Issue.

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

## BASIS FOR ISSUE PRICE

The Issue Price of ₹ [●] per Equity Share is determined by our Company, in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the Equity Shares through the Book Building process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹ 10 per Equity Share and Issue Price is ₹. [●] per Equity Share. The Issue Price is [●] times the face value at the Floor Price of the Price Band and [●] times the face value at the Cap Price of the Price Band.

Investors should refer sections titled “Risk Factors” and “Financial Statements” and the chapter titled “Business Overview” beginning on page 25, 179, and 124 respectively of this Draft Red Herring Prospectus to get an informed view before making an investment decision. The trading price of the Equity shares of our Company could decline due to risk factors and you may lose all or part of your investments.

### Qualitative Factors

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

1. Established Manufacturing Facility
2. Strong Formulations and Development Capabilities
3. Diversified Business Portfolio
4. Experienced core Management Team
5. Strong Financial performance
6. Product Range

For further details, refer heading “Our Competitive Strengths” under chapter titled “Business Overview” beginning on page 124 of this Draft Red Herring Prospectus.

### Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price, are as follows:

#### 1) Basic and Diluted Earnings per Share (EPS) as adjusted for changes in capital

Year / Period ended	Basis & Diluted EPS (Pre Bonus)	Basis & Diluted EPS (Post Bonus)	Weights
March 31, 2016	15.45	0.94	1.00
March 31, 2017	16.52	1.38	2.00
March 31, 2018	27.67	2.31	3.00
<b>Weightage Average EPS</b>	<b>21.92</b>	<b>1.77</b>	-
<b>As on September 30, 2018 <sup>(1)</sup></b>	<b>28.44</b>	<b>2.37</b>	-

<sup>(1)</sup> not annualized

Note.

- Basic and Diluted EPS = Net Profit (Loss) after tax as restated attributable to Equity Shareholders / weighted average no of equity shares outstanding during the year/period.
- The above ratios have been adjusted for issuance of bonus of 1,54,00,000 Equity shares on March 28, 2018.

**2) Price to Earnings (P/E) ratio in relation to Price Band of ₹ [●] and [●] per Equity Share of ₹ 10 each fully paid up**

Particulars	P/E Ratio (Floor Price) (no. of times)	P/E Ratio (Cap Price) (no. of times)
P/E ratio based on Basic and diluted EPS as at March 31, 2018	[●]	[●]
P/E ratio based on weighted average Basic and diluted EPS	[●]	[●]
<b>*Industry</b>		
Highest		62.07
Lowest		11.27
Average		53.77

*\*Industry comprise of Deccan Healthcare Limited, Zota Healthcare Limited, Sakar Healthcare Limited and Jenburkt Pharmaceuticals Limited*

**3) Return on Net worth (RoNW)**

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

Year Ended	RONW (%)	Weight
March 31, 2016	14.09%	1
March 31, 2017	17.40%	2
March 31, 2018	22.56%	3
<b>Weighted Average</b>	<b>19.43%</b>	
September 30, 2018*	17.77%	

*\*not annualized*

*Note: Return on Networth has been calculated as per the following formula:*

- *Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year/period end.*
- *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*
- *The above ratios have been adjusted for issuance of bonus of 1,54,00,000 Equity shares on March 28, 2018.*

**4) Net Asset Value (NAV)**

Particulars	Pre-Bonus	Post-Bonus
Net Asset Value per Equity Share as of March 31, 2018	122.63	10.22
Net Asset Value per Equity Share as of September 30, 2018	159.99	13.33
Net Asset Value per Equity Share after the offer – at Floor Price	[●]	[●]
Net Asset Value per Equity Share after the offer – at Cap Price	[●]	[●]
Issue Price per equity share		[●]

*a) Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares at the end of the year. Total no of shares taken to calculate the NAV is after taking into consideration allotment of Bonus shares.*

*b) Issue price per equity shares will be determined on conclusion of Book Building Process and will be updated in the final Prospectus to be filled with Registrar of Companies (RoC).*

*Note: Net Asset Value has been calculated as per the following formula:*



NAV =  $\frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year / period}}$

#### 5) Comparison with industry peers

Companies	CMP	Basic & Diluted EPS	PE Ratio	RONW (%)	NAV (Per Share)	Face Value	Total Income (₹ in Lakhs)
Cian Healthcare Limited	[●]	0.94	[●]	22.56%	10.22	10	5,959.34
<b>Peer Group*</b>							
Deccan Healthcare Limited	109.60	9.75	[●]	6.62%	27.02	10	3,976.07
Zota Healthcare Limited	262.55	4.23	62.07	10.42%	3.98	10	7,937.01
Sakar Healthcare Limited	56.00	2.55	21.96	8.15%	3.83	10	5,360.90
Jenburkt Pharmaceuticals Limited	460.10	37.50	12.27	28.10%	133.48	10	11806.82

\*Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

#### Notes:

- 1) Considering the nature and size of the business of our Company the peers are not strictly comparable. However, above company is included for broad comparison.
- 2) The figures for Cian Healthcare Limited are based on the restated financial statements for the year ended March 31, 2018.
- 3) The figures for the peer group are for the year ended March 31, 2018 which are based on their respective Standalone financial statements filed with BSE.
- 4) Current Market Price (CMP) is the closing price of the peer group scrip as on February 25, 2019 on BSE and NSE as applicable. However, CMP for our Company is the final price that will be determined on completion of the Book Building Process.
- 5) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.
- 6) P/E Ratio for the peer has been computed based on the closing market price of respective equity shares as on February 26, 2019 sourced from website of BSE as divided by the Basic/diluted EPS as applicable.
- 7) RoNW is computed as net profit after tax, as attributable to the owners of the Company divided by closing net worth. Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding Revaluation Reserves) and as attributable to the owners of the Company.

The Issuer Price [●] has been determined by the Issuer in consultation with the Book Running Lead Manager on the basis of Book Building process.

For further details, please refer section titled “*Risk Factors*” beginning on 25 of this Draft Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the section titled “*Financial Statements*” beginning on 179 of this Draft Red Herring Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is [●] times of the Face Value i.e. ₹ 10 per Equity Share.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors,  
Cian Healthcare Limited  
Milkalt No. 3339, Block No. 1,  
Harpale Park, Opp. Berger Paint,  
Phursungi, Pune -412308

**Sub: Statement of Possible Special Tax Benefits Available to the Company and its shareholders prepared in accordance with the requirements under Schedule VIII-Clause (VII) (L) of the SEBI (ICDR) Regulations, 2018, as amended (the "Regulations")**

We hereby report that the enclosed annexure prepared by Cian Healthcare Limited, states the possible special tax benefits available to Cian Healthcare Limited ("the Company") and the shareholders of the Company under the Income Tax Act, 1961 ("Act"), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil. The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and shareholders do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares ("the Offer") by the Company.

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

- i. Company or its shareholders will continue to obtain these benefits in future; or
- ii. The conditions prescribed for availing the benefits has been/ would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Prospectus/ Draft Red Herring Prospectus or any other offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For A Biyani & Co.**  
**Chartered Accountants**  
**Firm Registration No.140489W**

**Ashutosh Biyani**  
**Proprietor**  
**Membership No. 165017**  
**Place: Mumbai**  
**Date: - December 7, 2018**

## **ANNEXURE TO THE STATEMENT OF TAX BENEFITS:**

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

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

### **A. SPECIAL TAX BENEFITS TO THE COMPANY**

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

### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

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

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, the Lead Manager or any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.*

*Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Red Herring Prospectus, including the information in the sections "Risk Factors" and "Financial Statements" on pages 25 and 179, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 25. Accordingly, investment decisions should not be based on such information.*

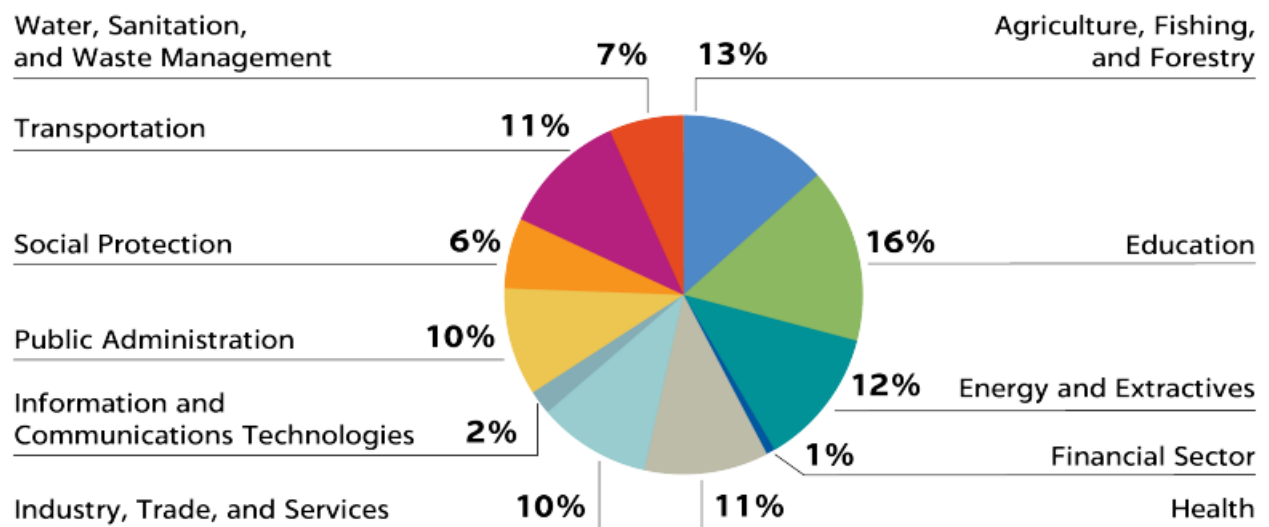
### **GLOBAL OUTLOOK**

Global growth has eased but remains robust and is projected to reach 3.1 percent in 2018. It is expected to edge down over the next two years as global slack dissipates, trade and investment moderate, and financing conditions tighten. Growth in advanced economies is forecast to decelerate toward potential rates as monetary policy is normalized and the effects of U.S. fiscal stimulus wane. In emerging market and developing economies (EMDEs), growth in commodity importers will remain strong, while the rebound in commodity exporters is projected to mature over the next two years. For the first time since 2010, the long-term (10-year-ahead) consensus forecast for global growth appears to have stabilized. Although this development could signal that the legacies of the global financial crisis are fading, past experience cautions that long-term forecasts are often overly optimistic. While well below levels expected a decade ago, these forecasts also remain above potential growth estimates. Moreover, risks to the outlook are tilted to the downside. They include disorderly financial market movements, escalating trade protectionism, and heightened geopolitical tensions. EMDE policymakers should rebuild monetary and fiscal policy buffers and be prepared for rising global interest rates and possible episodes of financial market turbulence. In the longer run, adverse structural forces continue to overshadow long-term growth prospects implying that EMDEs need to boost potential growth by promoting competitiveness, adaptability to technological change, and trade openness. These steps will help mitigate an expected growth slowdown over the next decade, especially if long-term growth forecasts fall once again short of expectations.

Regional Perspectives: A cyclical recovery is underway in most EMDE regions that host a substantial number of commodity exporters. Over the next two years, the upturn in these regions is expected to mature, as commodity prices plateau. Robust economic activity in EMDE regions with large numbers of commodity importers is forecast to continue. However, risks to the growth outlook continue to tilt to the downside in many regions. This edition of Global Economic Prospects includes sections on the role of the largest emerging markets in global commodity markets and on the implications of high corporate debt for financial stability and investment.

The Role of Major Emerging Markets in Global Commodity Demand: Rapid growth among the major emerging markets over the past 20 years has boosted global demand for commodities. The seven largest emerging markets (EM7) accounted for almost all of the increase in global consumption of metals and two-thirds of the increase in energy consumption over this period. As these economies mature and shift towards less commodity-intensive activities, their demand for most commodities may level off. While global energy consumption growth may remain broadly steady, global metals and foods demand growth could slow by one-third over the next decade. This would dampen global commodity prices. For emerging market and developing economies that depend on raw materials for government and export revenues, these prospects reinforce the need for economic diversification and the strengthening of policy frameworks.

**IBRD and IDA Lending by Sector, Fiscal 2018: Share of total of \$10.7 billion – SOUTH ASIA**



(Source – A World Bank Report – [www.worldbank.org](http://www.worldbank.org))

**Introduction to the Indian Pharmaceutical Industry**

India is the largest provider of generic drugs globally. Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

**Market Size**

The pharmaceutical sector was valued at US\$ 33 billion in 2017. The country’s pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2015–20 to reach US\$ 55 billion. India’s pharmaceutical exports stood at US\$ 17.27 billion in FY18 and have reached US\$ 10.80 billion in FY19 (up to October 2018). Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals. Indian companies received 304 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market. India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025.

### **Investments and Recent developments.**

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions. The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 15.83 billion between April 2000 and June 2018, according to data released by the Department of Industrial Policy and Promotion (DIPP). Some of the recent developments/investments in the Indian pharmaceutical sector are as follows:

- Between Jul-Sept 2018, Indian pharma sector witnessed 39 PE investment deals worth US \$217 million.
- Investment (as % of sales) in research & development by Indian pharma companies\* increased from 5.3 per cent in FY12 to 8.5 per cent in FY18.
- In 2017, Indian pharmaceutical sector witnessed 46 Merger & Acquisition deals worth US\$ 1.47 billion
- The exports of Indian pharmaceutical industry to the US will get a boost, as branded drugs worth US\$ 55 billion will become off-patent during 2017-2019

### **Government Initiatives**

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

- In October 2018, the Uttar Pradesh Government announced that it will set up six pharma parks in the state and has received investment commitments of more than Rs 5,000-6,000 crore (US\$ 712-855 million) for the same.
- The National Health Protection Scheme is largest government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to Rs 5 lakh (US\$ 7,723.2) per family per year for secondary and tertiary care hospitalisation. The programme was announced in Union Budget 2018-19.
- In March 2018, the Drug Controller General of India (DCGI) announced its plans to start a single-window facility to provide consents, approvals and other information. The move is aimed at giving a push to the Make in India initiative.
- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability.
- The Government of India unveiled the “Pharma Vision 2020” aimed at making India a global leader in end-to-end drug manufacture. Approval time for the new facilities has been reduced to boost investments.
- The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of the medicines.

### **Road Ahead**

Medicine spending in India is projected to grow 9-12 % over the next 5 years, leading India to become one of the top 10 countries in terms of medicine spending. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit



the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies. (Exchange Rate Used: INR 1 = US\$ 0.0149 as on June 29, 2018)

**Report:**

Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK. India contributes the second largest share of pharmaceutical and biotech workforce in the world.

The pharmaceutical sector in India was valued at US\$ 33 billion in 2017. In Jul-Sep 2018, Indian pharmaceutical market grew 9.7 per cent and stood at Rs 1.26 trillion (US\$ 17.95 billion) for the Moving Annual Total (MAT) ended September. In November 2018, the Indian market grew by 6.3 per cent year-on-year. With 71 per cent market share, generic drugs form the largest segment of the Indian pharmaceutical sector. Domestic API consumption is expected to reach US\$ 18.8 billion by FY22.

The country accounts for the second largest number of Abbreviated New Drug Applications (ANDAs) and is the world’s leader in Drug Master Files (DMFs) applications with the US Indian Drugs & Pharmaceuticals sector has received cumulative FDI worth US\$ 15.83 billion between April 2000 and June 2018. Indian drugs are exported to more than 200 countries in the world, with the US as the key market. Generic drugs account for 20 per cent of global exports in terms of volume, making the country the largest provider of generic medicines globally and expected to expand even further in coming years. India’s pharmaceutical exports stood at US\$ 17.27 billion in FY18 and US\$ 10.80 billion in FY19 (up to October). In 2018-19, these exports are expected to cross US\$ 19 billion. 31 per cent of these exports from India went to the US. Government of India plans to set up a US\$ 640 million venture capital fund to boost drug discovery and strengthen pharmaceutical infrastructure. ‘Pharma Vision 2020’ by the government’s Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery.

**Showcase:**



**Infographics:**



**Evolution of Indian Pharmaceutical Sector**

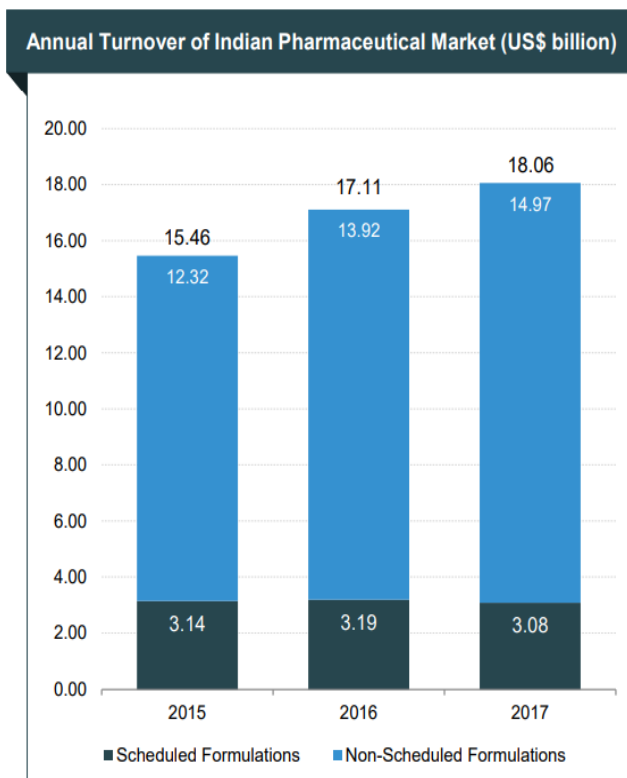
- Liberalised market
- Indian companies increasingly launch operations in foreign countries
- India a major destination for generic drug manufacturing
- Approval of Patents (Amendment) Act 2005, which led to adoption of product patents in India
- 2013: New Drug Pricing Control Order issued by Directorate of Food and Drugs this will reduce the prices of drugs by 80 per cent
- 2014: 100 per cent FDI allowed in medical device industry. The investment will be routed through automatic route
- Leading Indian pharma companies are raising funds aggressively to fund acquisition in domestic as well as international market to increase their product portfolios
- 2015: India has 10,500 manufacturing units and over 3,000 pharma companies
- National Health Policy Draft 2015 to increase expenditure in health care sector
- Patent Act Amendment 2015, it includes amendments in Patent Act 2002



- Indian Patent Act passed in 1970
- Several domestic companies start operations
- Development of production infrastructure
- Export initiatives taken
- Increased patent filings by pharma players
- Likely adoption of newer sales models such as channel management, KAM and CSO
- The National Pharmaceutical Pricing Policy, 2012 (NPPP-2012)
- In Union Budget, 2016, FDI increased to 74 per cent in existing pharmaceutical companies
- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture.

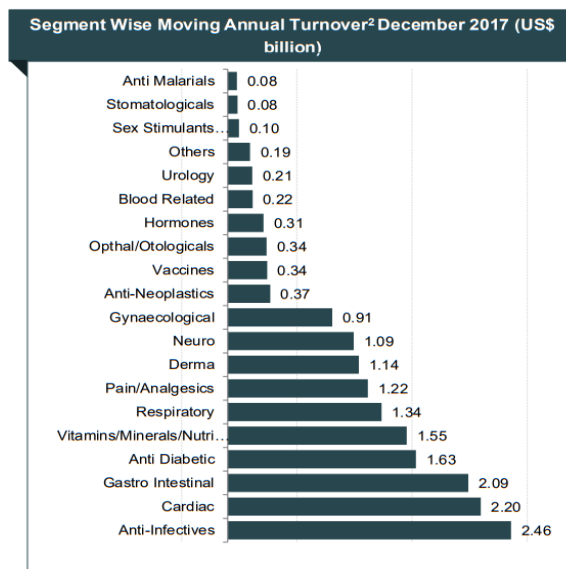
### **Indian Pharma Market:**

- Pharmaceutical market grew 5.5% in CY2017 in terms of moving annual turnover. With a turnover of Rs 1.16 trillion (US\$ 18.06 billion).
- In Jul-Sep 2018, Indian pharmaceutical market grew 9.7 per cent and stood at Rs 1.26 trillion (US\$ 17.95 billion) for the Moving Annual Total (MAT) ended September. In November 2018, the Indian market grew by 6.3 per cent year-on-year.
- Medicine spending in India is projected to grow 9-12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.
- India's cost of production is significantly lower than that of US & almost half of that of Europe. It gives a competitive edge to India over others.
- Ayurveda sector in India is expected to reach US\$ 4.4billion by 2018&grow at 16% CAGR till 2025.
- Increase in the size of middle-class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in the country will also influence in the growth of pharmaceuticals sector.

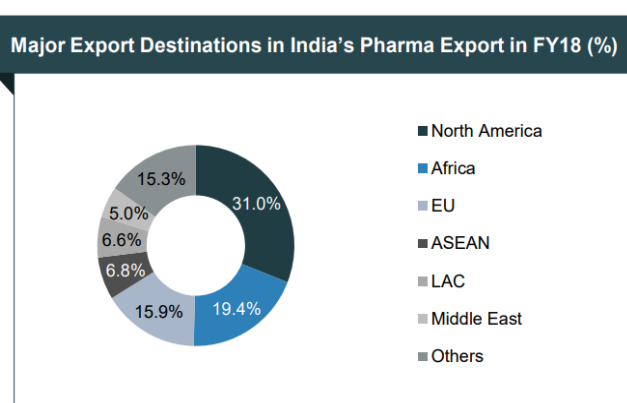
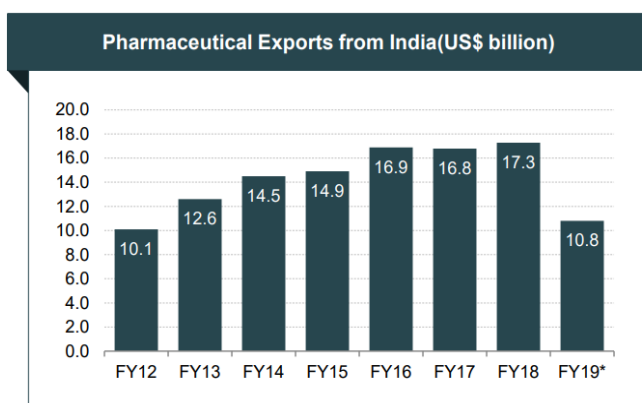


### Composition of Indian Pharma Market:

- Pharmaceutical market grew 5.5% in CY2017 in terms of moving annual turnover. With a turnover of Rs 1.16 trillion (US\$ 18.06 billion).
- With 70% of market share (in terms of revenues), generic drugs form the largest segment of the Indian pharmaceutical sector. Over the Counter (OTC) medicines and patented drugs constitute 21% & 9%
- The share of generic drugs is expected to continue increasing; domestic generic drug market is expected to reach US\$ 27.9 billion in 2020
- Due to their competence in generic drugs, growth in this market offers a great opportunity for Indian firms
- Based on moving annual turnover, Anti-infectives, Cardiac, Gastro Intestinal had the biggest market share in the Indian pharma market in 2017.

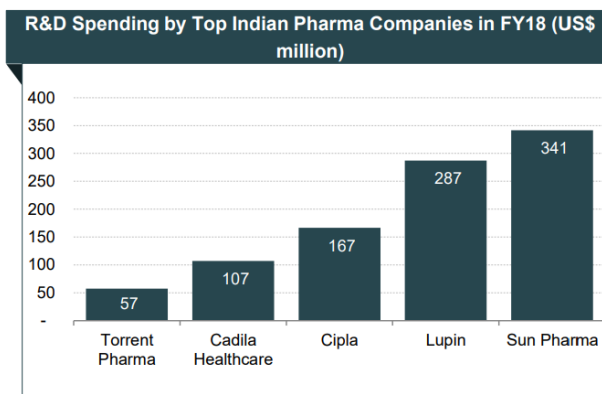
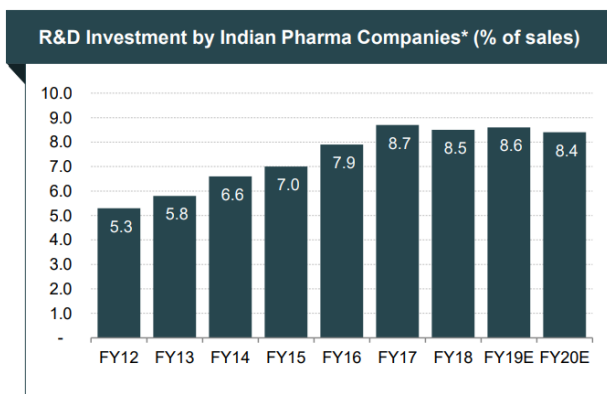


### Pharma EXPORT to continue witnessing positive growth:



- India is the world's largest provider of generic medicines; the country's generic drugs account for 20 per cent of global generic drug exports (in terms of volumes). Indian drugs are exported to more than 200 countries in the world, with the US as the key market.
- Pharma companies are capitalising on export opportunities in regulated and semi-regulated markets.
- Pharmaceutical exports from India reached US\$ 17.27 billion in FY18 and US\$ 10.80 billion in FY19 (up to October 2018). Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals.
- The biggest export destination for Indian pharma product is the US. In FY18, 31% of India's pharma exports were to the North America, followed by 19.4% to Africa and 15.9% to the European Union

### R&D Spending in Indian Pharma:

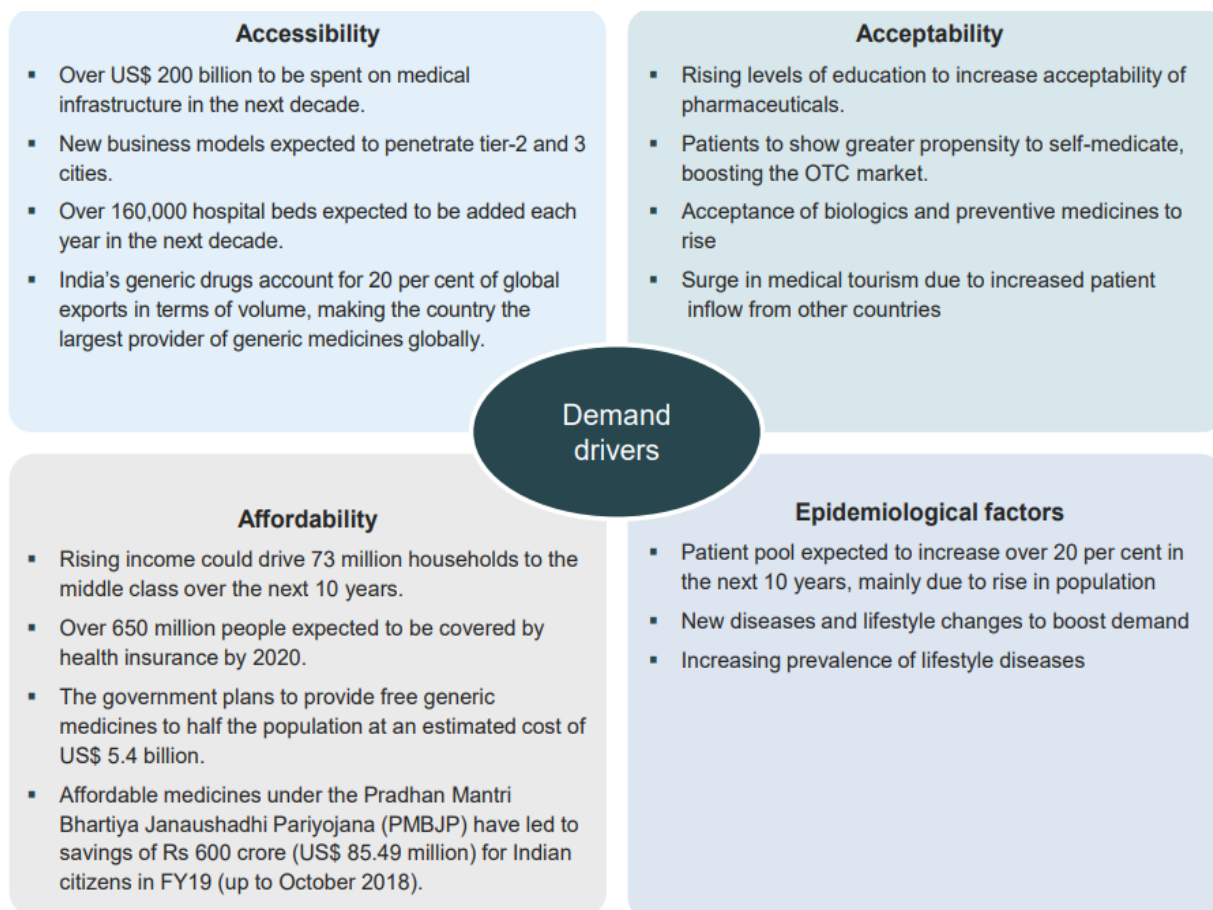


- Investment (as % of sales) in research & development by Indian pharma companies\* increased from 5.3 per cent in FY12 to 8.5 per cent in FY18
- In FY18, highest expenditure on Research & Development was done by Sun Pharma, followed by Lupin.
- Sun Pharma’s R&D plan includes developing more products through expanded R&D team for global markets, focusing on more complex products across multiple dosage forms and investments in specialty pipeline

**Growth Drivers of Indian Pharma Sector:**

<ul style="list-style-type: none"> <li>• Cost advantage</li> <li>• Skilled manpower</li> <li>• India a major manufacturing hub for generics</li> <li>• India accounts for 22% of overall USFDA approved plants</li> <li>• Increasing penetration of chemists</li> </ul>		<ul style="list-style-type: none"> <li>• Increasing fatal diseases</li> <li>• Accessibility of drugs to greatly improve</li> <li>• Increasing penetration of health insurance</li> <li>• Growing number of stress-related diseases due to change in lifestyle</li> <li>• Better diagnostic facilities</li> </ul>
<ul style="list-style-type: none"> <li>• National Health Policy 2015, which focuses on increasing public expenditure on healthcare segment</li> <li>• Reduction in approval time for new facilities</li> <li>• Plans to set up new pharmaceutical education and research institutes</li> </ul> <p>Exemptions to drugs manufactured through indigenous R&amp;D from price control under NPPP-2012</p>		

**Demand Drivers of Indian Pharma Sector:**



**National Pharma Policy to bring greater transparency:**

In 2017, the Department of Pharmaceuticals released a draft National Pharmaceutical Policy with the following objectives:

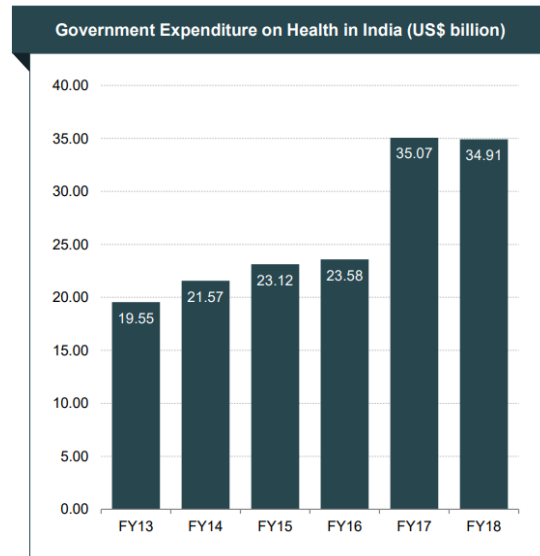
- Make all essential drugs accessible to masses through affordable prices
- Provide the Indian pharmaceutical sector with a long-term stable policy environment
- Make India self-sufficient in end to end domestic drug manufacturing
- Maintain world class quality for domestic consumption and exports
- Create a positive environment for research and development in the pharma sector.

As per the new policy, the Department of Pharmaceuticals will have control over the National List of Essential Medicines (NLEM), which decides the drugs for which the Government of India can control the prices.

**Government Expenditure in the Pharma Sector on an Uptrend:**



- Government expenditure on health increased from Rs 1.26 lakh crore (US\$ 19.55 billion) in FY12 to Rs 2.25 lakh crore (US\$ 34.91 billion) in FY18, implying a CAGR of 12.3 per cent.
- Medical technology park in Vishakhapatnam, Andhra Pradesh has already been set up with an investment of US\$ 183.31 million. States like Himachal Pradesh, Gujarat, Telangana and Maharashtra are showing interest for making investments in these parks.
- German technical services provider TUV Rhineland's Indian subsidiary has partnered with Andhra Pradesh MedTech Zone (AMTZ) to create an infrastructure for Electro-Magnetic Interference (EMI/EMC) at an investment of US\$ 12.64 million over a course of four to five years.



### **National Pharma Policy to bring greater transparency**

- In 2017, the Department of Pharmaceuticals released a draft National Pharmaceutical Policy with the following objectives:
  - Make all essential drugs accessible to masses through affordable prices
  - Provide the Indian pharmaceutical sector with a long-term stable policy environment
  - Make India self-sufficient in end to end domestic drug manufacturing • Maintain world class quality for domestic consumption and exports
  - Create a positive environment for research and development in the pharma sector.
- As per the new policy, the Department of Pharmaceuticals will have control over the National List of Essential Medicines (NLEM), which decides the drugs for which the Government of India can control the prices.

## **Introduction to Healthcare Industry in Indian**

Healthcare has become one of India's largest sectors - both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by public as well private players. Indian healthcare delivery system is categorized into two major components - public and private.

The Government, i.e. public healthcare system comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centres (PHCs) in rural areas. The private sector provides majority of secondary, tertiary and quaternary care institutions with a major concentration in metros, tier I and tier II cities. India's competitive advantage lies in its large pool of well-trained medical professionals. India is also cost competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe.

## **Market Size**

The healthcare market can increase three-fold to ₹ 8.6 trillion (US\$ 133.44 billion) by 2022. India is experiencing 22-25 per cent growth in medical tourism and the industry is expected to double its size from present (April 2017) US\$ 3 billion to US\$ 6 billion by 2018.

There is a significant scope for enhancing healthcare services considering that healthcare spending as a percentage of Gross Domestic Product (GDP) is rising. The government's expenditure on the health sector has grown to 1.4 per cent in FY18E from 1.2 per cent in FY14. The Government of India is planning to increase public health spending to 2.5 per cent of the country's GDP by 2025.

## **Investments**

The hospital and diagnostic centers attracted Foreign Direct Investment (FDI) worth US\$ 5.25 billion between April 2000 and June 2018, according to data released by the Department of Industrial Policy and Promotion (DIPP). Some of the recent investments in the Indian healthcare industry are as follows:

- Healthcare sector in India witnessed 23 deals worth US\$ 679 million in H12018.
- India and Cuba have signed a Memorandum of Understanding (MoU) to increase cooperation in the areas of health and medicine, according to Ministry of Health and Family Welfare, Government of India.
- Fortis Healthcare has approved the de-merger of its hospital business with Manipal Hospital Enterprises. TPG and Dr. Ranjan Pal could invest ₹ 3,900 crores (US\$ 602.41 million) in Manipal Hospital Enterprise.

## **Government Initiatives**

Some of the other major initiatives taken by the Government to promote Indian Healthcare Industry in India are as follows:

- On September 23, 2018, Government of India launched Pradhan Mantri Jan Arogya Yojana (PMJAY), to provide health insurance worth ₹ 500,000 (US\$ 7,124.54) to over 100 million families therein every year.
- In August 2018, the Government of India has approved Ayushman Bharat-National Health Protection Mission as a centrally Sponsored Scheme contributed by both center and state government at a ratio of 60:40 for all States, 90:10 for hilly North Eastern States and 60:40 for Union Territories with legislature. The center will contribute 100 per cent for Union Territories without legislature.



- The Government of India has launched Mission Indradhanush with the aim of improving coverage of immunisation in the country. It aims to achieve at least 90 per cent of immunisation coverage by December 2018 which will cover unvaccinated and partially vaccinated children in rural and urban areas of India.

### **Achievements:**

Following are the achievements of the government in the year 2017:

- In 2017, the Government of India approved National Nutrition Mission (NNM), a joint effort of Ministry of Health and Family Welfare (MoHFW) and the Ministry of Women and Child development (WCD) towards a life cycle approach for interrupting the intergenerational cycle of under nutrition.
- As of September 23, 2018, the world's largest government funded healthcare scheme, Ayushman Bharat was launched.
- As of November 15, 2017, 4.45 million patients were benefitted from Affordable Medicines and Reasonable Implants for Treatment (AMRIT) Pharmacies.
- As of December 15, 2017, the Government of India approved the National Medical Commission Bill 2017, it aims to promote area of medical education reform.

### **Road Ahead**

India is a land full of opportunities for players in the medical devices industry. India's healthcare industry is one of the fastest growing sectors and it is expected to reach \$280 billion by 2020. The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of population.

Besides, Indian medical service consumers have become more conscious towards their healthcare upkeep. Indian healthcare sector is much diversified and is full of opportunities in every segment which includes providers, payers and medical technology. With the increase in the competition, businesses are looking to explore for the latest dynamics and trends which will have positive impact on their business. The hospital industry in India is forecasted to increase to ₹ 8.6 trillion (US\$ 132.84 billion) by FY22 from ₹ 4 trillion (US\$ 61.79 billion) in FY17 at a CAGR of 16-17 per cent. India's competitive advantage also lies in the increased success rate of Indian companies in getting Abbreviated New Drug Application (ANDA) approvals. India also offers vast opportunities in R&D as well as medical tourism. To sum up, there are vast opportunities for investment in healthcare infrastructure in both urban and rural India. (Exchange Rate Used: INR 1 = US\$ 0.0149 as on Q2 FY 19)

### **Report:**

The Indian healthcare sector is expected to reach US\$ 280 billion by 2020. Rising income level, greater health awareness, increased precedence of lifestyle diseases and improved access to insurance would be the key contributors to growth. The sector is expected to generate 40 million jobs in India by 2030. 100,000 jobs are expected to be created from Ayushman Bharat, the National Health Protection Scheme. As of December 17, 2018, number of sub-centres reached 168,122 and number of Primary Health Centres (PHCs) increased to 33,163. The hospital industry in India stood at ₹ 4 trillion (US\$ 61.79 billion) in FY17 and is expected to reach ₹ 8.6 trillion (US\$ 132.84 billion) by FY22. The private sector has emerged as a vibrant force in India's healthcare industry, lending it both national and international repute. It accounts for almost 74 per cent of the country's total healthcare expenditure. Telemedicine is a fast-emerging trend in India; major hospitals (Apollo, AIIMS, and Narayana Hrudayalaya) have adopted telemedicine services and entered into a number of public-private partnerships (PPP). Further, presence of world-class hospitals and skilled medical professionals has strengthened India's position as a preferred destination for medical tourism. The Government of India

aims to develop India as a global healthcare hub. It has created the Intensified Mission Indradhanush (IMI) for improving coverage of immunisation in the country and reaches every child under two years of age and all the pregnant women who have not been part of the routine immunisation programme. In March 2018, Union Cabinet approved budget support of ₹ 85,271 crore (US\$ 13.16 billion) for the period of April 2017- March 2020 under the National Health Mission to encourage medical infrastructure in India. In August 2018, the Ministry of Health and Family Welfare set up National Resource Centre for EHR Standards (NRCeS) to facilitate adaptation of notified EHR standards, at an estimated cost of ₹ 23.59 crore (US\$ 3.52 million).

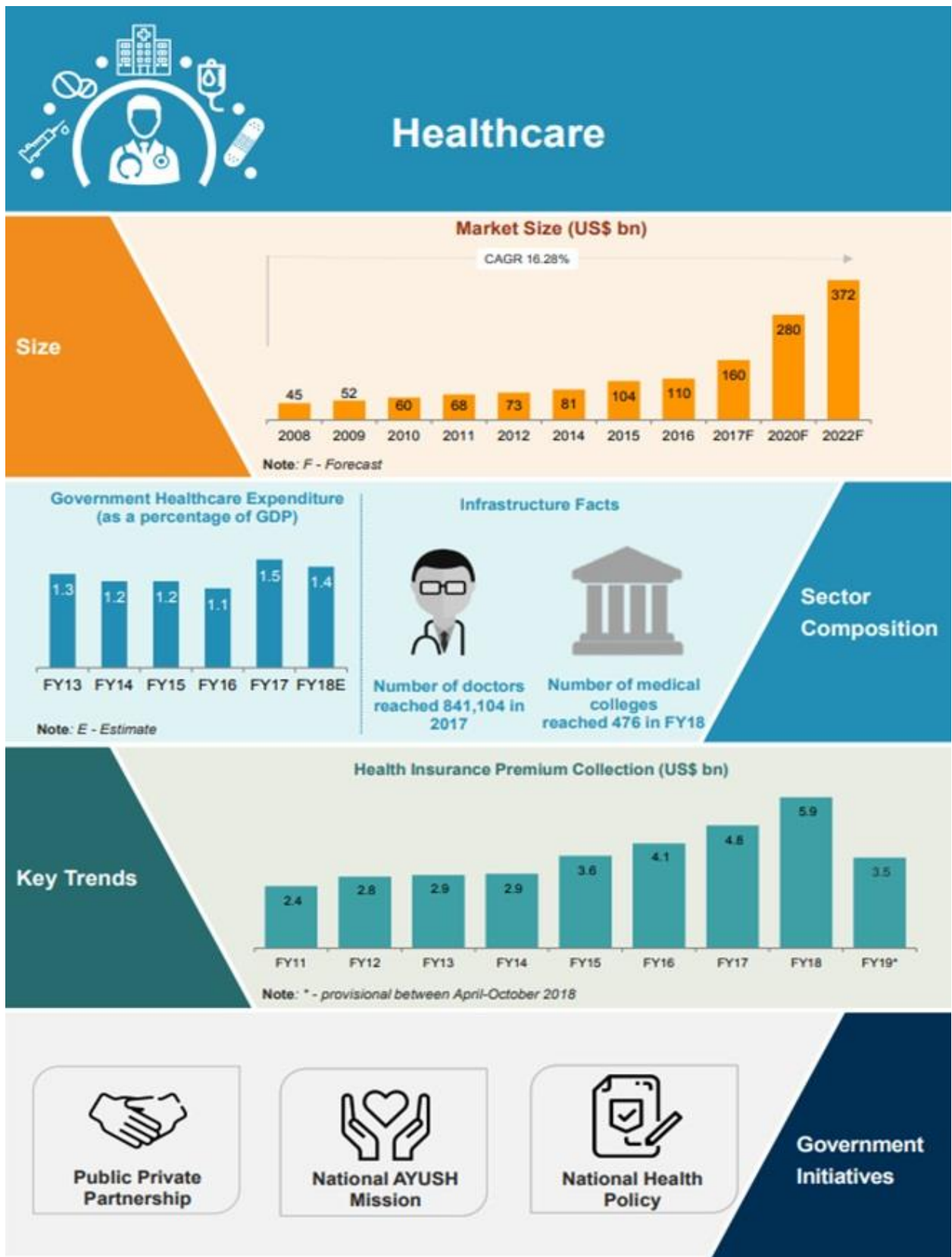
There has been strong growth in Healthcare Expenditure over the years.

- Healthcare has become one of India's largest sectors both in terms of revenue and employment. The industry is growing at a tremendous pace owing to its strengthening coverage, services and increasing expenditure by public as well private players.
- During 2008-22, the market is expected to record a CAGR of 16.28 per cent.
- The total industry size is estimated to touch US\$ 160 billion by 2017 and US\$ 372 billion by 2022. The hospital industry in India stood at ₹ 4 trillion (US\$ 61.79 billion) in FY17 and is expected to increase at a Compound Annual Growth Rate (CAGR) of 16-17 per cent to reach ₹ 8.6 trillion (US\$ 132.84 billion) by FY22.

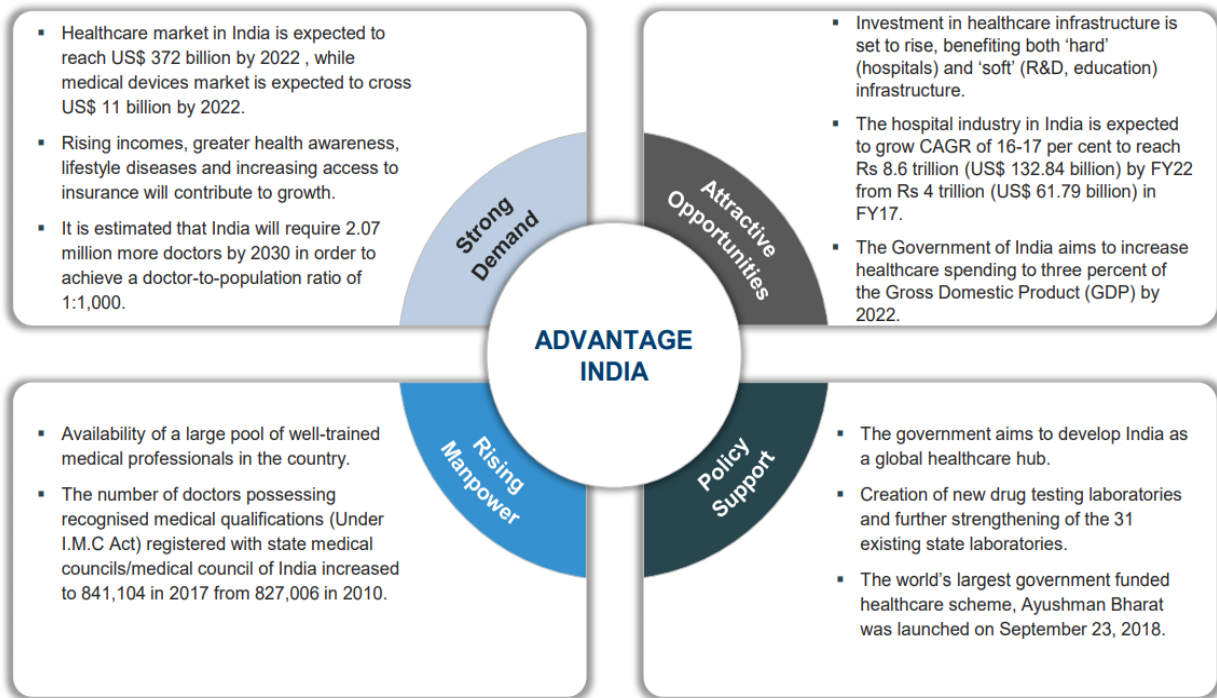
**Showcase:**



**Infographics:**



**Advantage India:**



**Notable Trends in the Indian Healthcare Sector:**

<b>Shift from communicable to lifestyle diseases</b>	<ul style="list-style-type: none"> <li>With increasing urbanisation and problems related to modern-day living in urban settings, currently, about 50 per cent of spending on in-patient beds is for lifestyle diseases; this has increased the demand for specialised care. In India, lifestyle diseases have replaced traditional health problems.</li> <li>Most lifestyle diseases are caused by high cholesterol, high blood pressure, obesity, poor diet and alcohol.</li> </ul>
<b>Expansion to tier-II and tier-III cities</b>	<ul style="list-style-type: none"> <li>Vaatsalya Healthcare is one of the first hospital chains to start focus on Tier 2 and Tier 3 for expansion.</li> <li>To encourage the private sector to establish hospitals in these cities, the government has relaxed the taxes on these hospitals for the first five years.</li> </ul>
<b>Emergence of telemedicine</b>	<ul style="list-style-type: none"> <li>Telemedicine is a fast-emerging sector in India; major hospitals (Apollo, AIIMS, etc.) have adopted telemedicine services and entered into a number of PPPs.</li> <li>Telemedicine market in India is expected to rise at a CAGR of 20 per cent during FY16-20, reaching to US\$ 32 million by 2020.</li> <li>Telemedicine can bridge the rural-urban divide in terms of medical facilities, extending low-cost consultation and diagnosis facilities to the remotest of areas via high-speed internet and telecommunication.</li> </ul>
<b>Artificial Intelligence (AI)</b>	<ul style="list-style-type: none"> <li>Rising adoption of AI-based applications has enabled people to talk directly to doctors, physician, and expertise for the best treatment.</li> <li>It is also capable of solving problems of patients, doctors, hospitals as well as the overall healthcare industry</li> </ul>
<b>Home healthcare</b>	<ul style="list-style-type: none"> <li>Developments in information technology (IT) and integration with medical electronics, has made it possible to provide high quality medical care at home at affordable prices. It enables the customers to save up to 20-50 per cent of the cost</li> </ul>

	<ul style="list-style-type: none"> <li>The home healthcare market is estimated to reach US\$ 4.46 billion by the end of 2018 and US\$ 6.21 billion by 2020</li> </ul>
<b>Increasing penetration of health insurance</b>	<ul style="list-style-type: none"> <li>In FY18, gross healthcare insurance stood at 25.2 per cent of overall gross direct premium income by non-life insurers segment.</li> <li>Health insurance is gaining momentum in India witnessing 20.08 per cent y-o-y growth to reach ₹ 210.30 billion (US\$ 3.00 billion) between April-September 2018(provisional).</li> </ul>
<b>Mobile-based health delivery</b>	<ul style="list-style-type: none"> <li>Strong mobile technology infrastructure and launch of 4G is expected to drive mobile health initiatives in the country.</li> <li>Cycle tel Humsafar is a SMS based mobile service designed for women, it enables women to plan their family in a better way.</li> </ul>
<b>Technological initiatives</b>	<ul style="list-style-type: none"> <li>Digital Health Knowledge Resources, Electronic Medical Record, Mobile Healthcare, Electronic Health Record, Hospital Information System, PRACTO, Technology-enabled care, telemedicine and Hospital Management Information Systems are some of the technologies gaining wide acceptance in the sector.</li> <li>India's medical technology sector is forecasted to reach US\$ 9.60 billion by 2022.</li> </ul>
<b>Luxury offering</b>	<ul style="list-style-type: none"> <li>A new trend is emerging as luxury offerings in healthcare sector. More than essential requirements, healthcare providers are making offerings of luxurious services. For example: pick and drop services for patient by private helicopters and luxurious arrangements for visitors to patient in hospital.</li> </ul>

#### **Growth Drivers:**

<b>Growing Demand</b>	<ul style="list-style-type: none"> <li>Rising incomes and affordability.</li> <li>Growing elderly population, changing disease patterns.</li> <li>Rise in medical tourism.</li> <li>Better awareness of wellness, preventive care and diagnosis.</li> </ul>
<b>Policy Support</b>	<ul style="list-style-type: none"> <li>Encouraging policies for FDI and the private sector.</li> <li>Reduction in customs duty and other taxes on life-saving equipment.</li> <li>NRHM allocated US\$ 10 billion for healthcare facilities.</li> <li>National Health Insurance Mission to cover entire population.</li> </ul>
<b>Focus</b>	<ul style="list-style-type: none"> <li>Expanding research and development and distribution facilities in India.</li> <li>Use of modern technology.</li> <li>Providing support to global projects from India.</li> </ul>
<b>Merger and Acquisitions</b>	<ul style="list-style-type: none"> <li>Rising FDI and private sector investments.</li> <li>Lucrative M and A opportunities.</li> <li>Foreign players setting R and D centres and hospitals</li> </ul>

#### **Policy Support and Government Initiatives:**

<b>Pradhan Mantri Jan Arogya Yojana</b>	<ul style="list-style-type: none"> <li>On September 23, 2018, Government of India launched Pradhan Mantri Jan Arogya Yojana (PMJAY), to provide health insurance worth ₹ 500,000 (US\$ 7,124.54) to over ten crore families every year.</li> </ul>
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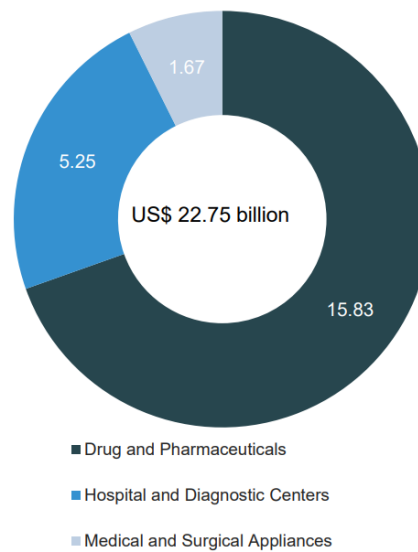
<b>Tax incentives</b>	<ul style="list-style-type: none"> <li>All healthcare education and training services are exempted from service tax.</li> <li>Increase in tax holiday under section 80- IB for private healthcare providers in non-metros for minimum of 50 bedded hospitals.</li> <li>250 per cent deduction for approved expenditure incurred on operating technology enables healthcare services such as tele medicine , remote radiology.</li> <li>Excise duty on chassis for ambulance reduced from 24 per cent to 12.5 per cent.</li> <li>Artificial heart is exempted from basic custom duty of 5 per cent.</li> <li>Income tax exemption for 15 years for domestically manufactured medical technology products.</li> <li>The benefit of section 80-IB has been extended to new hospitals with 100 beds or more that are set up in rural areas; such hospitals are entitled to 100 per cent deduction on profits for 5 years</li> </ul>
<b>Recent Initiatives</b>	<ul style="list-style-type: none"> <li>In June 2018, Government of India launched a registry with standardised, authentic and updated geo-spatial data of all public and private healthcare called National Health Resource Repository (NHRR).</li> <li>India has bilateral relations with 53 countries in the healthcare sector, as of August 2018. This international cooperation will encourage joint initiatives in health manpower development, training, exchange of experts, exchange of information, capacity building, and technical support in establishing laboratories / hospitals and research</li> </ul>
<b>OTC medicines</b>	<ul style="list-style-type: none"> <li>An in-principle approval for a new category of over the counter (OTC) medicine has been given by the Drug Consultative Committee (DCC), Government of India, to help save patients' time and money.</li> </ul>
<b>Incentives in the medical travel industry</b>	<ul style="list-style-type: none"> <li>Incentives and tax holidays are being offered to hospitals and dispensaries providing health travel facilities. Senior citizens above 80 years of age will be allowed deduction of US\$ 491 towards medical expenditure if they are not covered under health insurance</li> </ul>
<b>National Health Mission(NHS)</b>	<ul style="list-style-type: none"> <li>In March 2018, the Union Cabinet of India approved the continuation of National Health Mission with a budget of ₹ 85,217 crore (US\$ 13.16 billion) from 1st April 2017 to 31st March 2020.</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>State Telemedicine Network (STN): The states and union territories have been provided support under the National Health Mission (NHM) under Program Implementation Plan (PIP) to create reliable, ubiquitous and high-speed network backbone.</li> </ul>
<b>Single Window System</b>	<ul style="list-style-type: none"> <li>Drug Controller General of India (DCGI) has proposed to set up a single window system for start-ups and innovators seeking approvals, consents, and information regarding regulatory requirement.</li> </ul>
<b>Medical institutions</b>	<ul style="list-style-type: none"> <li>The doctor-population ratio is way ahead of 1:1,000 the prescribed ratio by World Health Organisation (WHO) as for every 921 people in the country there is one doctor^, as of December 2018.</li> <li>Under the Union Budget 2018-19, the government has allocated ₹ 452.25 crore (US\$ 69.86 million) for the upgradation of state government medical colleges (PG seats) at the district hospitals and ₹ 794.07 crore (US\$ 122.66 million) for government medical colleges (UG seats) and government health institutions.</li> </ul>



	<ul style="list-style-type: none"> <li>During FY17-FY19 the Government of India permitted start of 86 new colleges, which included 51 in FY17, 14 in FY18 and 21 in FY19.</li> </ul>
<b>Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA)</b>	<ul style="list-style-type: none"> <li>As of January 2018, Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA), a programme launched in 2016 to ensure comprehensive and quality antenatal check-ups to pregnant women across India, has crossed the 10 million mark</li> </ul>
<b>Pradhan Mantri Swasthya Suraksha Yojana(PMSSY)</b>	<ul style="list-style-type: none"> <li>In May 2018, the Government of India approved financial outlay of ₹ 14,832 crores (US\$ 2.30 billion) for FY2017-18 to FY2019-20.</li> <li>In May 2018, the Government of India approved ₹ 1,103 crore (US\$ 170.14 million) for setting up All India Institute of Medical Sciences (AIIMS) in Deoghar, Jharkhand.</li> </ul>
<b>Mission Indradhanush</b>	<ul style="list-style-type: none"> <li>The Government of India launched Mission Indradhanush with the aim of improving coverage of immunisation in the country and reach every child under two years of age and all the pregnant women who have not been part of the routine immunisation programme.</li> <li>Mission Indradhanush aims to achieve atleast 90 per cent immunization coverage by December 2018 which will cover unvaccinated and partially vaccinated children in rural and urban areas of India.</li> </ul>
<b>National Resource Centre for EHR Standards</b>	<ul style="list-style-type: none"> <li>In August 2018, the Ministry of Health and Family Welfare released ₹ 4 crore (US\$ 5.97 lakh) to Centre for Development of Advanced Computing (C-DAC), Pune for developing National Resource Centre for EHR Standards (NRCeS) from a total estimated cost of ₹ 23.59 crore (US\$ 3.52 million) to enable adaptation of notified EHR standards</li> </ul>
<b>Rashtriya Swasthya Bima Yojna</b>	<ul style="list-style-type: none"> <li>The Government of India released ₹ 436.66 crore (US\$ 66.71 million) and ₹ 675.10 crore (US\$ 100.63 million) in FY16-17 and FY15-16 respectively.</li> </ul>
<b>Union Budget 2018-19</b>	<ul style="list-style-type: none"> <li>Under the Union Budget 2018-19, the allocation to the Ministry of Health and Family Welfare has increased by 11.5 per cent year-on-year to ₹ 52,800 crore (US\$ 8.16 billion).</li> <li>The National Health Protection Scheme is largest government funded healthcare programme in the world, which is expected to benefit 100 million poor families in the country by providing a cover of up to ₹ 5 lakh (US\$ 7,723.2) per family per year for secondary and tertiary care hospitalisation.</li> <li>The government has allocated ₹ 1,200 crore (US\$ 185.36 million) towards the National Health Policy 2017 under which 150,000 health and wellness centres, will provide healthcare closer to homes of the people.</li> </ul>

### **FDI Inflow:**

- 100 per cent FDI is allowed under the automatic route for greenfield projects.
- For brownfield project investments, up to 100 per cent FDI is permitted under the government route.
- Demand growth, cost advantages and policy support have been instrumental in attracting FDI.
- During April 2000 – June 2018, FDI inflows for drugs and pharmaceuticals sector stood at US\$ 15.83 billion.
- Inflows into sectors such as hospitals and diagnostic centers and medical appliances stood at US\$ 5.25 billion and US\$ 1.67 billion, respectively, during the same period



### **Indian Healthcare Industry Analysis:**

The Indian healthcare sector is expected to reach US\$ 280 billion by 2020. Rising income level, greater health awareness, increased precedence of lifestyle diseases and improved access to insurance would be the key contributors to growth. The sector is expected to generate 40 million jobs in India by 2030. 100,000 jobs are expected to be created from Ayushman Bharat, the National Health Protection Scheme. As of November 14, 2018, number of sub-centres reached 167,961 and number of Primary Health Centres (PHCs) increased to 33,137. The hospital industry in India stood at ₹ 4 trillion (US\$ 61.79 billion) in FY17 and is expected to reach ₹ 8.6 trillion (US\$ 132.84 billion) by FY22.

The private sector has emerged as a vibrant force in India's healthcare industry, lending it both national and international repute. It accounts for almost 74 per cent of the country's total healthcare expenditure. Telemedicine is a fast-emerging trend in India; major hospitals (Apollo, AIIMS, and Narayana Hrudayalaya) have adopted telemedicine services and entered into a number of public-private partnerships (PPP). Further, presence of world-class hospitals and skilled medical professionals has strengthened India's position as a preferred destination for medical tourism.

The Government of India aims to develop India as a global healthcare hub. It has created the Intensified Mission Indradhanush (IMI) for improving coverage of immunisation in the country and reaches every child under two years of age and all the pregnant women who have not been part of the routine immunisation programme. In March 2018, Union Cabinet approved budget support of ₹ 85,271 crore (US\$ 13.16 billion) for the period of April 2017- March 2020 under the National Health Mission to encourage medical infrastructure in India. In August 2018, the Ministry of Health and Family Welfare set up National Resource Centre for EHR Standards (NRCeS) to facilitate adaptation of notified EHR standards, at an estimated cost of ₹ 23.59 crore (US\$ 3.52 million).

### **Introduction to Fast-Moving Consumer Goods (FMCG) Sector in Indian**

Fast-moving consumer goods (FMCG) sector is the 4th largest sector in the Indian economy with Household and Personal Care accounting for 50 per cent of FMCG sales in India. Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector. The urban segment (accounts for a revenue share of around 55 per cent) is the largest contributor to the overall revenue generated by the FMCG sector in India. However, in the last few years, the FMCG market has



grown at a faster pace in rural India compared with urban India. Semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50 per cent of total rural spending.

### **Market Size**

The Retail market in India is estimated to reach US\$ 1.1 trillion by 2020 from US\$ 840 billion in 2017, with modern trade expected to grow at 20 per cent - 25 per cent per annum, which is likely to boost revenues of FMCG companies. Revenues of FMCG sector reached Rs 3.4 lakh crore (US\$ 52.75 billion) in FY18 and are estimated to reach US\$ 103.7 billion in 2020. The sector witnessed growth of 16.5 per cent in value terms between July-September 2018; supported by moderate inflation, increase in private consumption and rural income.

### **Investments / Developments**

The government has allowed 100 per cent Foreign Direct Investment (FDI) in food processing and single-brand retail and 51 per cent in multi-brand retail. This would bolster employment and supply chains, and also provide high visibility for FMCG brands in organised retail markets, bolstering consumer spending and encouraging more product launches. The sector witnessed healthy FDI inflows of US\$ 13.63 billion, during April 2000 to June 2018. Some of the recent developments in the FMCG sector are as follows:

- Patanjali will spend US\$743.72 million in various food parks in Maharashtra, Madhya Pradesh, Assam, Andhra Pradesh and Uttar Pradesh.
- Dabur is planning to invest ₹ 250-300 crore (US\$ 38.79-46.55 million) in FY19 for capacity expansion and is also planning to make acquisitions in the domestic market.
- In May 2018, RP-Sanjiv Goenka Group created and ₹ 1 billion (US\$ 14.92 million) venture capital fund to invest in FMCG start-ups.
- In August 2018, Fonterra announced a joint venture with Future Consumer Ltd which will produce a range of consumer and foodservice dairy products.

### **Government Initiatives**

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

- The Government of India has approved 100 per cent Foreign Direct Investment (FDI) in the cash and carry segment and in single-brand retail along with 51 per cent FDI in multi-brand retail.
- The Government of India has drafted a new Consumer Protection Bill with special emphasis on setting up an extensive mechanism to ensure simple, speedy, accessible, affordable and timely delivery of justice to consumers.
- The GST is beneficial for the FMCG industry as many of the FMCG products such as Soap, Toothpaste and Hair oil now come under 18 per cent tax bracket against the previous 23-24 per cent rate.
- The GST is expected to transform logistics in the FMCG sector into a modern and efficient model as all major corporations are remodeling their operations into larger logistics and warehousing.

### **Achievements:**

Following are the achievements of the government in the past four years:

- Number of mega food parks ready increased from 2 between 2008-14 to 13 between 2014-18.
- Preservation and processing capacity increased from 308,000 during 2008-14 to 1.41 million during 2014-18.

- The number of food labs increased from 31 during 2008-14 to 42 during 2014-18.

### **Road Ahead**

Rural consumption has increased, led by a combination of increasing incomes and higher aspiration levels; there is an increased demand for branded products in rural India. The rural FMCG market in India is expected to grow to US\$ 220 billion by 2025 from US\$ 23.6 billion in FY18. In FY18, FMCG's rural segment contributed an estimated 10 per cent of the total income and it is forecasted to contribute 15-16 per cent in FY 19. ^ FMCG sector is forecasted to grow at 12-13 per cent between September–December 2018. On the other hand, with the share of unorganized market in the FMCG sector falling, the organised sector growth is expected to rise with increased level of brand consciousness, also augmented by the growth in modern retail. Another major factor propelling the demand for food services in India is the growing youth population, primarily in the country's urban regions. India has a large base of young consumers who form the majority of the workforce and, due to time constraints, barely get time for cooking. Online portals are expected to play a key role for companies trying to enter the hinterlands. The Internet has contributed in a big way, facilitating a cheaper and more convenient means to increase a company's reach. It is estimated that 40 per cent of all FMCG consumption in India will be online by 2020. The online FMCG market is forecasted to reach US\$ 45 billion in 2020 from US\$ 20 billion in 2017. It is estimated that India will gain US\$ 15 billion a year by implementing the GST. GST and demonetization are expected to drive demand, both in the rural and urban areas, and economic growth in a structured manner in the long term and improve performance of companies within the sector. (Exchange Rate Used: INR 1 = US\$ 0.0142 as on Q2 FY 18)

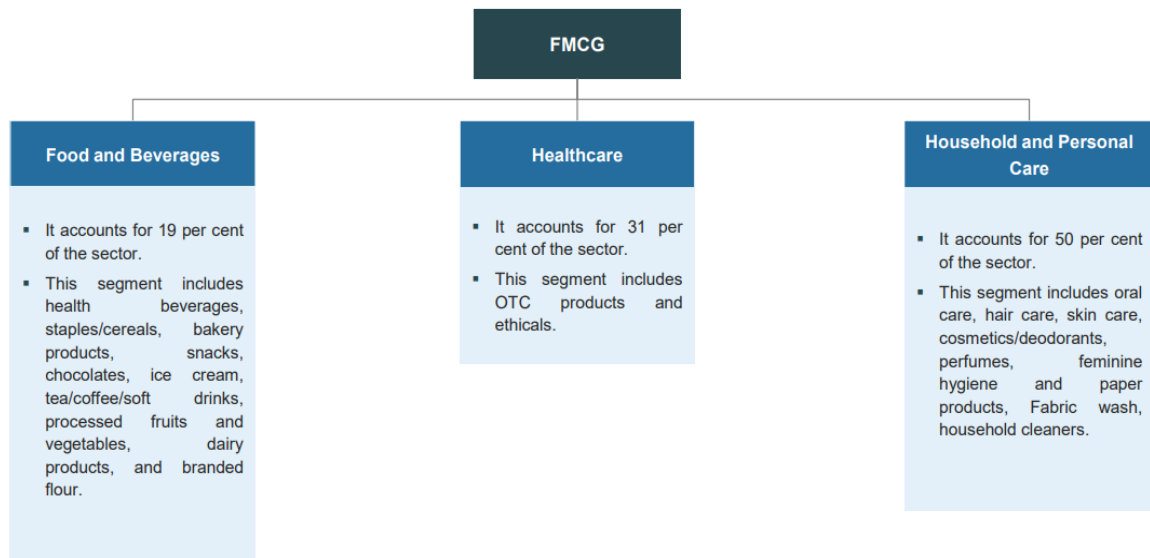
### **Report:**

The Fast-moving consumer goods (FMCG) are the 4th largest sector in the Indian economy. There are three main segments in the sector – food and beverages which accounts for 19 per cent of the sector, healthcare which accounts for 31 per cent and household and personal care which accounts for the remaining 50 per cent. The FMCG sector has grown from US\$ 31.6 billion in 2011 to US\$ 52.75 billion in 2017-18. The sector is further expected to grow at a Compound Annual Growth Rate (CAGR) of 27.86 per cent to reach US\$ 103.7 billion by 2020. The sector witnessed growth of 16.5 per cent in value terms between June–September 2018; supported by moderate inflation, increase in private consumption and rural income. It is forecasted to grow at 12-13 per cent between September–December 2018. FMCG's urban segment is expected to have a steady revenue growth at 8 per cent in FY19 and the rural segment is forecasted to contribute 15-16 per cent of total income in FY19.\* Post GST and demonetization, modern trade share grew to 10 per cent of the overall FMCG revenue, as of August 2018. Accounting for a revenue share of around 45 per cent, rural segment is a large contributor to the overall revenue generated by the FMCG sector in India. Demand for quality goods and services have been going up in rural areas of India, on the back of improved distribution channels of manufacturing and FMCG companies. Urban segment accounted for a revenue share of 55 per cent in the overall revenues recorded by FMCG sector in India. FMCG Companies are looking to invest in energy efficient plants to benefit the society and lower costs in the long term. Patanjali will spend US\$ 743.72 million in various food parks in Maharashtra, Madhya Pradesh, Assam, Andhra Pradesh and Uttar Pradesh. Dabur is planning to invest ₹ 250-300 crore (US\$ 38.79-46.55 million) in FY19 for capacity expansion and is also looking for acquisitions in the domestic market. Investment intentions, related to FMCG sector, arising from paper pulp, sugar, fermentation, food processing, vegetable oils and vanaspathi, soaps, cosmetics and toiletries industries, worth ₹ 165.52 billion (US\$ 2.36 billion) were implemented between January–September 2018. Growing awareness, easier access, and changing lifestyles are the key growth drivers for the consumer market. The focus on agriculture, These initiatives are expected to increase disposable income in the hands of the common people, especially in the rural area, which will be beneficial for sector.

**Showcase:**

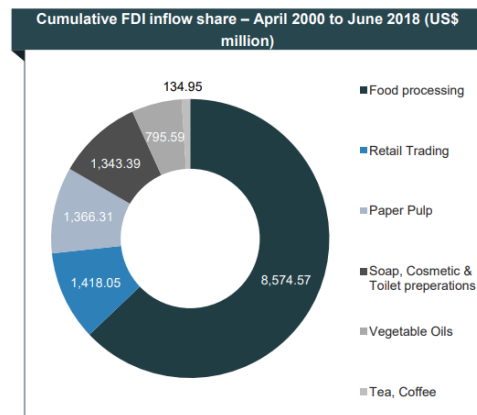


**Three Main segments of FMCG:**



### **Boost in FDI Inflows and Investments:**

- 100 per cent FDI is allowed in food processing and single-brand retail and 51 per cent in multi-brand retail.
- This would bolster employment and supply chains, and also provide high visibility for FMCG brands in organised retail markets, bolstering consumer spending and encouraging more product launches.
- The sector witnessed healthy FDI inflows of US\$ 13.63 billion during April 2000 to June 2018.
- Within FMCG, food processing was the largest recipient; its share was 62.90 per cent.
- Investment intentions, related to FMCG sector, arising from paper pulp, sugar, fermentation, food processing, vegetable oils and vanaspathi, soaps, cosmetics and toiletries industries, worth ₹ 165.52 billion (US\$ 2.36 billion) were implemented between Jan–Sept 2018.



[Source: **IBEF Presentation on Education and Training, Dec 2018** (HRD Ministry; EY; GOI - News Sources; Technopak; India Ratings and Research; UGC Report on “Inclusive and Qualitative expansion of Higher Education”; PricewaterhouseCoopers; Deloitte; Livemint; UGC, PWC, AISHE 2017-18; Unified District Information System for Education, United Nations Development Programme; TRAI, Media Reports, Press Releases, Press Information Bureau, RNCOS Report, Department of Industrial Policy and Promotion (DIPP), Union Budget 2018-19)]

## **BUSINESS OVERVIEW**

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the section titled "Risk Factors", beginning on page no. 25 of this Draft Red Herring Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled "Risk Factors" and the chapters titled "Financial Statements" and "Management Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page no 25, 179 and 227 of this Draft Red Herring Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Draft Red Herring Prospectus, all references to "we", "us", "our" and "our Company" are to Cian Healthcare Limited*

### **OVERVIEW**

Our Company was originally incorporated as "Cian Healthcare Private Limited" as a private limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated January 17, 2003 bearing Corporate Identification Number U24233PN2003PTC017563 issued by Registrar of Companies, Pune, Maharashtra. Subsequently, our Company was converted into a public limited Company pursuant to special resolution passed by the shareholders dated November 19, 2018 and the name of our Company was changed to 'Cian Healthcare Limited' to reflect the legal status of our Company pursuant to a fresh certificate of incorporation granted by the Registrar of Companies, Pune, Maharashtra dated November 30, 2018 bearing Corporate Identification Number U24233PN2003PLC017563. For further details, please refer the Chapter titled "History and Certain Corporate Matters" beginning on page 157 of this Draft Red Herring Prospectus

Our Company is a WHO-GMP & ISO -9001:2015 certified transnational manufacturing Company with wide range of Pharmaceutical, Nutraceutical, Ayurvedic, Cosmeceuticals, Sexual Wellness and Food supplement products. Our Company has a full-fledged F & D and regulatory department. Our Company complies with the standard manufacturing practices as laid down by the World Health Organization and is also certified by the Food and Drug Control Administration

Our Company develops, manufactures and commercializes pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and regulatory aspects under 12 therapeutic segments like Orthopaedics, Gynaecology, Paediatrics, Cardiac, Diabetic, Dermatology, Pain Management, Antibiotics, Neuro, Critical Care, Gastro-Intestinal and Nutraceuticals, alongwith 10 sales division focused on developing and growing our engagements in specialist and super specialist division. Our company works under different business models like Brand Business, Export, Third Party Manufacturing and Government Supplies.

Our Company has product approvals under the license issued by Drug Controlling & Licensing Authority Uttarkhand, under the license no. 82/UA/2006 in Form of 25 and 82/UA/SC/P-2006 Form of 28 for manufacturing of Tablets, Capsules, Oral Liquids and Ointments and also for analysis of Chemical, Instrumental & Microbiology.

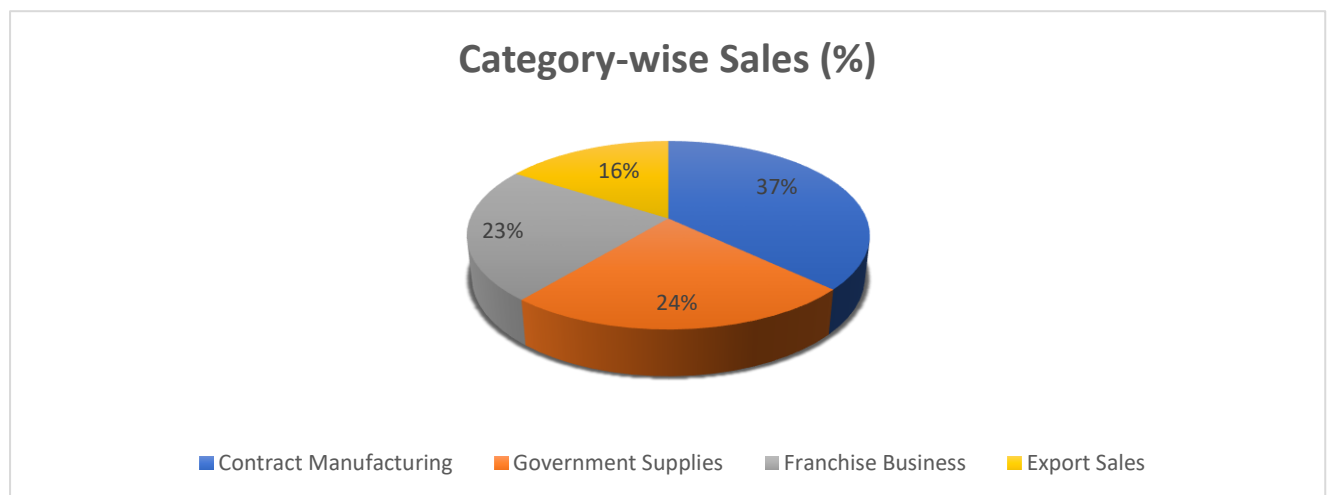
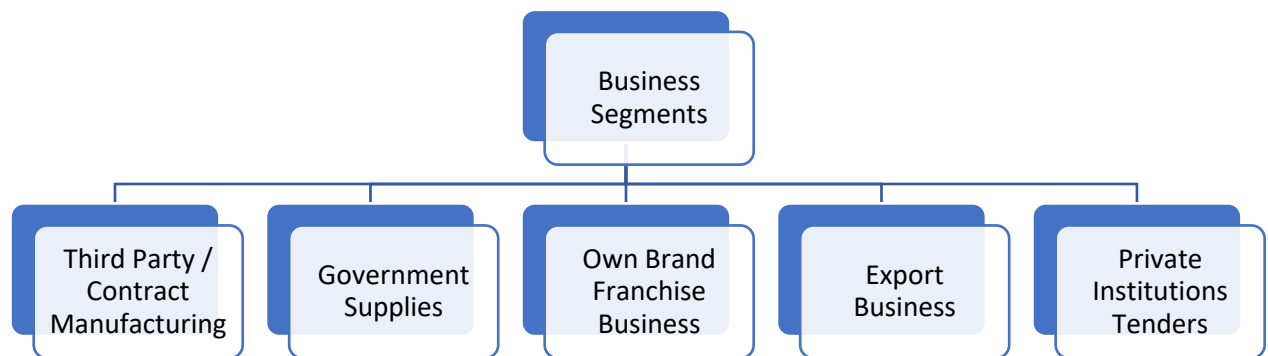
Our Company manufactures innovative products comprising of Tablets, Capsules, Liquid Orals, Ointments, Creams, Lotions, Gels and Sachet. Our Company has special licence for manufacturing veterinary products for client like SAVAvet and Venky's.

Cian has developed more than 1,000 formulations and 2000 brands for domestic market under 12 therapeutic segments like Orthopaedics, Gynaecology, Paediatrics, Cardiac, Diabetic, Dermatology, Pain Management, Antibiotics, Neuro, Critical Care, Gastro-Intestinal and Nutraceuticals.

Our Company is managed by a team of professionals headed by our Managing Director, having experience in the field of manufacturing of Pharmaceuticals products. The manufacturing process is supported by Total Quality Management techniques (TQM) and is supervised through various quality control equipments and qualified personnel. The Products are manufactured for domestic and foreign markets. We entered the International market in the year 2013-14 and are on regular basis exporting our products to various countries.

Our Company's total revenue as restated in Financial Year 2018, 2017 and 2016 was ₹ 5959.34 lakhs, ₹ 5185.36 lakhs and ₹ 4715. 62 lakhs, respectively. Our Company's profit/loss after tax as restated in Financial Year 2018, 2017 and 2016 was ₹ 387.35 lakhs, ₹ 231.28 lakhs and ₹ 154.71 lakhs, respectively

**BUSINESS MODEL**



*\*the above diagram is as on March 31, 2018*

Below are the countries in which we are currently exporting:

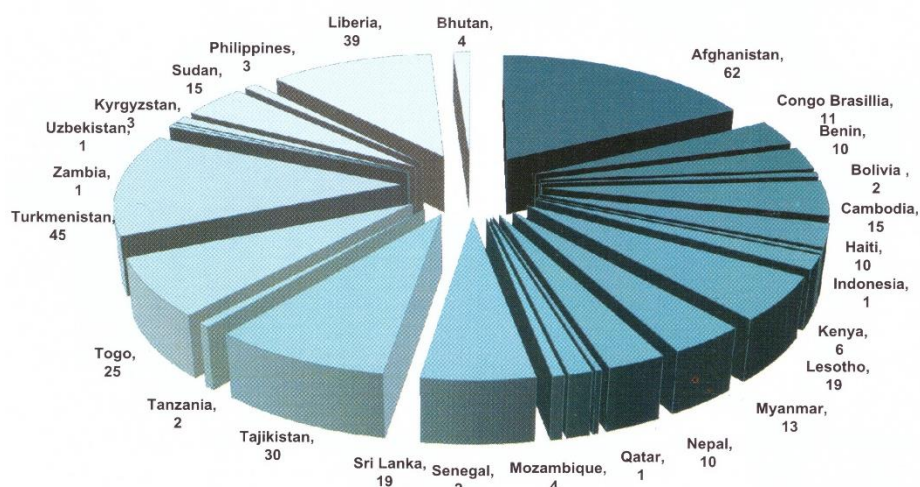
Africa	Central Asia	Asia	Latam	Middle East
Kenya, Madagascar, Mozambique, Zambia, Senegal, Benin, Liberia, Togo, Tanzania, Lesotho, Congo	Tajikistan, Kyrgyzstan, Turkmenistan, Uzbekistan, Afghanistan	Cambodia, Indonesia, Myanmar, Nepal, Philippines, Sri Lanka, Bhutan	Haiti, Bolivia, Guatemala	Qatar, Yemen, Iraq

### Awards and Accreditations

National Accreditations	International Accreditations
WHO-GMP accreditation	Republic of Kenya Ministry of Health Pharmacy and Poisons Board
GMP Certificate	Kingdom of Cambodia
GLP Certificate	NDSO Lesotho
Food License (Dietary Supplement)	CDDA Sri Lanka
Veterinary Products License	DMPL Ivory Coast
Repackaging License	Kenya
	Togo

### Export Business:

We have registered more than 353 products across below countries



Dossiers we have registered under the fast-growing therapeutic segments are:

- Orthopaedics
- Diabetic
- Neuro
- Gynaecology
- Dermatology
- Critical Care
- Paediatrics
- Pain Management
- Gastro-Intestinal
- Cardiac
- Antibiotics
- Nutraceuticals

### SWOT Analysis:

Strengths:	Opportunities:
<ul style="list-style-type: none"> <li>• Rich experience in Marketing &amp; Selling led by our Managing Director, Suraj Zanwar supported by skilled manpower</li> </ul>	<ul style="list-style-type: none"> <li>• Entry in the market of Govt., Supply and Exports where own Mfg. Is a pre-requisite</li> <li>• Reduction in Inventory holding coupled with improved quality and timely delivery</li> </ul>

<ul style="list-style-type: none"> <li>• More than 2000 brand diversified portfolio catering to all the segments with presence PAN India</li> <li>• Experience of the Promoters in the related business for over 15 years</li> <li>• Access to the right vendors and materials to allow them to turn around orders quicker than other companies in their field</li> <li>• Have the type of purchasing power that gives them better prices on materials</li> <li>• Well-established distribution network extending to rural areas</li> <li>• Strong brands in the FMCG sector</li> <li>• Low cost operations</li> </ul>	<ul style="list-style-type: none"> <li>• Capitalization on the marketing setup by backward integration thereby reducing the dependency on contract manufacturers</li> <li>• Due to increased health awareness in India, the setting up of number of hospitals / clinics with laboratories are expected to increase every year, which is expected to gives boost to market company's products</li> <li>• Global market is lucrative</li> <li>• Can take help of expertise from technical persons to curb competition</li> <li>• Large domestic market</li> <li>• Export potential</li> <li>• Increasing income levels is estimated to result in faster revenue growth</li> <li>• Indian government's Swachh Bharat mission</li> <li>• GST lowered duty</li> <li>• Increasing purchasing power and premiumisation of soaps has created a growing need for premium, feature-rich products, such as herbal soaps</li> </ul>
<b>Weaknesses:</b>	<b>Threats:</b>
<ul style="list-style-type: none"> <li>• Stringent pricing regulations by Govt. may affect the profitability of the Company</li> <li>• Presence of more unorganized players versus the organized ones, resulting in increasingly competitive environment characterized by stiff price competition</li> <li>• More dependent on contract manufacturing</li> <li>• QA &amp; QC need more pro-active roles</li> <li>• Low export levels</li> </ul>	<ul style="list-style-type: none"> <li>• Changes in Government policies</li> <li>• Supply chain disruption</li> <li>• Excessive lead times in case of more contract work</li> <li>• Inventory float and the difficulty of tracking it</li> <li>• Imports and regulatory structure</li> <li>• Slowdown in rural demand</li> <li>• Presence of chemicals and other toxic elements in soaps can damage skin texture or trigger allergies, in some people</li> </ul>
<b>Mitigants of Weaknesses</b>	<b>Mitigants of Threats</b>
<ul style="list-style-type: none"> <li>• Tracing micro and macroeconomic level data, market trends and forecasts by export agencies and internal reviews</li> <li>• Development of alternative sources for uninterrupted supply of raw material On competition side, keeping a close watch on competitor's strength and weaknesses, competition dynamics, etc.</li> <li>• Proper Inventory control systems have been put in place Company has successfully managed operations for more than last 10 years and successfully</li> </ul>	<ul style="list-style-type: none"> <li>• Reviewing and monitoring the country's industrial, labour and other related policies and involvement in representative industry-bodies Technological obsolescence should be evaluated n a continual basis and the necessary investments should made to bring in the best of the prevailing technology</li> <li>• Development of alternative sources for uninterrupted supply of raw materials</li> <li>• Company has successfully managed operations for more than last 10 years and successfully overcome all these weaknesses and threats in the business.</li> </ul>



overcome all these weaknesses and threats in the business	
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## **OUR BUSINESS PROCESS**

### **Flow Chart of Procurement Process for Key Raw Materials and Utilities:**

#### **Step 1**

Sales team brings Order (*rates, quantity, tentative date of delivery, payment terms are being finalised by Sales team*)

#### **Step 2**

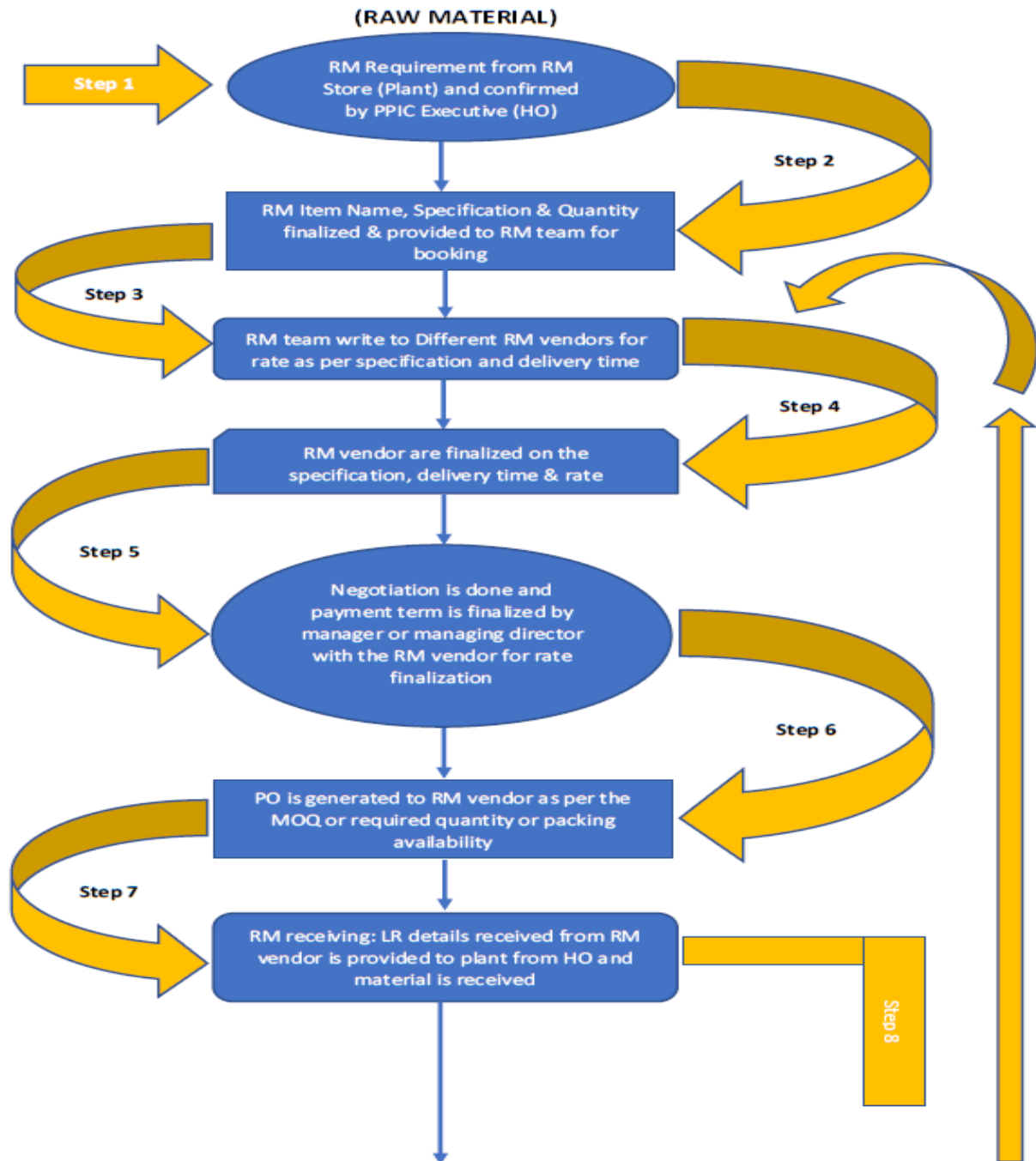
F & D Team informs about the material required as per the composition of product and sends the Balance of Quantity list to the stores team, who in turn sends the order to the purchase team.

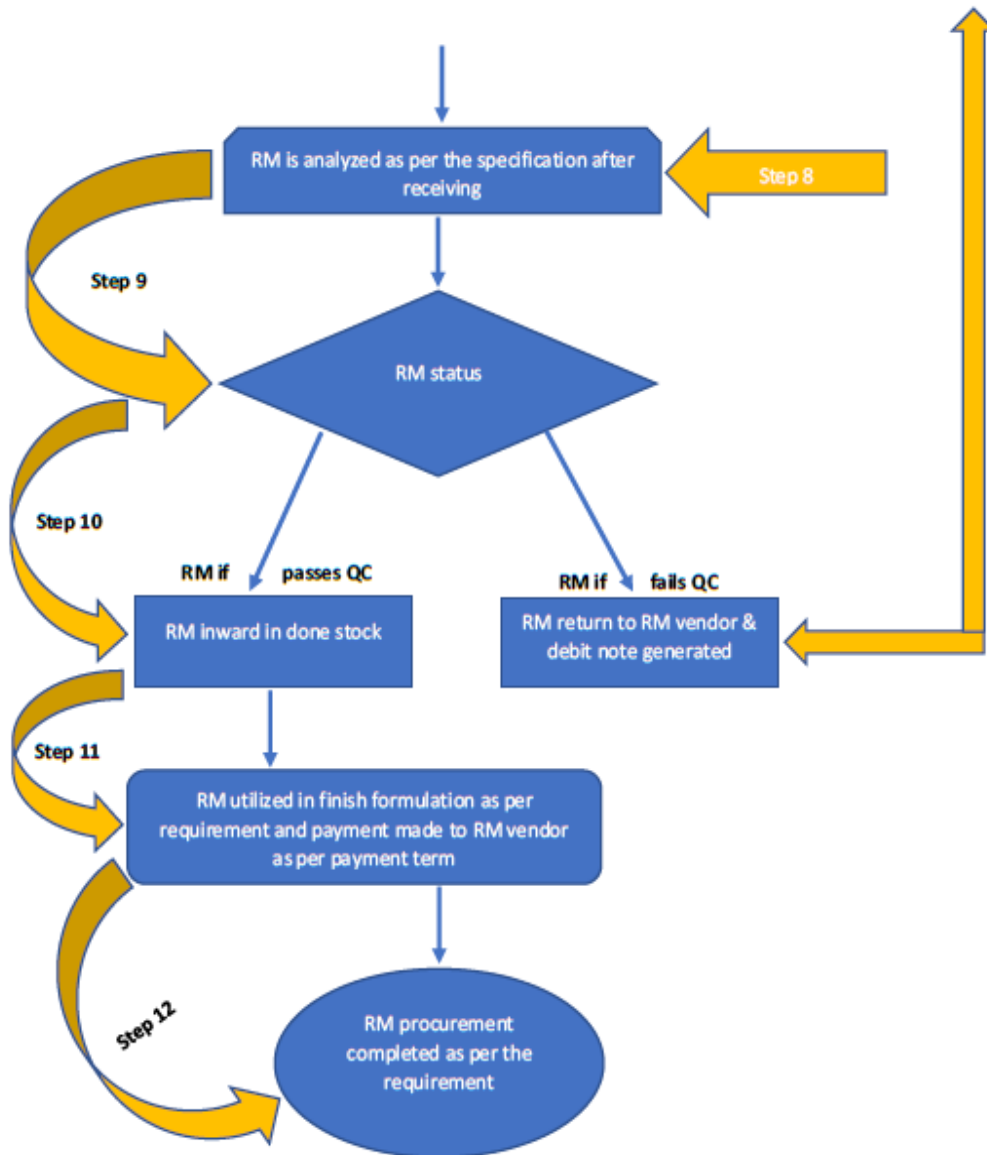
#### **Step 3**

Sales team simultaneously coordinates with the Designing team for finalization of Primary and Secondary packing material art work and the same is sent to the purchase team for finalization of Invoice / Purchase order

#### **Step 4**

The below process is thus followed:

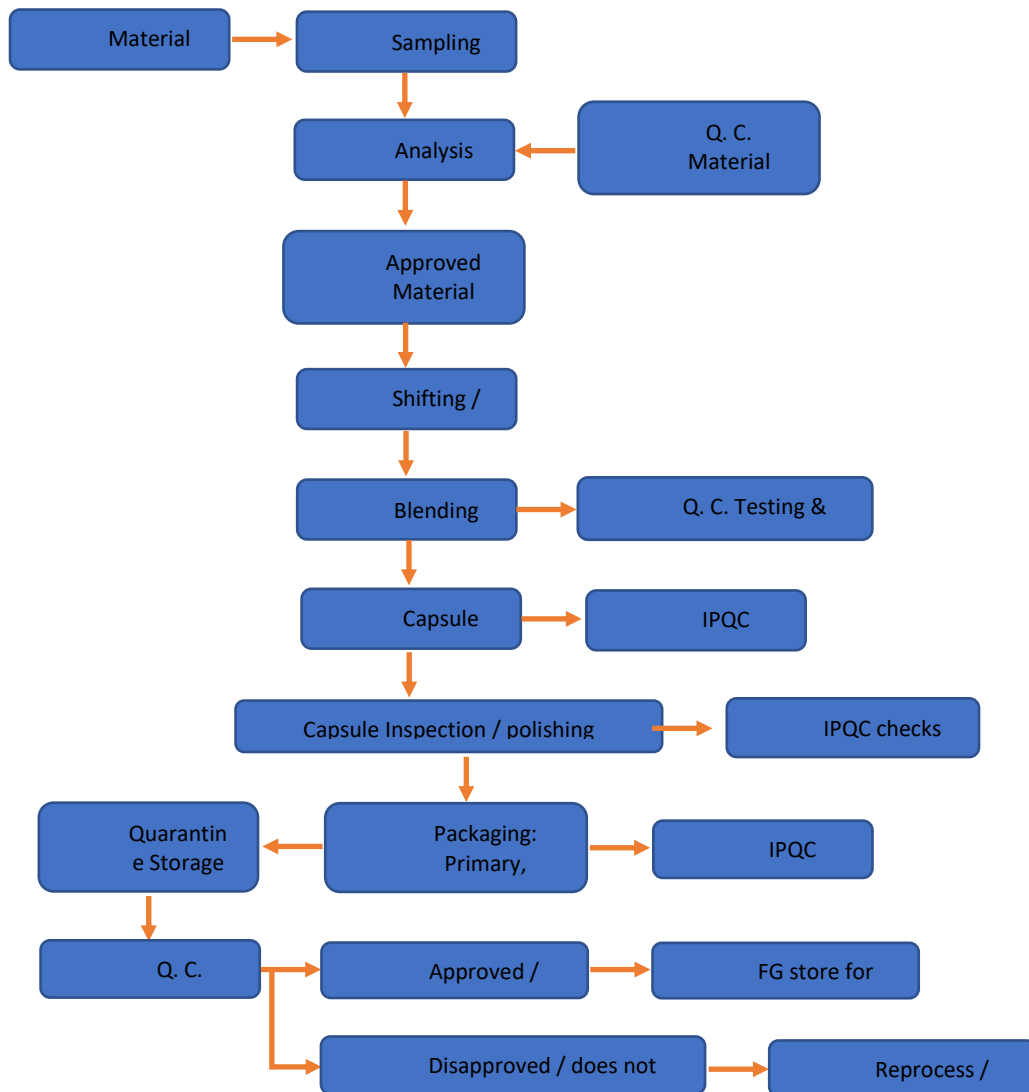




**ABBREVIATION**

RM	Raw Material
RM Vendor	Raw Material Supplier or Manufacturer
PPIC	Production Planning and Inventory Control
HO	Head Office
LR	Lorry Receipt
QC	Quality Control

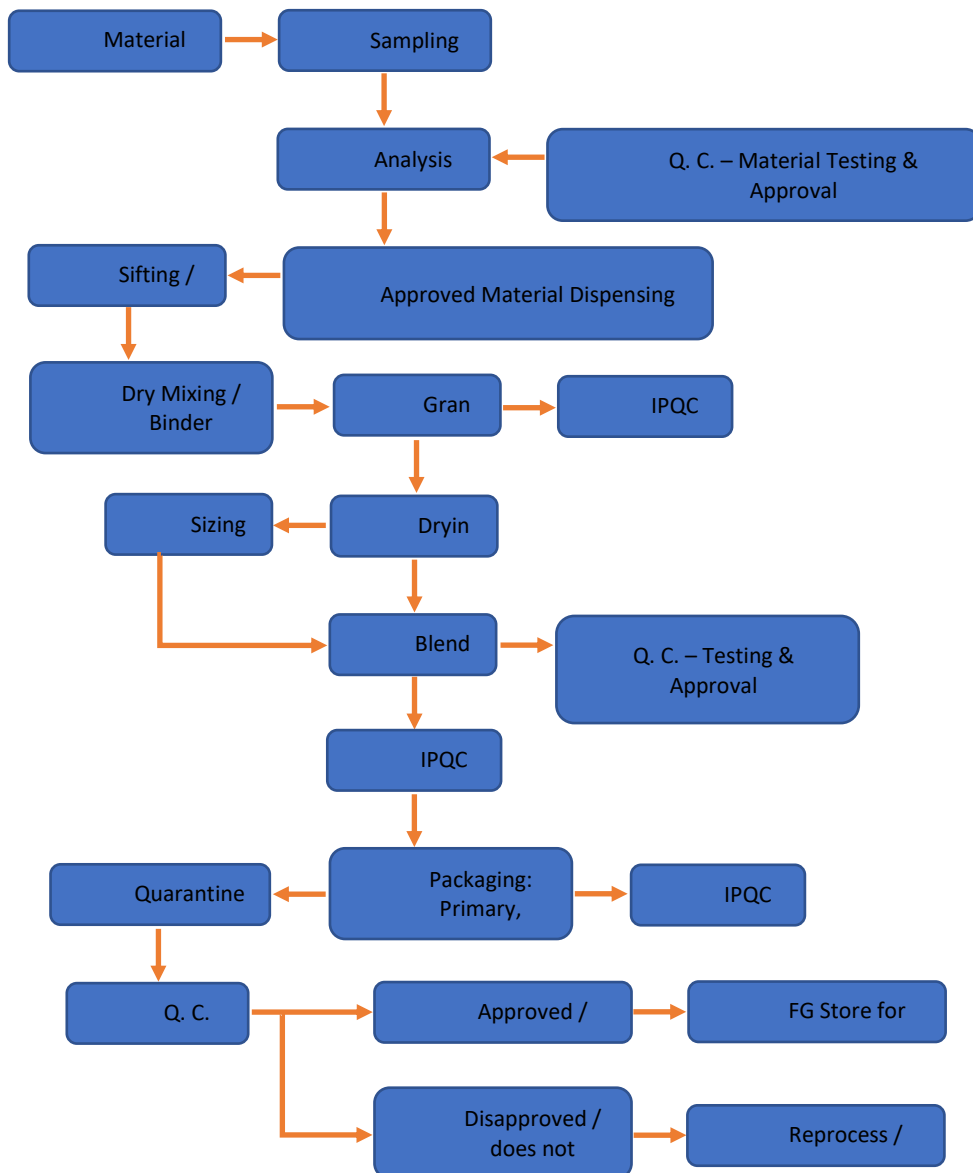
**Process Flow Chart of Capsules:**



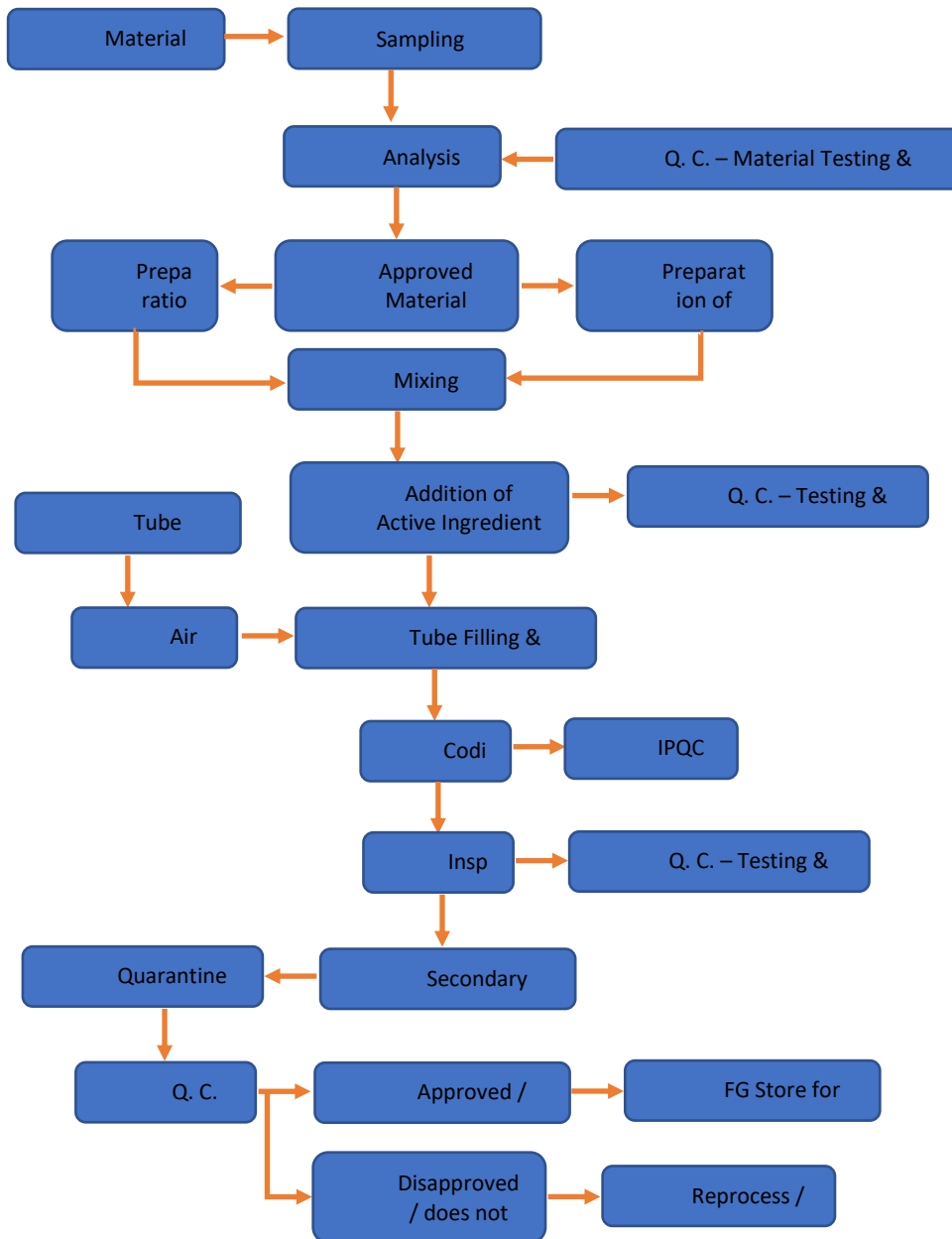
**Process Flow Chart of Liquids:**



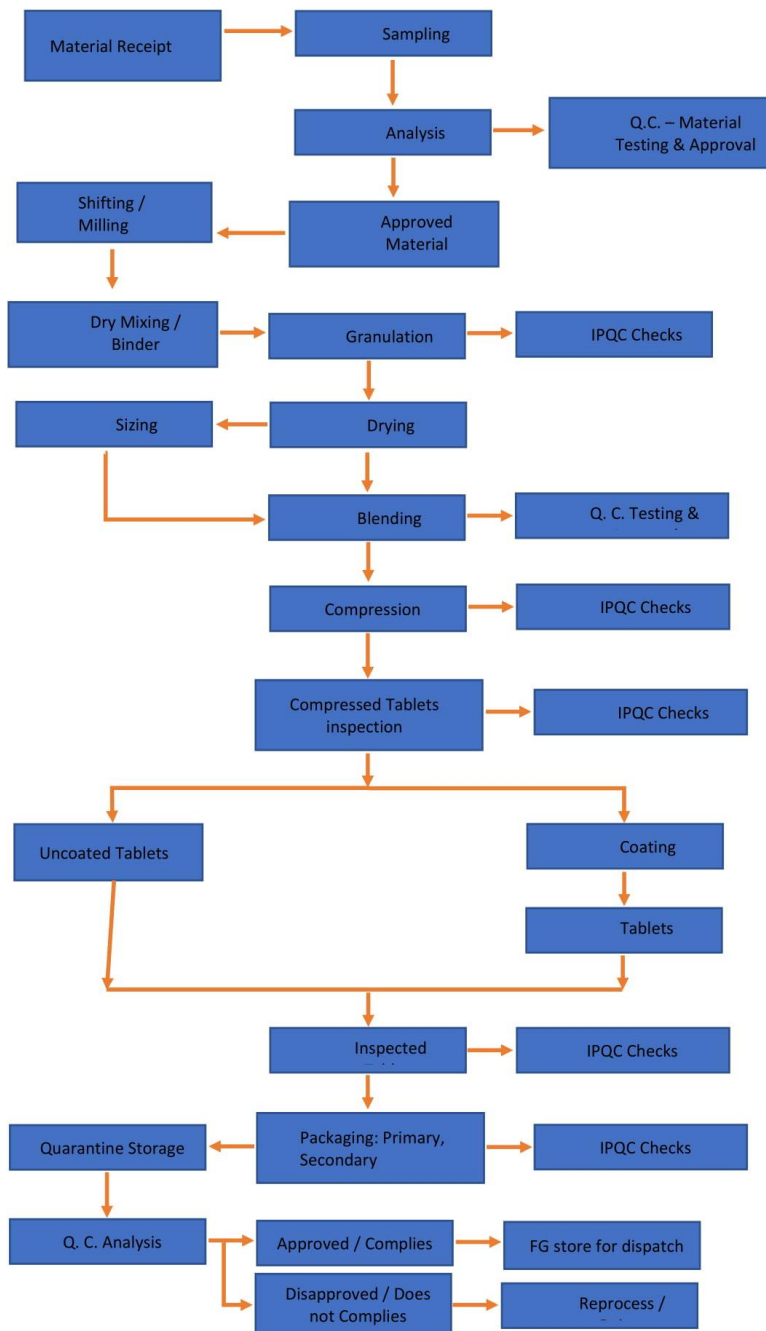
**Process Flow Chart of Sachets:**



**Process Flow Chart of Semi Solid Dosage Form (Ointments):**



**Process Flow Chart of Tablets:**




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**OUR PRODUCTS**



**Our Star Products:-**







	RAPIWAR 10 TAB3		ROTACARE TAB		SPORE SP CAP		Syr-HEP		TACO SYP		NIMCEL P TAB		NIMCL MR TAB		NIMCL P LABO		nimcl Tablet		NIMCL-SP TABLETS	
	TANSAR 20 TAB		TANSAR-40 H TAB		TIV 500 INJ		TOLME 20 TAB		TOLME 40 TAB		NUTRAMORE CAP		O BIO 200 TAB		O BIC OZ TAB		O CIAN TAB		Oksan - O	
	TOLME-H 20 TAB		TRAMCEL P TAB		TRAMCEL-SR TAB		TRAMANS INJ		TRAN PLUS TAB		Oksan 100 DT		Oksan 200		OGLORE-0.2 TAB		ONCIAN D CAP		OMMAX D CAP	
	TRANSClav 1.2		TREAT A CAP		TREAT A TAB		Trio SOAP		TRYPSIN AC		ONE -M		ORCIAN FORTE TAB		Cmid		Oxygan		p_plus_soap	
	TRYPSIN SR TAB		Tryptsin-F50_labo		VIR 7.250 DT		VIPRO PLUS		ROPROTEIN POW		Panci - 40		Panci-D		PANTRANS INJ		PANMR D TAB		Pancex-DT_Lab1	
	VIRSALE CAP		VITSORB CAP		Viroc-DR prod		Whimax		Woman Care		Pillax		p_plus_cream		3E ONE 100 SOFT GEL		3E ONE 200 SOFT GEL		Rabtab	
	XTRATrac 4.5 GM INJ		ZEPITHOR FORTE DRY SYP		ZEPITHOR FORTE TAB		ZD VAC 1000 INJ		Rabbs DSR		RABICE DSR CAP		RABTAB LSR CAP		Rabtab		Rabson1			

## **OUR COMPETITIVE STRENGTHS**

### **Established Manufacturing Facility**

Cian's centralized manufacturing facility is situated at Roorkee. With our established manufacturing facility, we manufacture a wide range of dosage forms including oral solids, oral liquids, capsules and injectables. We also handle products that require a specialized environment with, among other things, controlled release pharmaceutical products, controlled humidity and temperature conditions.

Manufacturing facilities at Roorkee divides into Two Units:

- Roorkee Unit – I
- Roorkee Unit – II



Our manufacturing plant Roorkee – I consist of total built up area of 50,000 Sq. Ft. with WHO-GMP 9001: 2015 approval and planning to upgrade as per the New GMP standards.

To meet our increasing business need we are in the process of setting of one more manufacturing unit that is Roorkee – II, which is adjacent to the Roorkee – I. The area of new facilities of Roorkee - II will be approximately 40,000 Sq. Ft. With this increased area of manufacturing facilities will have added advantage to cover up increase business demand from different clients.

Our Roorkee Unit is well equipped with the facilities of manufacturing Tablets, Capsules, Liquid Orals, Ointments, Creams, Lotions, Gels and Sachet. In addition to above manufacturing facilities supported by other departments like Microbiology, IPQC, QA, Regulatory, F&D and also by Packaging.

### **Strong Formulations and Development Capabilities**

We have strong in-house formulations and development expertise, which has allowed us to develop a differentiated portfolio of pharmaceutical products that we believe, gives us a competitive advantage in the markets that we cover. Our formulations team, which, as of December 31, 2018, consists of over 70 employees.

Formulation development encompasses a very wide range of activities such as development of dosage forms like oral solids, oral liquids and semi solids. This also includes delivery patterns of the drug to ensure patient compliance. It is a key area for us for the product development that can determine stability, patentability, lifecycle and ultimately, the success of a pharmaceutical product. F&D facilities include Cone Blender, Tray Dryer, RMG, Compression Machine and Related Instruments. We have dedicated HPLC and other quality control equipment's used for F&D purpose. In addition, some of the production areas to take pilot and exhibit batches.

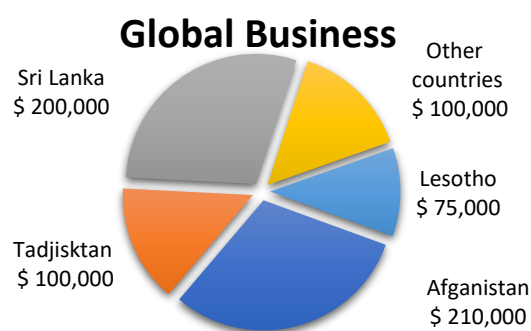
## Diversified Business Portfolio

Cian has a diversified business portfolio; our sustainability is not dependent on any specific sale. We also brought in 24% of our total revenue from tender business in Financial year 2017-18. We supply Central Govt, State Govt and International Govt Tenders. The tenders are from Haryana, Rajasthan, Andhra Pradesh, Tamil Nadu, Chhattisgarh and DHS Maharashtra. Few of these states like Haryana and Andhra Pradesh have extended our rate contract for the next year also. Also, we have supplied to renowned institutes and PSU's like HLL, Mumbai Port Trust, BARC, JIPMER (Pondicherry).

- We have been an active supplier for Pradhan Mantri Jan Aushadhi Pariyojana Scheme (JAN Aushadi Abhiyan) - BPPI where medicines are provided to Indian Citizen at Subsidized a rate through their more than 3000 outlets.
- We have received orders worth ₹ 132.00 Crore order from BPPI and successfully supplied ₹. 12 crores out of same.
- We have also out performed well in tender of Madhya Pradesh Public Health Service Corporation Limited (MPPHSCL) with allotment of rate contract of ₹ 22.23 Crore while complying stringent requirements of MPPHSCL as compared to other state Government requesting for COPP and 3-year Market Standing and Performance Certificate.
- We have started with Smaller PSU and Institutional - AFMS, Command Hospital, HLL, BARC.
- We have approximately bid for ₹ 20 Cr and won orders for ₹ 12.5 Cr from two tenders.
- Also, we are the having the maximum products i.e. *we have more than 100 products out of 800 in BPPI essential medicine list.*

## Global Business

We have extended our business operations up to 29 countries like Myanmar, Sri Lanka, Turkmenistan, Tajikistan and Kenya and believe that this diversification allows us to maintain a targeted approach towards international markets while simultaneously reducing regulatory and other risks during adverse market conditions or risks arising from concentration in any single jurisdiction. We have already registered 353 products in International market and applied for more than 585 products for registration / approval in international market.



*(Current Export Orders in hand)*

## Our Strategy

### 1. Broaden and Deepen our presence at Global level:

A Company can broaden and deepen its presence at Global level by increasing its exports. The biggest source of upside potential will be exports. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 percent of global exports in terms of volume. Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented. Currently we undertake both direct and deemed exports. Our strategy to expand our export sales includes appointment of local distributors in different countries to market

our products, reach out to foreign consumers through e-commerce, form important relationships with companies with strong local presence, develop products as per international market standards and needs, etc.

## 2. Investment in R&D driving sustainable growth:

We intend to continue to drive our R&D initiatives towards the development of innovative formulations for our domestic as well as international market and develop on our brand value. Our primary focus is to research and innovate new formulations to increase the portfolio of our products, so that the Company can get a competitive edge over its peers. We also intend to improve our R&D capabilities, with a focus on capturing more high value first-to-market opportunities in key international markets, as well as leveraging our broad product basket to enhance our market position at global level.

## 3. Expansion Plans

Keeping in view of increasing demands from domestic, governments / institutional buyers and export markets Cian has envisaged expansion of manufacturing facilities. Expansion is being planned in existing Roorkee plant with additional building, plant and machinery.

The plant at Roorkee is developed, which is Roorkee-I site. The new construction at Roorkee is a part of the extension of original building as a Roorkee-II site.

Cian Healthcare has the requisite manpower at its plant at Roorkee. For this expansion project, skilled and unskilled labours and strengthening of our quality control is required.

Under Roorkee-II Expansion plan, we are doing expansions of manufacturing capacities of Tablets, Capsules, Ayurvedic tablet, Ayurvedic Capsules, Ayurvedic Syrup, Cosmetics – Creams & Lotions, Soaps, Protein Powder, and Effervescent Tablets.

With this our Tablet capacity will increase by 35 Cr Tablets, 5 Cr Capsules, Syrup by 15 Lacs bottles and Cosmetics by 40 Lacs tubes per month.

We are adding a building of 40,000 sq. feet \*

## OUR PROPERTIES

Sr. No.	Particulars	Description
1.	Manufacturing facility	<b>Roorkee Unit I</b> –located at Khasara 248, Village Sisona, Roorkee, Uttrakhand – 247667, India
		<b>Roorkee Unit II</b> – located at Khasara 248, Village Sisona, Roorkee, Uttrakhand – 247667, India
2.	Proposed Manufacturing facility	Wai, Maharashtra, India
3.	Loan and Licence Facility	Manufacturing Unit on loan and licence facility located at M/s. Saar Biotech, N.H/ 21A, Village Bhud, Baddi, Dist – Sola (HP) – 173205, India
4.	Corporate Office	1st & 2nd Floor, Premdeep Building, Above Iatur urban co-op. Bank Ltd. Lullanagar Chowk, Near ZK's Restaurant, Camp-Kondhwa Road, Pune – 411040, Maharashtra, India
5.	Registered Office	Milkat No. 3339, Block No. 1, Harpale Park, Opp. Burger Paint, Phursungi, Pune-41230, India
6.	Office Premise	Season 316, G.N 2. Beside Marag Samaj, Ambedkar Road, Sangli, Maharashtra, India

## CAPACITY UTILISATION

Name of the Product	Capacity Utilization								
	FY 2017 - 18			FY 2016 - 17			FY 2015 - 16		
	Installed Capacity	Utilized Capacity	% of Utilization	Installed Capacity	Utilized Capacity	% of Utilization	Installed Capacity	Utilized Capacity	% of Utilization
Tablets (Units in number)	12000	8400	6552	78%	12000	8400	5628	67%	8000
Capsules (Units in number)	3000	2100	1533	73%	3000	2100	1155	55%	2400
Liquid Orals (Units in bottles)	60	42	35.7	85%	60	42	26.04	62%	48
Sachets (Units in pouches)	18	12.6	11.34	90%	18	12.6	6.678	53%	12
Ointments & Creams (Units in tubes)	36	25.2	23.184	92%	36	25.2	15.624	62%	25

## INTELLECTUAL PROPERTY RIGHTS

Refer chapter titled “Government and Statutory Approvals” beginning on page no 261 of this Draft Red Herring Prospectus.



## KEY INDUSTRY REGULATIONS & POLICIES

*The following description is a summary of the relevant sector specific regulations and policies, as prescribed by the Government of India or State Governments which are applicable to our Company and our business. The information detailed in this chapter has been obtained from publications 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 designated nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Central and the State laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### I. **Industry Regulations**

#### ***The Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act")***

The MSMED Act seeks to provide for the promotion and development along with facilitating and enhancing competition among micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including a company, a partnership, firm or any other undertaking engaged in the manufacture or production as specified in the first schedule to the Industries (Development and Regulation) Act, 1951, as follows:

- (i) A micro enterprise, where the investment in plant and machinery does not exceed ₹ 25.00 Lakhs;
- (ii) A small enterprise, where the investment in plant and machinery is more than ₹ 25.00 Lakhs but does not exceed ₹ 500.00 Lakhs; or
- (iii) A medium enterprise, where the investment in plant and machinery is more than ₹ 500.00 Lakhs but does not exceed ₹ 1,000 Lakhs.

The MSMED Act also stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

#### ***The Drugs and Cosmetics Act, 1940 ("The DCA, 1940") and the relevant rules***

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics. In view of the provisions of the DCA, no person can import, manufacture, distribute, stock and sell any drugs and cosmetics, except under the license granted for respective operations by the authority notified under the DCA. The DCA prescribes the standards for purity, identity and strength of drugs and cosmetics while also prohibiting the import of certain categories of drugs and cosmetics. The DCA mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authority. The DCA provides for the Ayurvedic Siddha and Unani Drugs Technical Advisory Board to advise the Central and State Governments on technical matters. The legislation provides the procedure for testing and licensing of new drugs. These procedures involve obtaining a series of approvals for different stages at which the drugs are tested, before the Drug Controller General of India ("DCGI") grants the final license to allow the drugs to be manufactured and marketed. At the first instance, an application is made to the DCGI, an authority established under the DCA. The DCGI issues a no objection certificate upon examining the medical data, the chemical data and the toxicity of the drug. This allows the drug to move on to the next stage of testing at the central drug laboratories. At the central drug laboratories the drug is subjected to a series of tests for its

chemical integrity and analytical purity and if it meets the standards required by the authority, the authority issues a certificate in that respect.

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

#### ***The Essential Commodities Act, 1955 ("ECA")***

The ECA provides for the control of the production, supply and distribution of, and trade and commerce in certain commodities. The ECA gives powers to the Government amongst others, to control production, supply and distribution of essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices. Using the powers under it, various ministries/departments of the Government have issued control orders for regulating production, distribution, quality aspects, movement and prices pertaining to the commodities which are essential and administered by them. The State Governments have issued various control orders to regulate various aspects of trading in essential commodities such as food grains, edible oils, pulses kerosene, sugar and drugs. The Collector of the District or the concerned authority has the power to confiscate the commodity if it contravenes the order.

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

The DPCO, 2013 was issued by the Central Government in exercise of its powers under the Essential Commodities Act, 1955. As per the provisions of the DPCO, 2013 the government may, in order to achieve adequate availability and to regulate the distribution of drugs, in cases of emergency or in the interest of the public, 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 DPCO, 2013 also lays down the formulae for calculation of ceiling prices and retail prices of drug formulation. Section 7 of the Essential Commodities Act, 1955 provides for the list of certain price-controlled drugs and the penalty for contravention

of the provisions of the DPCO, 2013. The DPCO, 2013 also 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. The DPCO, 2013 also prescribes certain instances in which case the provision of the DPCO, 2013 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, 2013 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.

#### ***National Pharmaceuticals Pricing Policy, 2012 ("2012 Policy")***

The National Pharmaceuticals Pricing Policy, 1994 ("**1994 Policy**") has been replaced by the drug policy of 2012 Policy and presently seeks to lay down the principles for pricing of essential drugs specified in the National List of Essential Medicines-2015 declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time, so as to ensure the availability of such medicines at reasonable price. The 1994 Policy regulated the prices based on the economic criteria/market share principles. However, as per the 2012 Policy, the prices would be regulated based on the essential nature of the drugs. Further, the 2012 Policy will regulate the price of formulations only, through market based pricing which is different from the earlier principle of cost based pricing. Accordingly, the formulations will be priced by fixing a ceiling price and the manufacturers of such drugs will be free to fix any price equal to or below the ceiling price.

#### ***The National List of Essential Medicines, 2015***

The National List of Essential Medicines, 2015 has been introduced to replace the National List of Essential Medicines, 2011. This new list has added a total number of 160 medicines and has deleted 70 medicines, which now contains a total of 376 medicines. The essentiality of a medicine has been considered in terms of its dosage form and strength.

#### ***Food Safety and Standard Act, 2006 ("FSSA")***

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

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

- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;

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

***Legal Metrology Act, 2009 ("L.M. Act")***

The L.M. Act governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides for Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard.

***The Sales Promotion Employees (Conditions of Service) Act, 1976 ("Sales Promotion Act")***

The Sales Promotion Act regulates the conditions of service of sales promotion employees and applies to pharmaceutical industry. It provides the conditions of appointment, leave and maintenance of registers and other documents of such employees. The Sales Promotion Act provides monetary penalties for breach of its provisions.

**II. *Environment Legislations***

***Environment (Protection) Act, 1986 ("EP Act")***

The main objective of this Act is to provide the protection and improvement of environment (which includes water, air, land, human being, other living creatures, plants, micro-organism and properties) and for matters connected therewith. The EP Act provides power to make rules to regulate environmental pollution, to notify standards and maximum limits of pollutants of air, water, and soil for various areas and purposes, prohibition and restriction on the handling of hazardous substances and location of industries. The Central Government is empowered to constitute authority or authorities for the purpose of exercising of performing such of the powers and functions, appoint a person for inspection, for analysis or samples and for selection or notification of environmental laboratories. Such person or agency has power to inspect or can enter in the premises or can take samples for analysis.

***The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")***

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or

imprisonment or both. The Central Pollution Control Board has powers, inter alia, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, *inter-alia*, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well. A central water laboratory and a state water laboratory have been established under the Water Act.

***The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")***

Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the above requirements include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. Under the Air Act, the Central Board for the Prevention and Control of Water Pollution has powers, inter alia, to specify standards for quality of air, while the State Board for the Prevention and Control of Water Pollution have powers, inter alia, to inspect any control equipment, industrial plant or manufacturing process, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

***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.

***Public Liability Insurance Act, 1991 ("Public Liability Act")***

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

**III. *Labour Legislations***

***Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA")***

CLRA regulates the employment of contract labour in certain establishments and provides for its abolition in certain circumstances. It applies:

- to every establishment which does not carry on intermittent / casual work in which 20 or more workmen are employed on any day of the preceding 12 months as contract labour.
- to every contractor who employ or employed on any data of the preceding 12 months, 20 or more workmen.

Every establishment must, within the specified period, apply to the registering officer for registration of the establishment and obtain a certificate of registration containing such particulars as may be prescribed. Further, a contractor can only undertake or execute any work through contract labour under and in accordance with a license issued in that behalf by the licensing officer. The license may contain conditions including, in particular, conditions as to hours or work, fixation of wages and other essential amenities in respect of contract labour. The license will be valid for the period specified therein. Every contractor is duty-bound to provide and maintain supply of drinking water, canteens, rest-rooms latrines and urinals, washing facilities, first-aid box in the prescribed manner for contract labour employed in connection with the work of an Establishment to which the Act applies. If such amenities are not provided by the contractor within the prescribed time, such amenities shall be provided by the principal employer of the Establishment. Contractor shall be responsible for payment of wages to each worker employed by him as contract labour within the prescribed period and in case he fails to do so, the principal employer of the Establishment will be so responsible.

#### ***Payment of Wages Act, 1936***

Payment of Wages Act, 1936 contains provisions as to the minimum wages that are to be fixed by the appropriate Governments for the employees, fixation and revision for the minimum wages of the employees, entitlement of bonus to the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

#### ***Minimum Wages Act, 1948***

The Minimum Wages Act, 1948 aims to make provisions for statutory fixation of minimum rates of wages in scheduled employment wherein labour is not organized. It seeks to prevent the exploitation of workers and protect their interest in the 'sweated industries'. Wage fixing authorities have been guided by the norms prescribed by the Fair Wage Committee in the settlement of issues relating to wage fixation in organized industries. It also contemplates the minimum wage rates must ensure not only the mere physical needs of a worker which keeps them just above starvation level, but must ensure for him and his family's subsistence, and also to preserve his efficiency as a worker.

#### ***Child Labour (Prohibition and Regulation) Act, 1986***

The Child Labour (Prohibition and Regulation) Act, 1986 seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. It also prescribes hours and periods of work, holidays, the requirement of keeping a register, etc for the establishments falling under this act.

#### ***Payment of Gratuity Act, 1972 ("PG Act")***

The PG Act was enacted with the objective to regulate the payment of gratuity, to an employee who has rendered for his long and meritorious service, at the time of termination of his services. A terminal lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years

is referred to as "gratuity." The provisions of the PG Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority.

The Employer is also required to display an abstract of the Act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his Liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

#### ***Payment of Bonus Act, 1965***

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires the maintenance of certain books and registers such as the register showing computation of the allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also requires for the submission of Annual Return in the prescribed form (Form D) to be submitted by the employer within 30 days of payment of the bonus to the Inspector appointed under the Act.

#### ***Equal Remuneration Act, 1979***

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide equal pay and equal work as envisaged under Article 39 of the Constitution.

#### ***Factories Act, 1948***

The Factories Act came into force on April 01, 1949 and extends to the whole of India, including Jammu and Kashmir. It has been enacted to regulate working conditions in factories and to ensure the provision of the basic minimum requirements for safety, health and welfare of the workers as well as to regulate the working hours, leave, holidays, employment of children, women, etc. It ensures annual leaves with wages, provides additional protection from hazardous processes, additional protection to women workers and prohibition of employment of children.

#### ***Industrial Disputes Act 1947***

The Industrial Disputes Act 1947 lays down the machinery and procedure for investigation, settlement and resolution of Industrial disputes in what situations a strike or lock-out becomes illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.

#### ***Industrial (Development and Regulation) Act, 1951***

The development and regulation of certain industries are governed under the Industrial (Development and Regulation) Act, 1951. For the purpose of advising on matters relating to development and regulation, the Central Government may establish a council known as central advisory council. This council shall have not more than 31 members including the chairman who shall be appointed by the Central Government. Every industrial undertaking

shall be registered within such period as the central government may notify in this regard. The Central Government has direct power to assume management or control of an industrial undertaking owned or for companies in liquidation.

The suits pertaining to this Act shall be tried by no court inferior to that of the presidency magistrate or magistrate of first class. The Central Government has sole power to grant exemption in certain cases. The First schedule to the Act mentions the list of industries to which the act applies.

### ***Workmen's Compensation Act, 1923***

The Workmen's Compensation Act came into force on April 01, 1924. It aims at providing financial protection to workmen and their dependents in case of accidental injury by means of payment of compensation by the employers. However, here the employer shall not be liable in respect of any injury that does not result in the total or partial disablement of the workmen for a period exceeding 3 days in respect of any injury not resulting in death, caused by an accident which was due to the reason that workman was under the influence of drugs, or due to his willful disobedience of an order expressly given to him, or a willful removal or disregard of any safety device by the workmen, or when the employee has contracted a disease which is not directly attributable to a specific injury caused by the accident or to the occupation.

### ***The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("Employees Provident Fund and Miscellaneous Provisions Act")***

The Employees' Provident Funds and Miscellaneous Provisions Act is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees' Provident Fund Organization (EPFO). The following three schemes have been framed under the Act by the Central Government:

- a) The Employees' Provident Fund Schemes, 1952;
- b) The Employees' Pension Scheme, 1995; and
- c) The Employees' Deposit-Linked Insurance Scheme; 1976.

The Central Government has constituted Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred by Employees' Provident Funds and Miscellaneous Provisions Act.

### ***Employees State Insurance Act, 1948 ("ESI Act")***

The ESI Act provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. Employers of factories and establishments covered under the ESI Act are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers



### ***Maternity Benefit Act, 1951***

The Maternity Benefit Act, 1951 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### ***The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013("SHWW Act")***

The SHWW Act provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually colored remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to ₹50,000/-

## **IV. Tax Related Legislations**

### ***The Goods and Services Tax Act, 2017 ("GST Act")***

The GST Act levies tax on supply of goods and services throughout India to replace multiple taxes levied by the Central and State Governments on production, supply and sale of goods and providing of services in India. The GST Act is applicable from July 1, 2017 and bounds together the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Under GST, goods and services are taxed under five different categories that are 0%, 5%, 12%, 18%, 28%. GST is levied on all transactions such as supply, transfer, purchase, barter, lease, or import of goods and/or services. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax, therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

### ***Income Tax Act, 1961 ("IT Act")***

The IT Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or rules made thereunder depending upon its "Residential Status" and "Type of Income" involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in

India. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by September 30 of each assessment year.

### ***Professional Tax***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

## **V. *Intellectual Property Laws***

### ***Trademarks Act, 1999***

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure. As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

### ***The Copyright Act, 1957 ("The Copyrights Act")***

The Copyright Act governs copyright protection in India. Under the Copyright Act, a copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring the ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years. The remedies available in the event of infringement of copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies including imprisonment of the accused and the imposition of fines and seizures of infringing copies.

## **VI. *Other Legislations***

### ***The Companies Act, 2013 ("CA 2013")***

The Companies Act, 2013 has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Act primarily regulates the formation, financing, functioning and

winding up of companies. The CA 2013 prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial and managerial aspects of the company. It plays a fundamental role in protecting the investors and the shareholders and balances it with different aspects of company autonomy. The Ministry of Corporate Affairs has also issued Rules complementary to the Act, establishing the procedure to be followed by the companies in order to comply with the substantive provisions of the CA 2013.

#### ***The Indian Contract Act, 1872***

The Indian Contract Act, 1872 codifies the way in which a contract may be entered into, execution, implementation of the provisions of a contract and effects of breach of contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which a contract will be entered into, executed and breach enforced. It contains framework of rules and regulations that govern formation and performance of contract.

#### ***The Specific Relief Act, 1963***

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as it applies to both movable property and immovable property. It applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

#### ***The Transfer of Property Act, 1882***

The Transfer of Property Act, 1882 as amended, establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingencies and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

#### ***The Competition Act, 2002***

The Competition Act, 2002 is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and ensure freedom of trade in India. The act deals with the prohibition of agreements and anti-competitive agreements. No enterprise or group shall abuse the dominant position in various circumstances as mentioned in the Act. The prima facie duty of the Competitive Commission of India ("CCI") is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The CCI shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been appreciable adverse effect on the competition of India. In case a person fails to comply with directions of CCI and the Director General, he shall be punishable with a fine which may exceed to ₹ 1 lakh for each day during such failure subject to maximum of ₹ 1Crore.

#### ***The Consumer Protection Act, 1986***

The Consumer Protection Act aims at providing better protection to the interests of consumers and for that purpose makes provisions for the establishment of authorities for the settlement of consumer disputes. The Consumer Protection Act provides a mechanism for the consumer to file a complaint against a trader or service provider in cases of unfair trade practices, restrictive trade practices, defects in goods, deficiency in services; price charged being unlawful and goods being hazardous to life and safety when used. The Consumer

Protection Act provided for a three tier consumer grievance redressal mechanism at the national, state and district levels.

### ***The Registration Act, 1908***

The Registration Act, 1908, as amended, has been enacted with the objective of providing public notice of the execution of documents affecting, inter alia, the transfer of interest in immovable property. The purpose of the Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory to bring the transaction to effect and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in any immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent.

### ***The Indian Stamp Act, 1899***

Under the Indian Stamp Act, 1899 as amended stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from State to State.

### ***The Foreign Exchange Management Act, 1999***

The Foreign Exchange in India is primarily governed by the provisions of FEMA which relates to regulations primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. As laid by the FEMA Regulations no prior consent and approvals are required from the Reserve Bank of India for Foreign Direct Investment under the 'automatic route' within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and respect of investment in excess of specified sectoral limits under the automatic route, consent may be required from FIPB and/or the RBI. The RBI in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside of India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and the Foreign Exchange Management (Export of Good and Service) Regulations, 2000 for regulations on exports of goods and services.

### ***Foreign Trade (Development & Regulation) Act, 1992***

The Foreign Trade (Development & Regulation) Act, 1992 provide for regulation and development of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. The Import-Export code number and license to import or export includes a custom clearance permit and any other permission issued or granted under this Act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint the Director General for Foreign Trade (DGTF) for the purpose of import-export policy formulation. If any person makes any contravention to law or commits any economic offence or import/exports in a manner prejudicial to trade of India or to the interest of other person engaged in import or export then there shall be no Import Export granted by the Director- General to such person and if in case granted then shall remain suspended or cancelled. Provision of search and seizure of Code of Criminal Code, 1973 shall apply to every search and seizure under this Act. The EXIM Policy is a set of

guidelines and instructions set by the DGTF in matters related to the export and import of goods in India. This policy is regulated under the said Act. The DGTG is the main governing body in matters related to the EXIM Policy.

## HISTORY AND CERTAIN CORPORATE MATTERS

### History and Background

Our Company was originally incorporated as a private limited company under the provisions of Companies Act, 1956 and registered with the Registrar of Companies, Pune with the name of “Cian Health Care Private Limited” on January 07, 2003. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our shareholders dated November 19, 2018 and the name of our Company was changed to Cian Healthcare Limited” to reflect the legal status of our Company pursuant to a fresh certificate of incorporation granted by the Registrar of Companies, Pune dated November 30, 2018.

The Corporate Identification Number of our Company is U24233PN2003PLC017563

### Business and management

For a description of our activities, services, technology, market segments, the growth of our Company and regional geographical segment in which our Company, please refer chapters titled “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 124, 101 & 227 of this Draft Red Herring Prospectus, respectively. For details of the management and managerial competence of our Company, please refer chapter titled “*Our Management*” beginning on page 160 of this Draft Red Herring Prospectus.

### Changes in registered office of the Company

Our Company’s registered office is presently situated at Milkat No. 3339, Block No.1, From South Side, C.S. No. 227/2 + 3A, Harpale Park, Opposite Berger Paint, Phursungi, Pune - 412308, Maharashtra, India. The details of changes in address of our registered office since incorporation are set as forth below: -

Date of Change of Registered Office/ Date of Board / Shareholders Meeting	Old Address	New Address
November 14, 2008	Shop No 03 Shivalayashukarwar Peth, Near Police Chowky, Madhavnagar, Sangli. Maharashtra. India.	Block No. 2, Sr No. 164/4 D, 5A, Property No. 5564, Harpale Vasti, Phursangi, Tal – Haveli Pune – 412308, Maharashtra, India.
February 01, 2011	Block No. 2, Sr No. 164/4 D, 5A, Property No. 5564, Harpale Vasti, Phursangi, Tal – Haveli Pune – 412308, Maharashtra, India	Milkat No. 3339, Block No.1, From South Side, C.S. No. 227/2 + 3A, Harpale Park, Opposite Berger Paint, Phursungi, Pune - 412308, Maharashtra, India

*The above office was changed for administrative convenience.*

### Main Objects of our Company

The Main Objects clause of the Company as per the MoA is as under:

- 1) *To carry on the business in India or elsewhere of chemists, druggist, manufactures, producers, developers, refiners, dealers, distributors, traders, stockiest, importers, exporters, buyers, sellers & to act as agent, broker, vendor, consignor, in pharmaceuticals for human & veterinary, ayurvedic, allopathic, homeopathic, unani & other medicines, parental preparations, herbal products, tablets, capsules, oral liquids, injectables, ointments & other external preparations, pesticides, insecticides, disinfectant, dyes, dyestuffs, compounds, oils, lubricants, alkalis, acids, petroleum products, acetylene, glues, gums, plasters, paints, chemicals, organic minerals, & other intermediates, ointments, grease whether cream oriented*

*or grease oriented, salves, essences, lotions, extracts, perfumes, cosmetics, soaps, mediclinal preparations for beauty aid or personal hygiene,*

#### Amendments to the MoA

Since incorporation, the following amendments have been made to the MoA:

Date of Shareholder's Resolution	Particulars
March 22, 2010	Clause V of the MoA was amended to reflect the increase in the authorized share capital from ₹ 2,00,000 divided into 2,000 Equity Shares of ₹ 100 each to ₹ 10,00,000 divided into 10,000 Equity Shares of ₹ 100 each
March 26, 2012	Clause V of the MoA was amended to reflect the increase in the authorized share capital from ₹ 10,00,000 divided into 10,000 Equity Shares of ₹ 100 each to ₹ 1,00,00,000 divided into 1,00,000 Equity Shares of ₹ 100 each
March 19, 2016	Clause V of the MoA was amended to reflect the increase in the authorized share capital from ₹ 1,00,00,000 divided into 1,00,000 Equity Shares of ₹ 100 each to ₹ 1,40,00,000 divided into 1,40,000 Equity Shares of ₹ 100 each
August 13, 2018	Clause V of the MoA was amended to reflect the increase in the authorized share capital from ₹ 1,40,00,000 divided into 1,40,000 Equity Shares of ₹ 100 each to ₹ 5,00,00,000 divided into 5,00,000 Equity Shares of ₹ 100 each
August 13, 2018	Sub division of shares from ₹ 5,00,00,000 divided into 5,00,000 Equity Shares of ₹ 100 each divided into ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each
August 28, 2018	Clause V of the MOA was amended shares to reflect the increase in the authorized from ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of ₹ 10 each divided into ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹ 10 each
November 19, 2018	Clause III (C) of MoA was amended to reflect the conversion of the Company from a private limited company to public limited company and the consequent change in name from "Cian Healthcare Private Limited" to "Cian Healthcare Limited"

#### Major Events and milestones of our Company

Year	Events
2003	Incorporated as Cian Healthcare Private Limited
2006	started selling through franchise business in Sangli, Western Part of Maharashtra
2008	shifted its base to Pune for the further establishment of the Company
2013	The manufacturing unit at Roorkee in Uttarakhand started with state of art manufacturing facilities
2013	got accreditation of WHO GMP and ISO 9001: 2008
2018	got accreditation of WHO GMP and ISO 9001: 2015
2018	Conversion from Private Limited to Public Limited

#### Awards, Achievements and Accolades

Our Company has received the following significant awards:

Year	Description
	Kissey Kamyabi Ke – Promising Entrepreneur by Zee Business
2014	India Small Giant Award Awarded Shri Kalraj Mishra, Hon'ble Union Cabinet Minister of MSME, Govt of India.
	Indian Top 100 SME by Ministry of Commerce

### **Time and cost overrun in setting up of projects**

Except as described under section titled “*Risk Factors*” beginning on page 25 of this Draft Red Herring Prospectus, there have been no instances of time and cost overruns in setting up of our projects in the past.

### **Details of launch of key products or services, entry in new geographies or exit from existing markets**

For details pertaining to launch of key products or services, entry in new geographies or exit from existing markets, please refer chapter titled “*Business Overview*” beginning on page 124 of this Draft Red Herring Prospectus.

### **Defaults or rescheduling/restructuring of borrowings of our Company with financial institutions/banks**

There have been no defaults or rescheduling/restructuring of borrowings with any of the financial institutions/banks or conversion of loans into equity in relation to our Company.

### **Changes in the activities of our Company during the last five (5) years**

There has been no change in the activities of our Company during the last five (5) years which may have had a material effect on the statement of profit & loss of our Company, including discontinuance of a line of business, loss of agencies or markets and similar factors.

### **Acquisition or divestments of business/undertakings, mergers and amalgamations**

Except mentioned below, Our Company has neither acquired any entity, business or undertakings nor has undertaken any mergers or amalgamation during the last ten (10) years.

<b>Date of Registration</b>	<b>Name</b>	<b>Purpose</b>	<b>Consideration (in Lakhs)</b>
March 30, 2012	Aroma Remedies	Acquisition	80.00

### **Revaluation of assets**

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

### **Strategic Partners**

Our Company does not have any strategic partners as on Draft Red Herring Prospectus.

### **Financial Partners**

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Draft Red Herring Prospectus, our Company does not have any financial partner.

### **Holding Company**

Our Company does not have a holding company as on the date of this Draft Red Herring Prospectus.

### **Subsidiaries**

Our Company has no Subsidiaries as on the date of this Draft Red Herring Prospectus.

### **Joint Ventures**

Our Company has no joint-ventures as on the date of this Draft Red Herring Prospectus.

### **Shareholders and other material agreements**

There are no shareholders and other material agreements, other than those entered into in the ordinary course of business carried on or intended to be carried on by our Company



## OUR MANAGEMENT

*Certain forms and resolutions filed with Registrar of Companies (prior to 2006) are not traceable by our Company. With respect to this chapter these includes forms and resolutions for appointment and regularization of Directors and change in board structure since last three years, etc. Hence this chapter is prepared based on the RoC search report, data and information provided by the Management and to the best of the information available*

### Board of Directors

Under the Articles of Association of our Company, we are required to have not less than two (2) Directors and not more than fifteen(15) Directors, subject to the applicable provisions of the Companies Act, we currently have five (5) Directors on our Board including two (2) executive Directors out of which one (1) is Managing Director & one (1) is Whole-Time Director and three (3) non-executive Directors out of which one (1) is Independent Directors and one (1) is Woman Independent Director.

The following table sets forth the details of our Board as of the date of filing of this Draft Red Herring Prospectus

Name, designation, occupation, address, nationality, date of appointment, term, DIN and Date of Birth	Age (in years)	Other directorships
<p><b>Suraj Zanwar</b>  <b>Designation:</b> Managing Director  <b>Occupation:</b> Business  <b>Address:</b> D1, 2057, 5<sup>th</sup> Floor, Shobha Carnation, Kondhwa BK, Pune - 411048, Maharashtra, India  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> January 7, 2003  <b>Term:</b> Not exceeding five years w.e.f October 6 2018  <b>DIN:</b> 01304850  <b>Date of Birth:</b> January 31, 1975</p>	44	<p><i>Public Limited Company</i>  Nil  <i>Private Limited Company</i>  <ul style="list-style-type: none"> <li>• Dr. Smiths Biotech Private Limited</li> </ul> <i>Foreign Companies</i>  Nil  <i>Others-</i>  <ul style="list-style-type: none"> <li>• Unilink Marketing LLP</li> </ul> </p>
<p><b>Pankaj Zanwar</b>  <b>Designation:</b> Non - Executive Director  <b>Occupation:</b> Business  <b>Address:</b> E-502, Treasure Park, Sant Nagar, Opp. Walvekar Nagar, Araneshwar Haveli, Pune – 411009, Maharashtra, India.  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> January 15, 2012  <b>Term:</b> liable to retire by rotation  <b>DIN:</b> 05172308  <b>Date of Birth:</b> June 01, 1974</p>	44	<p><i>Public Limited Company</i>  Nil  <i>Private Limited Company</i>  <ul style="list-style-type: none"> <li>• Smart I Electronics Systems Private Limited</li> <li>• Integrated Active Monitoring Private Limited</li> </ul> <i>Foreign Companies</i>  Nil  <i>Others-</i>  Nil</p>

Name, designation, occupation, address, nationality, date of appointment, term, DIN and Date of Birth	Age (in years)	Other directorships
<p><b>Riyaz Khan</b>  <b>Designation:</b> Whole Time Director  <b>Original Date of Appointment:</b> July 29, 2016  <b>Term:</b> For five years commencing from January 14 2019 till January 13, 2024 and liable to retire by rotation  <b>Address:</b> Behind Sheetal Petrol Pump, Ashoka Mews, Building K, Flat No. 107, S. No. 40/41, Kondhwa Khurd, Pune, Maharashtra – 411048, India  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>DIN:</b> 07578366  <b>Date of Birth:</b> November 24, 1984</p>	34	<p><i>Public Limited Company</i>  Nil  <i>Private Limited Company</i>  Nil  <i>Foreign Companies</i>  Nil  <i>Others:</i></p> <ul style="list-style-type: none"> <li>• Advacare Pharma LLP</li> </ul>
<p><b>Balasubramaniam Padmanabhan</b>  <b>Designation:</b> Independent Director  <b>Occupation:</b> Business  <b>Address:</b> E-1001, Empire Square, Off Mumbai Pune Road, CS. No. – 4746, Next to Auto Cluster, Pune City, Chinchwad East, Pune – 411019, Maharashtra, India  <b>Nationality:</b> India  <b>Date of Appointment:</b> January 14, 2019  <b>Term:</b> For a period of five consecutive years up to January 13, 2024  <b>DIN:</b> 01987724  <b>Date of Birth:</b> October 07, 1957</p>	61	<p><i>Public Limited Company</i>  Nil  <i>Private Limited Company</i>  Nil  <i>Foreign Companies</i>  Nil  <i>Others:</i>  Nil</p>
<p><b>Smita Khanna</b>  <b>Designation:</b> Independent Director  <b>Occupation:</b> Professional  <b>Address:</b> Bungalow No. 4, Siddharth Estates Co Society, Road No. 10, Near Joggers Park, Kalyani Nagar, Pune City, Pune – 411006, Maharashtra, India  <b>Nationality:</b> Indian  <b>Date of Appointment:</b> January 14, 2019  <b>Term:</b> For a period of five consecutive years up to January 13, 2024  <b>DIN:</b> 06560184</p>	38	<p><i>Public Limited Company</i>  Nil  <i>Private Limited Company</i>  Nil  <i>Foreign Companies</i>  Nil  <i>Others:</i>  Nil</p>

Name, designation, occupation, address, nationality, date of appointment, term, DIN and Date of Birth	Age (in years)	Other directorships
Date of Birth: August 15, 1980		

#### Relationship between our Directors

Except as mentioned below, As on the date of this Draft Red Herring Prospectus, none of our directors are related to each other.

Name	Director	Relation
Suraj Zanwar	Pankaj Zanwar	Brothers

#### Relationship between our Directors and KMPs

As on the date of this Draft Red Herring Prospectus, none of our directors and KMPs are related to each other

#### Brief Biographies of our Directors

**Suraj Zanwar**, aged 44 years is the Promoter and Managing Director of our Company. He has been the Promoter and Director of our Company since Incorporation and has been designated as Managing Director w.e.f. October 06, 2018. He has completed his Diploma in Pharmacy from Maharashtra State Pharmacy Council. He has experience of more than 18 (Eighteen) years of in the industry in which the Company operates. He has been instrumental in Business Development of the Company and is entrusted with the responsibility of looking after the overall management and operations of the Company.

**Pankaj Zanwar**, aged 44 years is the Director of our Company. He has been designated as Non-Executive Director w.e.f. January 14, 2018. He has completed his Bachelors in Engineering from Shivaji University. He has an experience of more than 16 (sixteen) years in Information Technology Industry. He is responsible for Management of project activities, day to day Accounting and Finance operations.

**Riyaz Khan**, aged 34 years is the Whole Time Director of our Company. He was appointed as Executive Director of our Company on July 29, 2016 and re-designated as Whole-Time Director of our Company w.e.f. January 14, 2019. He is responsible for product packaging, graphic, web designing projects, etc. and also looks after the launching of new brands and handles the plant operations.

#### Confirmations

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the last five (5) years prior to the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is or was, a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

None of our sundry debtors are related to our Directors in any manner. For details, please refer section titled "*Financial Statements*" on page 179 of this Draft Red Herring Prospectus.

None of our Directors have been or was identified as a wilful defaulter as defined under SEBI ICDR Regulations.

No proceedings or investigations have been initiated by SEBI against any company, the board of directors which comprise of any of the Directors of our Company.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services

rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

**Details of any arrangement or understanding with major shareholders, customers, suppliers or others**

As on the date of this Draft Red Herring Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers and none of our Directors or members of senior management were appointed pursuant to any arrangement or understanding with any major shareholders, customers, suppliers or others.

**Borrowing Powers of the Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by the members at the EGM of the Company held on October 6, 2018, pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act and rules made there under, our Board has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not exceed the limit of ₹ 100 Crs ( Rupees One Hundred Crore Only)

**Payment or benefit to Directors of our Company**

**1. Terms of Appointment of Executive Directors**

**Suraj Zanwar**

Suraj Zanwar is a Director of our Company since incorporation. He was appointed as a Managing Director of our Company for a period of five (5) years pursuant to a resolution passed by our Board on October 05, 2018. He was re-designated as Managing Director pursuant to a resolution passed in EGM held on October 06, 2018 for a period of not more than Five (5) years and is liable to retire by rotation. The following are the terms of remuneration

Sr. No	Terms of remuneration	Amount in ₹
1.	Basic Salary	7,00,000 Per Month
2	Fixed Bonus	--
3.	Perquisites	--
	<b>Total</b>	7,00,000 Per Month

All the other terms and conditions as conditions in the Employment agreement

The said agreement may be inspected at the Registered Office between 10 a.m. and 5 p.m. (IST) on all Working Days from the date of this Draft Red Herring Prospectus until the Issue Closing Date.

**Riyaz Khan**

Riyaz Khan is a Director of our Company since July 29, 2016. He was appointed as a Whole-Time Director of our Company for a period of 5 (five) years pursuant to a resolution passed by our Board on January 09, 2019 and Extra-Ordinary General Meeting held on January 14, 2019 with effect from January 14, 2019

The following are the terms of remuneration

Sr. No	Terms of remuneration	Per Annum	Per Month
		Amount in ₹	
1.	Basic Salary	2,94,000	24,500

Sr. No	Terms of remuneration	Per Annum	Per Month
		Amount in ₹	
2.	House Rent Allowance	1,17,600	9,800
3.	Other Allowance	1,42,200	11,850
4.	Transport Allowance/ Conveyance	19,200	1,600
5.	Statutory Bonus	--	--
6.	Medical Allowance	15,000	1,250
7.	Leave Travel Allowance	--	--
8.	Petrol Re-imburement	--	--
9.	Attire Allowance	--	--
10.	Annual Re-imburement Benefits	--	--
11.	Company's Contribution to Provident Fund	--	--
12.	Additional Benefit (Food)	--	--
	<b>Total</b>	<b>5,88,000</b>	<b>49,000</b>

All the other terms and conditions as conditions in the Employment agreement.

The said agreement may be inspected at the Registered Office between 10 a.m. and 5 p.m. (IST) on all Working Days from the date of this Draft Red Herring Prospectus until the Issue Closing Date.

## 2. Remuneration to Non-Executive Directors

The details of remuneration paid to our Non-Executive Directors during Financial Year 2017-18 are as follows:

Name of non-executive Directors	Sitting fees (₹)	Commission (₹)	Other remuneration, if any (₹. In Lakhs)
Pankaj Zanwar*	NA	NA	16.12

\*Pankaj Zanwar was designated as Non-Executive Director of the Company at the board meeting held on January 09, 2019 and Extra Ordinary General Meeting of the Company held on January 14, 2019

## 3. Sitting fees paid to our Directors

Our Non-Executive Directors and Independent Directors are paid sitting fees for attending each meeting of the Board and committees thereof are as under:

Nature of meeting	Sitting fees
Board meeting	₹ 25,000 per meeting
Committee meeting	N/A

\*The Board has approved payment of sitting fees at its meeting held on January 22, 2019

## Shareholding of Directors in our Company

As per our AOA, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as on the date of this Draft Red Herring Prospectus is set forth below:

Name of director	Number of equity shares	Percentage shareholding (%)
Suraj Zanwar	93,60,000	54.59%
Pankaj Zanwar	42,00,000	24.50%

Name of director	Number of equity shares	Percentage shareholding (%)
<b>Total</b>	<b>1,35,60,000</b>	<b>79.09%</b>

#### **Appointment of relatives of our Directors to any office or place of profit**

None of the relatives of our Directors currently hold any office, or place of profit in our Company.

#### **Interest of directors**

All Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles. Our executive Directors are interested to the extent of remuneration, discretionary performance, variable pay and annual retention bonus payable to them for services rendered as an officer or employee of our Company. The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer chapter titled "*Our Management - Shareholding of Directors in our Company*" beginning on page 164 of this Draft Red Herring Prospectus.

All of the Directors may also be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company in which they hold directorships. Except as otherwise stated in section titled "*Financial Statements*" on page 179 of this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during two (2) years preceding the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements, arrangements which are proposed to be made with them. Other than our promoter directors, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

#### **Interest in property of our Company**

Our Directors have no interest in any property acquired by our Company in a period of two (2) years prior to the date of this Draft Red Herring Prospectus, or proposed to be acquired by our Company.

#### **Business Interest**

Except as stated in section titled "*Financial Statements*" on page 179 of this Draft Red Herring Prospectus, and to the extent of shareholding in our Company, and any dividends payable to them and other distributions in respect of the Equity Shares, our Directors do not have any other interest in our business.

#### **Payment of benefits (non-salary related)**

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered and/or sitting fees as Directors.

#### **Loans to directors**

For details please refer section titled "*Financial Statements*" beginning on page 179 of this Draft Red Herring Prospectus.

#### **Bonus or profit-sharing plan for the Directors**

None of the Directors are party to any bonus or profit-sharing plan of our Company.

#### **Service contracts with Directors**

Except for the contract of service dated January 14, 2019 and January 14, 2019 entered into by our Company with Suraj Zanwar and Riyaz Khan, our Company has not entered into any other contract of service with our Directors which provide for benefits upon termination of employment of our Directors. The said contract of service may be inspected at the Registered Office between 10 a.m. and 5 p.m. (IST) on all Working Days from the date of this Prospectus until the Issue Closing Date.

Our Directors are not interested in the appointment of or acting as Registrar and Bankers to the Issue or any such intermediaries registered with SEBI. There is no contingent or deferred compensation accrued for the year, which is payable to our Directors.

### Changes in the board of directors in the last three (3) years

There has been no change in the Board of Directors, except as stated below during the last three (3) years:

Sr. No	Name	Date of Event/ change	Reason
1.	Kavita Zanwar	May 22, 2016	Cessation to be a director
2.	Radheshyam Bhandari	June 21, 2016	Appointed as Executive Director
3.	Radheshyam Bhandari	July 11, 2016	Cessation as Executive Director
4.	Riyaz Khan	July 29, 2016	Appointed as Executive director
5.	Jayant Tiloo	November 11, 2016	Appointed as Executive director
6.	Sachin Bhalekar	June 6, 2017	Appointed as Executive director
7.	Sachin Bhalekar	January 15, 2018	Cessation as Executive Director
8.	Suraj Zanwar	October 06, 2018	Change in designation to Managing Director
9.	Jayant Tiloo	October 31, 2018	Cessation as Executive Director
10.	Pankaj Zanwar	January 14, 2019	Change in designation as Non-Executive Director
11.	Riyaz Khan	January 14, 2019	Change in designation Whole Time Director
12.	Balasubramaniam Padmanabhan	January 14, 2019	Appointment as Independent Director
13.	Smita Khanna	January 14, 2019	Appointment as Independent Director

### Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI Listing Regulations to the extent applicable to the entity whose shares are listed on BSE SME will also be applicable to us immediately upon the listing of our Equity Shares with the BSE SME. We are in compliance with the requirements of the applicable regulations, including SEBI Listing Regulations, SEBI regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board, detailed reports on its performance periodically.



As on the date of this Draft Red Herring Prospectus, our Board has six (5) Directors. In compliance with the requirements of the Companies Act and SEBI Listing Regulations, to the extent applicable we have two (2) executive Directors out of which one (1) is Managing Director & one (1) is Whole-Time Director and three (3) non-executive Directors out of which one (1) is Independent Directors and one (1) is Woman Independent Director on our Board. Our Managing Director is an executive Director and further, in compliance with SEBI Listing Regulations and Companies Act, we have one (1) woman independent director on our Board, who is a non-executive Director.

### **Committees of the Board of directors**

Our Board of Directors presently has four (4) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee (iii) Corporate Social Responsibility Committee and (iv) Stakeholders Relationship Committee

#### **(i) Audit Committee**

Our Company has constituted an Audit Committee as per Section 177 of the Companies Act vide resolution passed in the meeting of our Board dated January 22, 2019. The constitution of the Audit Committee is as follows:

<b>Name of Director</b>	<b>Position in the Committee</b>	<b>Designation</b>
Balasubramaniam Padmanabhan	Chairman	Independent Director
Suraj Zanwar	Member	Managing Director
Smita Khanna	Member	Independent Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee

The Audit Committee shall have following powers:

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;
- c. To obtain outside legal or other professional advice; and
- d. To secure attendance of outsiders with relevant expertise if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The



Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

#### Role of Audit Committee

The terms of reference of the Audit Committee are given below:

- Recommending to the Board, the appointment, re-appointment including the filling of a casual vacancy and, if required, the replacement or removal of the auditor/s, remuneration and terms of appointment of auditors;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the company's financial statements and the auditor's report;
- approval including omnibus approval or any subsequent modification for related party transactions proposed to be entered into by the Company;
- scrutiny of inter -corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters;
- reviewing, with the management, the financial statements before submission to the Board for approval;
- reviewing, with the management, performance of Auditors and internal auditors;
- carrying out such other functions as delegated by the Board of Directors.

#### (ii) Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration committee as per section 178 of the Companies Act vide resolution passed in the meeting of Board dated January 22, 2019. The constitution of the Nomination and Remuneration committee is as follows:

Name of Director	Position in the Committee	Designation
Smita Khanna	Chairman	Independent Director
Pankaj Zanwar	Member	Non-Executive Director
Balasubramaniam Padmanabhan	Member	Independent Director

The scope and functions of the Nomination and Remuneration Committee are in conformity with the requirements of section 178 of the Companies Act.

#### Role of Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee, inter alia includes the following:

- Identify persons who are qualified to become directors and who may be appointed in senior management of the Company;
- formulate criteria for determining qualification, positive attributes and independence of a director;
- recommend to the Board appointment and removal of a director and senior management;

- evaluate the Board’s performance and carry out evaluation of directors, key managerial persons and senior management;
- evaluate the Board’s performance and carry out evaluation of every director’s performance;
- make recommendations to the Board relating to the remuneration for directors, key managerial personnel and other employees;
- ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management to run the Company successfully;
- ensure that 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.;
- delegate any of its powers to one or more of its members or the secretary of the Committee;
- consider such other key issues or matters as may be referred by the Board or as may be necessary in view of the provisions of the Act and Rules made thereunder.

**(iii) Corporate Social Responsibility Committee**

The Corporate Social Responsibility committee was constituted by a resolution of our Board dated January 22, 2019 The constitution of the Corporate Social Responsibility committee is as follows:

Name of Director	Position in the Committee	Designation
Suraj Zanwar	Chairman	Managing Director
Pankaj Zanwar	Member	Non-Executive Director
Smita Khanna	Member	Independent Director

The scope and functions of the Corporate Social Responsibility committee are in conformity with the requirements of section 135 of the Companies Act. The terms of reference of the Corporate Social Responsibility Committee, inter alia includes the following:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Companies Act;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- To monitor the CSR Policy of the Company from time to time;
- Adhere to section 135 of the Companies Act & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification & amendments or re-enactments thereto for time being in force);
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

**(iv) Stakeholders Relationship Committee**

Our Company has Stakeholders Relationship Committee as per the Section 178 of the Companies Act vide resolution passed in the meeting of Board dated January 22, 2019. The constitution of the Stakeholders Relationship Committee is as follows:

Name of Director	Position in the Committee	Designation
Pankaj Zanwar	Chairman	Non-Executive Director
Smita Khanna	Member	Independent Director
Balasubramaniam Padmanabhan	Member	Independent Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

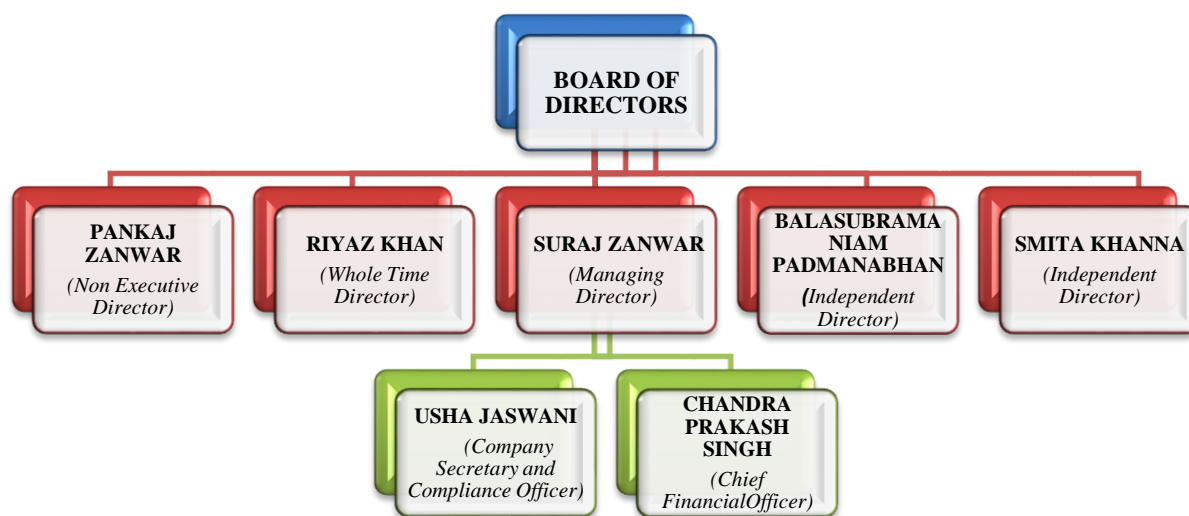
The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and functions of the Stakeholders Relationship Committee are in conformity with the requirements of section 178 of the Companies Act.

#### **Role of Stakeholders Relationship Committee**

The terms of reference of the Stakeholders Relationship Committee, inter alia includes the following:

- The Stakeholders Relationship Committee shall consider and resolve the grievances of security holders of the company.
- Efficient transfer of shares including review of cases for refusal of transfer/transmission of shares and debentures;
- Matters related to share transfer, issue of duplicate share certificate, dematerializations. Also delegate powers to the executive of our Company to process transfer etc.
- Redressal of security holder's/investor's complaints efficient transfer of shares; including review of cases for refusal of transfer/transmission of shares and debentures;
- Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
- Allotment and listing of shares;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;

## Management Organization Structure



### Our Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

#### Brief Profile of Key Managerial Personnel:

##### Suraj Zanwar

Please refer chapter titled “*Our Management - Brief Biographies of our Directors*” beginning on page 162 of this Draft Red Herring Prospectus

##### Riyaz Khan

Please refer chapter titled “*Our Management - Brief Biographies of our Directors*” beginning on page 162 of this Draft Red Herring Prospectus

**Chandra Prakash Singh**, is the Chief Financial Officer of our Company. He was appointed on October 31, 2018. He holds a degree of Cost Accounts bearing membership number 24350 from The Institute of Cost Accountant of India. He has experience of approximately 22 years in various listed and unlisted Companies in different segments like managing debt profiles, projects related to loan syndication, etc. He is responsible for overseeing the corporate finance, accounts, and financial projections of our Company. He looks after the day to day accounting system, tax and other liaisoning work with various Government authorities.

**Usha Jaswani**, is Company Secretary & Compliance Officer of our Company. She was appointed on October 31, 2018. She is an associate member of Institute of Companies Secretaries of India. Her scope of work and responsibilities include vetting of agreements, preparation of minutes, drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act, 2013.

For details of our Directors please refer chapter “Our Management” on page 160 of this Draft Red Herring Prospectus.

#### **Nature of any family relation between any of the key managerial personnel**

As on the date of this Draft Red Herring Prospectus, none of our Directors or Key Managerial Personnel’s and Promoters are related to each other.

#### **Arrangement or understanding with major shareholders, customers, suppliers or others**

As on the date of this Draft Red Herring Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the Directors or Key managerial personnel were selected as a Director or member of the senior management.

#### **Compensation paid to Key Managerial Personnel during last financial year i.e. 2017-2018**

None of the Key Management Personnel are paid compensation during last financial year i.e 2017-18

#### **Bonus or profit-sharing plan for Key Managerial Personnel**

None of the Key Management Personnel is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

#### **Shareholding of the Key Managerial Personnel**

Except as disclosed below, none of the Key Managerial Personnel holds Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Director	No of Equity Shares	% of Pre-Issue Equity Capital	% of Post offer Equity Shares <sup>#</sup>
1.	Suraj Zanwar	93,60,000	54.59	[•]

*#Subject to finanlisation of Basis of Allotment*

#### **Changes in Key Managerial Personnel**

Except as mentioned below, there has been no change in Key Managerial Personnel during the last three (3) years:

Name of KMP	Designation	Date of change/ Appointment	Reason
Suraj Zanwar	Managing Director	October 6, 2018	Change in designation to Managing Director
Riyaz Khan	Whole Time Director	January 14, 2019	Change in designation to Whole Time Director
Chandra Prakash Singh	Chief Financial Officer	October 31, 2018	Appointed as Chief Financial Officer
Usha Jaswani	Company Secretary and Compliance Officer	October 31, 2018	Appointed as Company Secretary and Compliance Officer

#### **Interest of Key Managerial Personnel**

Except as disclosed in this Draft Red Herring Prospectus, the Key Managerial Personnel’s of our Company do not have any interest in our Company other than to the extent of their shareholding, remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

**Loans taken by Directors or Key Managerial Personnel**

Further details please refer section titled "*Financial Statements*" beginning on page 179 of this Draft Red Herring Prospectus.

**Employees' Stock Option Plan**

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option scheme.

**Payment or benefits to officers of our Company**

Except as disclosed in this Draft Red Herring Prospectus, other than statutory payments and remuneration, in the last two (2) years our Company has not paid any non-salary amount or benefit to any of its officers.

**Service Contracts with KMPs**

Except for the contract of service dated January 14, 2019 and January 14, 2019 entered into by our Company with Suraj Zanwar and Riyaz Khan, our Company has not entered into any other contract of service with our Directors which provide for benefits upon termination of employment of our Directors. The said contract of service may be inspected at the Registered Office between 10 a.m. and 5 p.m. (IST) on all Working Days from the date of this Prospectus until the Issue Closing Date

## OUR PROMOTER AND PROMOTER GROUP

### Our Promoters

The Promoters of our Company are Suraj Zanwar and Kavita Zanwar. As on the date of this Draft Red Herring Prospectus, our Promoters holds 1,17,60,000 Equity Shares, representing 68.59% of our pre-issued, subscribed and paid-up equity share capital of our Company.

### Details about our individual Promoters

#### Suraj Zanwar



Suraj Zanwar, aged 43 years is the Managing Director of our Company.

**Date of Birth:** January 31, 1975

**Permanent Account Number:** AAAPZ8628H

**Aadhaar Card Number:** 9647 5691 7139

**Driving License:** – MH -10 - 2004 2333

**Address:** D1, 2057, 5<sup>th</sup> Floor, Shobha Carnation, Kondhwa BK, Pune - 411048, Maharashtra, India

For further details of his educational qualifications, experience, positions / posts held in the past, directorships held and special achievements, please refer chapter titled “*Our Management*” beginning on page 179 of this Draft Red Herring Prospectus.

#### Kavita Zanwar



Kavita Zanwar, aged 39 years is the Promoter of our Company.

**Date of Birth:** February 07, 1979

**Permanent Account Number:** AAGPZ6147D

**Aadhaar Card Number:** 3367 1267 5483

**Driving License** – MH -10 -2007 3462

**Address:** B-NO- D1, 2057, Fifth Floor, Sobha Carnation Sarve No. 1, Mouje, Kondhwa, Budruk, Pune City, Pune, Maharashtra – 411048.

**Educational Qualifications:** Bachelor of Commerce

**Experience:** She has been associated with our Company since many years

**Past Directorships:** N/A

Our Company confirms that the Permanent Account Number(s), Bank Account Number(s) and Passport Number(s) of our Promoters shall be submitted to BSE SME at the time of filing this Draft Red Herring Prospectus.

### Other ventures of our Promoters

Except as disclosed herein below and in the chapter “*Our Management*” beginning on page 160 of this Draft Red Herring Prospectus, our Promoters are not involved with any other venture:

Name of the Promoter	Name of the venture	Nature of Interest
Suraj Zanwar	Dr. Smiths Biotech Private Limited	Director
	Unilink Marketing LLP	Designated Partner

Name of the Promoter	Name of the venture	Nature of Interest
Kavita Zanwar	Dr. Smiths Biotech Private Limited	Director

### **Interest of Promoters in our Company**

#### *Interest in promotion of our Company*

Our Company is promoted by Suraj Zanwar and Kavita Zanwar who hold 93,60,000 Equity Shares and 24,00,000 Equity Shares of our Company, respectively, as of the date of this Draft Red Herring Prospectus.

Some of our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their shareholdings and directorships in our Company and the shareholding of their relatives in our Company and the dividend declared and due, if any, and employment related benefits paid by our Company. For further details, please refer chapters titled “*Capital Structure*” and “*Our Management*” beginning on pages 65 and 160, respectively of this Draft Red Herring Prospectus.

Our Promoters may also be interested to the extent of providing personal guarantees for some of the loans taken by our Company and also to the extent of unsecured loans. For further details, please refer chapters titled “*Capital Structure*” beginning on page 65 and “*Financial Statements*” on page 179, respectively of this Draft Red Herring Prospectus.

Some of our Promoters are also interested in our Company to the extent of being executive Directors of our Company and the remuneration and reimbursement of expenses payable to them in such capacities. For further details in this regard, please refer chapter titled “*Our Management*” on page 160 of this Draft Red Herring Prospectus.

#### *Interest in the properties of our Company*

Our Promoters and members of Promoter Group do not have any interest in any property acquired by or proposed to be acquired by our Company during a period of three years prior to filing of the Draft Red Herring Prospectus.

#### *Interest as members of our Company*

Our Promoters are interested to the extent of their shareholding, the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer chapter titled “*Capital Structure*” beginning on page 65 of this Draft Red Herring Prospectus.

No sum has been paid or agreed to be paid to our Promoters and our Promoters are not interested as members of any firm or any company and hence no sum has been paid or agreed to be paid 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.

### **Other Interest**

Our Promoters are not interested in any transaction for acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Further, our Promoters i.e. Suraj Zanwar and Kavita Zanwar are also directors on the board and members of certain Promoter Group companies and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group Companies.

### **Payment of benefits to our Promoters and Promoter Group during the last two years**

Except in the ordinary course of business and as stated in section “*Financial Statements*” beginning on page 179 of this Draft Red Herring Prospectus, there has been no payments or benefits to our



Promoters during the last two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus. For the avoidance of doubt, it is clarified that payments have been made to Suraj Zanwar pursuant to their appointment / re-appointment as managing director of our Company during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus.

#### **Change in the Management and control of Our Company**

Our Promoter i.e Suraj Zanwar is the original promoter of our Company and there has been no change in the management or control of our Company.

#### **Experience of our Promoters in the business of Our Company**

For details in relation to experience of our Promoter in the business of our Company, see Chapter "Our Management" beginning on page no. 160 of this Draft Red Herring Prospectus.

#### **Litigation involving our Promoters**

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled "Outstanding Litigation and Material Developments" beginning on page 251 of this Draft Red Herring Prospectus.

#### **Other Confirmations**

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 authority 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 the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Draft Red Herring Prospectus, except as disclosed under chapter titled "Outstanding Litigation and Material Developments" beginning on page 251 of this Draft Red Herring Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulter nor as a fugitive economic offender 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.

#### **Guarantees**

Except as stated in the chapter titled "Financial Indebtedness" and section titled "Financial Statements" beginning on page 235 and 179 of this Draft Red Herring Prospectus, respectively, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

#### **Details of Companies / Firms from which our Promoters have disassociated**

None of our Promoters have disassociated themselves from any firms or companies in the last three (3) years preceding this Draft Red Herring Prospectus.

#### **Related party transactions**

Except as stated in the section titled "Financial Statements" beginning on page 179 of this Draft Red Herring Prospectus, our Company has not entered into any related party transactions with our Promoters, during the last five (5) Fiscals. Our Promoters are also directors on the boards, or are members of certain Promoter Group companies and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group Companies.

Further, none of our sundry debtors are related to our Promoters in any manner other than as stated in section titled “Financial Statements” beginning on page 179 of this Draft Red Herring Prospectus.

#### **OUR PROMOTER GROUP**

In addition to our Promoters, the following individuals, companies form part of our Promoter Group in terms of SEBI ICDR Regulation 2(1) (pp) of the SEBI ICDR Regulations:

**a) The natural persons who are part of the Promoter Group (due to their relationships with our Promoters), other than our Promoters, are as follows:**

- 1) Shrinivas Zanwar
- 2) Shankuntala Zanwar
- 3) Nandkishor Dargad
- 4) Mangala Dargad
- 5) Shlok Zanwar
- 6) Smit Zanwar
- 7) Dhiraj Zanwar
- 8) Pankaj Zanwar
- 9) Girish Dargad
- 10) Pooja Jajoo
- 11) Dhiraj Zanwar HUF

**(b) Companies forming part of the Promoter Group:**

<b>Sr. No.</b>	<b>Name of the entity/company</b>
1.	Dr. Smiths Biotech Private Limited
2.	Smart I Electronics Systems Private Limited
3.	Integrated Active Monitoring Private Limited
4.	Unilink Marketing LLP

#### **Shareholding of the Promoter Group in our Company**

For details of the shareholding of our Promoters and Promoter Group as on the date of this Draft Red Herring Prospectus, please refer chapter titled “Capital Structure” beginning on page 65 of this Draft Red Herring Prospectus.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer chapter titled "*Financial Indebtedness*" beginning on page 235 of this Draft Red Herring Prospectus. Our Company may also pay interim dividends from time to time. All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Red Herring Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors.

Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.

## SECTION VI – FINANCIAL STATEMENTS

### RESTATED FINANCIAL STATEMENT

#### Independent Auditor's Report for the Restated Financial Statements of CIAN HEALTHCARE LIMITED

##### The Board of Directors

##### CIAN HEALTHCARE LIMITED

Milkat No. 3339,

Block No. 1 from South Side,

CS No. 227/2+3A, Harpale Park,

Berger Paint, Phursungi,

Tal. Haveli, Pune - 412308

Dear Sirs,

1. We have examined the attached Restated Statement of Assets and Liabilities of **CIAN HEALTHCARE Limited** (the "Company") as at 30<sup>th</sup> September 2018, 31<sup>st</sup> March 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 the related Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the Period ended 30<sup>th</sup> September 2018, 31<sup>st</sup> March 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 annexed to this report for the purpose of inclusion in the offer document prepared by the Company (collectively the "**Restated Summary Statements**" or "**Restated Financial Statements**"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in SME Platform of BSE Limited (BSE SME).
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
  - (i) Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules") and
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - (iii) The terms of reference to our engagements with the Company letter dated 16-07-2018 requesting us to carry out the assignment, in connection with the Draft Red Herring Prospectus / Red Herring / Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE Limited (BSE SME) ("**IPO**" or "**SME IPO**"); and
  - (iv) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("**Guidance Note 2019**").
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended 30<sup>th</sup> September 2018, 31<sup>st</sup> March 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 which has been approved by the Board of Directors.
4. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
  - (i) The "**Statement of Assets and Liabilities as Restated**" as set out in **Annexure 1** to this report, of the Company as at 30<sup>th</sup> September 2018, 31<sup>st</sup> March 2018, 31<sup>st</sup> March, 2017 and

- 31<sup>st</sup> March, 2016 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully Described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
- (ii) The “**Statement of Profit and Loss as Restated**” as set out in **Annexure 2** to this report, of the Company for the period ended 30<sup>th</sup> September 2018, 31<sup>st</sup> March 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
- (iii) The “**Statement of Cash Flow as Restated**” as set out in **Annexure 3** to this report, of the Company for the period ended 30<sup>th</sup> September 2018, 31<sup>st</sup> March 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 are prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure 4** to this Report.
5. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
- a) Adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
  - b) Adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments.
  - c) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments except as disclosed in the notes to accounts.
  - d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial period/year ended on 30<sup>th</sup> September 2018, 31<sup>st</sup> March 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016, which would require adjustments in this Restated Financial Statements of the Company.
  - e) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure 4** to this report.
6. Audit for the period / financial year ended 30<sup>th</sup> September 2018, 31<sup>st</sup> March 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 was conducted by M/s. HANUMANTRAO LAD & ASSOCIATES (Chartered Accountants) accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them and no routine audit has been carried out by us. Further financial statements for the financial period ended on 30<sup>th</sup> September, 2018 have been re-audited by us as per the relevant guidelines.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period/year ended on 30<sup>th</sup>

September 2018, 31<sup>st</sup> March 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus /Prospectus (“**Offer Document**”).

**Annexure of Restated Financial Statements of the Company:**

1. Significant Accounting Policies and Notes to Accounts as restated in Annexure 4;
  2. Reconciliation of Restated Profit as appearing in Annexure 5 to this report.
  3. Details of Share Capital as Restated as appearing in Annexure 6 to this report;
  4. Details of Reserves and Surplus as Restated as appearing in Annexure 7 to this report;
  5. Details of Long-Term Borrowings as Restated as appearing in Annexure 8 to this report;
  6. Nature of Security and Terms of Repayment for Long term Liabilities as appearing in Annexure 9 to this report;
  7. Details of Deferred Tax Liabilities (Net) as Restated as appearing in Annexure 10 to this report;
  8. Details of Long-term Provisions as Restated as appearing in Annexure 11 to this report;
  9. Details of Other Long-Term Liabilities as Restated as appearing in Annexure 12 to this report;
  10. Details of Short-Term Borrowings as Restated as appearing in Annexure 13 to this report;
  11. Nature of Security and Terms of Repayment for Short term Liabilities as appearing in Annexure 14 to this report;
  12. Details of Trade Payables as Restated as appearing in Annexure 15 to this report;
  13. Details of Other Current Liabilities as Restated as appearing in Annexure 16 to this report;
  14. Details of Short-Term Provision as Restated as appearing in Annexure 17 to this report;
  15. Details of Fixed Assets as Restated as appearing in Annexure 18 to this report;
  16. Details of Non-Current Investments as Restated as appearing in Annexure 19 to this report;
  17. Details of Long-Term Loans & Advances as Restated as appearing in Annexure 20 to this report;
  18. Details of other-non-Current Assets as appearing in Annexure 21 to this report;
  19. Details of Current Investments as appearing in Annexure 22 to this report;
  20. Details of Inventories as Restated as appearing in Annexure 23 to this report;
  21. Details of Trade Receivables as Restated enclosed as Annexure 24 to this report;
  22. Details of Cash and Cash Equivalents as Restated enclosed as Annexure 25 to this report;
  23. Details of Short-Term Loans & Advances as Restated as appearing in Annexure 26 to this report;
  24. Details of other Current Assets as Restated as appearing in Annexure 27 to this report;
  25. Details of Contingent Liabilities and Commitments as Restated as appearing in Annexure 28 to this report;
  26. Details of Revenue from operations as Restated as appearing in Annexure 29 to this report;
  27. Details of Other Income as Restated as appearing in Annexure 30 to this report;
  28. Details of Sources of Other Income as Restated as appearing in Annexure 31 to this report;
  29. Details of Cost of Material Consumed as Restated as appearing in Annexure 32 to this report;
  30. Details of Changes in Inventories of Stock-In-Trade as Restated as appearing in Annexure 33 to this report;
  31. Details of Employee Benefit Expenses as Restated as appearing in Annexure 34 to this report;
  32. Details of Finance Cost as Restated as appearing in Annexure 35 to this report;
  33. Details of Depreciation and Amortisation as Restated as appearing in Annexure 36 to this report;
  34. Details of Other expenses as Restated as appearing in Annexure 37 to this report;
  35. Details of Payment to Auditors as Restated as appearing in Annexure 37.1 to this report;
  36. Details of Related Parties Transactions as Restated as appearing in Annexure 38 to this report;
  37. Details of Summary of Accounting Ratios as Restated as appearing in Annexure 39 to this report;
  38. Capitalization Statement as Restated as at 30<sup>th</sup> September 2017 as appearing in Annexure 40 to this report;
  39. Statement of Tax Shelters as Restated as appearing in Annexure 41 to this report.
8. We, M/s A. Biyani & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“**ICAI**”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. In our opinion, the above financial information contained in Annexure 1 to 41 of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
13. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing.

**For A Biyani & Co.**  
**Chartered Accountant**

**Ashutosh Biyani**  
**Proprietor**  
**FRN No.140489W**  
**Membership No. 165017**  
**Place : Mumbai**  
**Date : December 07, 2018**

**ANNEXURE 1 - RESTATED BALANCE SHEET**

(₹ In Lakhs)

Particulars		From 1 <sup>st</sup> April to 30th September 2018	As At 31 <sup>st</sup> March 2018	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholders' funds</b>				
	(a) Share capital	1,680.00	140.00	140.00	140.00
	(b) Reserves and surplus	546.84	1,576.81	1,189.46	958.18
<b>2</b>	<b>Share application money pending allotment</b>	13.02	-	-	-
<b>3</b>	<b>Non-current liabilities</b>				
	(a) Long-term borrowings	2,476.20	2,459.65	2,399.88	2,035.96
	(b) Deferred tax liabilities (Net)	112.24	124.62	95.57	74.10
	(c) Long-term Provisions	38.67	33.74	39.72	38.79
	(d) Other Long-term Liabilities	6.87	39.53	18.68	34.97
<b>4</b>	<b>Current liabilities</b>				
	(a) Short-term borrowings	2,049.89	2,304.15	1,567.89	1,070.11
	(b) Trade payables	555.21	483.11	200.39	1,081.94
	(c) Other current liabilities	620.48	560.78	408.82	175.27
	(d) Short-term provisions	12.78	40.09	67.41	72.48
	<b>TOTAL</b>	<b>8,112.21</b>	<b>7,762.47</b>	<b>6,127.82</b>	<b>5,681.81</b>
<b>II</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	(a) Fixed assets				
	(i) Tangible assets	3,337.93	3,195.53	2,902.96	2,597.15
	(ii) Intangible Assets	-	-	-	-
	(iii) Intangible Assets under development	-	-	-	-
	(iv) Capital Work in Progress	-	-	-	-
	Less: Accumulated Depreciation	615.61	540.90	386.01	244.55
	Net Block	2,722.33	2,654.63	2,516.95	2,352.60
	(b) Non-Current Investments	-	-	-	-
	(c) Long-term loans and advances	253.07	225.70	249.32	177.79
	(d) Other Non-Current Assets	374.12	400.74	453.98	482.23
<b>2</b>	<b>Current assets</b>				
	(a) Current Investments	25.71	-	-	-
	(b) Inventories	1,773.35	1,583.25	1,230.45	1,217.11
	(c) Trade receivables	2,385.35	2,556.85	1,373.50	1,220.92
	(d) Cash and cash equivalents	144.01	58.79	106.80	56.88
	(e) Short-term loans and advances	254.96	31.95	21.77	63.97
	(f) Other Current Assets	179.30	250.57	175.04	110.30
	<b>TOTAL</b>	<b>8,112.21</b>	<b>7,762.47</b>	<b>6,127.82</b>	<b>5,681.81</b>

**Accounting Policies & Notes on Accounts. As per our Report on Even date attached**
**For A. Biyani & Co.**
**For Cian Healthcare Limited**
**Ashutosh Biyani  
Proprietor  
M. No. 165017**
**Director**
**Director**



F.R.N. 140489W

Place: Mumbai

Date: December 07, 2018

**ANNEXURE 2 – RESTATED STATEMENT OF PROFIT & LOSS**

(₹ In Lakhs)

Particulars		Refer Note No.	From 1 <sup>st</sup> April to 30 <sup>th</sup> September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
I.	Revenue from operations	16	3,273.46	5,941.70	5,178.32	4,668.21
II.	Other income	17	27.99	17.64	7.04	47.41
III.	<b>Total Revenue (I + II)</b>		<b>3,301.45</b>	<b>5,959.34</b>	<b>5,185.36</b>	<b>4,715.62</b>
IV.	<b>Expenses:</b>					
	Cost of Material Consumed	18	2,127.13	4,328.64	3,528.13	3,582.52
	Changes in inventories of Stock-in-Trade	19	(190.11)	(352.78)	(13.35)	(347.33)
	Employee benefits expense	20	335.83	413.62	419.00	418.11
	Finance costs	21	224.53	553.90	498.47	380.14
	Depreciation and amortization expense	22	106.76	208.13	194.70	192.96
	Other expenses	23	176.42	294.82	250.53	273.20
	<b>Total expenses</b>		<b>2,780.56</b>	<b>5,446.33</b>	<b>4,877.47</b>	<b>4,499.60</b>
V.	<b>Profit before tax (III-IV)</b>		<b>520.89</b>	<b>513.01</b>	<b>307.89</b>	<b>216.02</b>
VI	<b>Tax expense:</b>					
	(1) Current tax		135.17	96.62	55.14	26.53
	(2) Deferred tax		(12.38)	29.04	21.47	34.78
	(3) Less: MAT Credit Entitlement		-	-	-	-
	Previous year tax Adjustment		-	-	-	-
VII	<b>Profit (Loss) for the period (V-VI)</b>		<b>398.10</b>	<b>387.35</b>	<b>231.28</b>	<b>154.71</b>

**Accounting Policies & Notes on Accounts**

**As per our Report on Even date attached**

**For A. Biyani & Co.**

**Chartered Accountant**

**For Cian Healthcare Limited**

**Ashutosh Biyani**

**Proprietor**

**M. No. 165017**

**F.R.N. 140489W**

**Place: Mumbai**

**Director**

**Director**

**Date: December 07, 2018**

**ANNEXURE 3 - RESTATED STATEMENT OF CASH FLOWS**

(₹ In Lakhs)

Particulars	From 1 <sup>st</sup> April to 30th September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>Cash flow from Operating Activities</b>				
Net Profit Before tax as per Statement of Profit & Loss	520.89	513.01	307.89	216.02
Adjustments for:				
Depreciation & Amortization Exp.	106.76	208.13	194.70	192.96
Interest Income	-	-	-	-
Loss on Sale of Fixed Assets	3.58	-	-	
Provisions for Expenses	-	6.57	15.36	1.11
Provisions for Employee benefit	4.93	(3.22)	0.92	9.91
Finance Cost	224.53	339.80	498.47	380.14
<b>Operating Profit before working capital changes</b>	860.69	1,278.39	1,017.34	800.14
<b>Changes in Working Capital</b>				
Trade receivable	171.50	(1,183.35)	(152.58)	(239.24)
Other Loans and advances receivable	(223.01)	(10.18)	42.20	(36.39)
Inventories	(190.10)	(352.80)	(13.34)	(347.33)
Other Current Assets	71.27	(75.53)	(64.74)	(110.02)
Trade Payables	72.10	282.72	(881.55)	694.95
Other Current Liabilities	59.70	104.27	207.72	94.51
Short Term Borrowings	(254.26)	736.26	497.78	169.09
Short term Provisions	(36.74)	(21.29)	(19.28)	30.45
Current Investment	(25.71)	(355.25)	(519.90)	(383.79)
<b>Net Cash Flow from Operation</b>	505.44	758.49	633.55	1,056.16
Less: Income Tax paid	135.17	48.93	29.32	59.21

Particulars	From 1 <sup>st</sup> April to 30th September 2018		For the year ended 31 <sup>st</sup> March 2018		For the year ended 31 <sup>st</sup> March 2017		For the year ended 31 <sup>st</sup> March 2016	
Less: Prior Period Expenses		17.21		15.36		1.11		7.66
<b>Net Cash Flow from Operating Activities (A)</b>		<b>353.06</b>		<b>694.20</b>		<b>603.12</b>		<b>989.29</b>
<b>Cash flow from investing Activities</b>								
Purchase of Fixed Assets	(154.01)		(292.57 )		(305.81 )		(80.18)	
Sale of Fixed Assets	2.60		-		-		-	
Other Non- Current Assets (Net)	26.62		-		(25.00)		(342.52 )	
Movement in Loans & Advances	(27.37)		23.62		(71.53)		(85.39)	
Purchase/Sale of Investment	-		-		-		0.05	
Long Term Loans & Advances	-		-		-		-	
		(152.16)		(268.95)		(402.34)		(508.04)
<b>Net Cash Flow from Investing Activities (B)</b>		<b>(152.16)</b>		<b>(268.95)</b>		<b>(402.34)</b>		<b>(508.04)</b>
<b>Cash Flow from Financing Activities</b>								
Proceeds from Share capital	13.02		-		-		160.00	
Security Premium	111.94		-		-		-	
Proceeds From long Term Borrowing (Net)	16.55		59.77		363.91		(198.98 )	
Interest Paid	(224.53)		(553.90 )		(498.47 )		(380.14 )	
Other Long- Term Liabilities	(32.66)		20.85		(16.29)		(54.95)	
Dividend paid (Including DDT)	-	(115.68)	-	(473.28)		(150.84)	-	(474.07)
<b>Net Cash Flow from Financing Activities (C)</b>		<b>(115.68)</b>		<b>(473.28)</b>		<b>(150.84)</b>		<b>(474.07)</b>

Particulars	From 1 <sup>st</sup> April to 30th September 2018		For the year ended 31 <sup>st</sup> March 2018		For the year ended 31 <sup>st</sup> March 2017		For the year ended 31 <sup>st</sup> March 2016	
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>85.22</b>		<b>(48.02)</b>		<b>49.94</b>		<b>7.18</b>
Opening Cash & Cash Equivalents		58.79		106.81		56.88		49.69
<b>Cash and cash equivalents at the end of the period</b>		<b>144.01</b>		<b>58.79</b>		<b>106.81</b>		<b>56.88</b>
<b>Cash and Cash Equivalents Comprise:</b>								
Cash		14.75		1.72		2.96		27.30
<b>Bank Balance:</b>								
Current Account		129.26		57.07		103.85		29.58
Deposit Account								
<b>Total</b>		<b>144.01</b>		<b>58.79</b>		<b>106.81</b>		<b>56.88</b>

For A. Biyani & Co.

For Cian Healthcare Limited

Chartered Accountant  
Ashutosh Biyani

Director

Director

Proprietor  
M. No. 165017  
F.R.N. 140489W  
Place: Mumbai  
Date: December 07, 2018

## **ANNEXURE – 4: RESTATED SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:**

### **1. Basis of preparation of financial statements: -**

The Restated Statement of Assets and Liabilities of the Company as on September 30, 2018, March 31, 2018, March 31, 2017 and March 31, 2016, and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the period ended on September 30, 2018 and for the year ended on March 31, 2018, March 31, 2017 and March 31, 2016 and the annexure thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Audited Financial Statements of the Company for the period ended September 30, 2018 and for the year ended March 31, 2018, March 31, 2017 and March 31, 2016.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2014 as per section 133 of the Companies Act, 2013.

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets & Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/materialized.

### **2. Use of Estimates**

The preparation and presentation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

### **3. Valuation of Inventory:**

- i. Raw material: At Lower of Cost or Net Realizable Value
- ii. Semi-Finished goods: At estimated cost
- iii. Finished goods: At lower of Cost or Net Reliable Value

### **4. Cash Flow Statement:**

Cash flow statement has been prepared as per requirements of Accounting Standard - 3. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

### **5. Contingencies and Events Occurring After the Balance Sheet Date: -**

Effects of, events occurred after Balance Sheet date and having material effect on financial statements are reflected where ever required.

### **6. Net Profit or loss for the period, prior period items and changes in accounting policies: -**

Material items of prior period, non-recurring and extra ordinary items are shown separately, If any.

#### **7. Depreciation accounting: -**

Depreciation has been provided as per Written Down Value (WDV) Method at the rates and manner, specified in Schedule XIV to the Companies Act, 1956 for the year ending on 31<sup>st</sup> March 2014 and it is provided as per the useful life prescribed under schedule II of the Companies Act, 2013 on single shift for the year/ period ending on 31<sup>st</sup> March, 2015, 2016, 2017, 2018 , 30<sup>th</sup> September, 2018 till the residual value of the asset is reduced equal to 5% of the original cost.

Pro Rata Basis to result in a more appropriate preparation or presentation of the financial statements.

In respect of assets added/sold during the period/year, pro-rata depreciation has been provided at the rates prescribed under Schedule II.

#### **8. Revenue Recognition:**

Sale of goods is recognized at the point of dispatch of goods to customers, sales are exclusive of Sales tax, Vat and Freight Charges if any. The revenue and expenditure are accounted on a going concern basis.

Sale of Services is recorded exclusive of Service tax/GST.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable i.e. on the basis of matching concept.

Dividend from investments in shares / units is recognized when the company receives it, if any.

Other items of Income are accounted as and when the right to receive arises.

#### **9. Accounting for Property, Plant and Equipment:**

Property, Plant and Equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use. As per Companies Act 2013 fixed assets below the value of ₹ 5000/- has been written off in the books of accounts of the company.

Assets under erection/installation are shown as "Capital Work in Progress". Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on completion of erection/ installations of the assets.

Intangible assets are stated at acquisition cost, Net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a written down value basis over their estimated useful lives.

#### **10. Accounting for effects of changes in foreign exchange rates :-**

- i. All transactions in foreign currency are recorded at the rates of exchange prevailing at the date of transaction. Any gain/ loss on account of the fluctuation in the rate of exchange is recognized in the statement of Profit and Loss.
- ii. Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currencies outstanding at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss on account of the fluctuation in the rate of exchange is recognized in the statement

of Profit and Loss.

- iii. In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or assets/liabilities.

#### **11.Accounting for Government Grants:**

Capital subsidiary receivable specific to fixed assets is treated as per accounting standard 12 and other revenue grants is recorded as revenue items.

#### **12.Accounting for Investments: -**

Investments are classified in Long-term and Short-term. Long term Investments are valued at cost. Provision is also made to recognize any diminution other than temporary in the value of such investments. Short-term investments are carried at lower of cost and fair value.

#### **13.Employees Retirement Benefit Plan:**

##### **a. Provident Fund:**

Provident fund is a defined contribution scheme as the company pays fixed contribution at pre-determined rates. The obligation of the company is limited to such fixed contribution. The contributions are charged to Profit & Loss A/c.

##### **b. Leave Encashment: -**

Employee leave encashment scheme is the Defined Benefit Plan. Provision for leave encashment has been made in the restated accounts based on actuarial Valuation. Leave encashment is paid at the time of Availment by employees.

##### **c. Provision for Gratuity: -**

Employee gratuity fund scheme is the Defined Benefit Plan. Provision for gratuity has been made in the restated accounts based on actuarial Valuation. Gratuity is paid at the time of retirement of employees.

#### **14.Borrowing Cost:**

Borrowing costs directly attributable to the acquisition of qualifying assets are capitalized till the same is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost is charged to revenue.

#### **15.Segment Reporting:**

As the Company is dealing in the business of developing unique formulations in healthcare and nutraceutical, hence Segment is not applicable to the company.

There are no identical Geographical Segment of the Company as there are no major differences in factors affecting the segment of market.

#### **16.Related Party Disclosure:**

The Disclosures of Transaction with the related parties as defined in the Accounting Standard are given in Annexure 38

#### **17.Accounting for Leases:**

The Company has not entered into any lease agreements during the years/period.

## **18.Earnings Per Share:**

Disclosure is made in the Annexure 39 as per the requirements of the Accounting Standard - 20.

In determining the Earnings Per share, the company considers the net profit after tax that does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

## **19.Accounting for Taxes on Income :**

- i. **Current Tax :-**Provision for current tax is made after taken into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
- ii. **Deferred Taxes:-**Deferred Income Tax is provided using the liability method on all temporary difference at the balance sheet date between the tax basis of assets and liabilities and their carrying amount for financial reporting purposes.
- iii. Deferred Tax Assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available in the future against which this items can be utilized.
- iv. Deferred Tax Assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates ( and the tax) that have been enacted or enacted subsequent to the balance sheet date.

## **20.Discontinuing Operations :-**

During the years/period, the company has not discontinued any of its operations.

## **21.Provisions Contingent liabilities and contingent assets: -**

- 21.0 Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- 21.1 Contingent Liabilities are not recognized but disclosed in the financial statements.
- 21.2 Contingent Assets are neither recognized nor disclosed in the financial statements.
- 21.3 Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

## **22.Changes in Accounting Policies in the period/ years covered in the restated financials:**

There are no changes in significant accounting policies for the period/ years covered in the restated financials.



### **23. Notes on accounts as restated**

- ❖ The financial statements including financial information have been reworked, regrouped, and reclassified wherever considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in financial statements/ information may not be necessarily same as those appearing in the respective audited financial statements for the relevant period/years.
- ❖ Credit and Debit balances of unsecured loans, sundry creditors, sundry Debtors, loans and Advances are subject to confirmation and therefore the effect of the same on profit could not be ascertained.
- ❖ The current maturities of the Secured Long Term Borrowings have been correctly reclassified Current maturities of Long Term Debt (which is shown in other Current Liabilities) and Long Term Borrowings.
- ❖ Since the company has taxable income and the liability for the same is more than limit specified for advance tax and the advance tax not paid by the company.

**For A Biyani & Co**  
**Chartered Accountant**  
**ICAI Firm Reg. No. 140489W**

**For Cian Healthcare Limited**

**Ashutosh Biyani**  
**Proprietor**  
**Membership No. 165017**  
**Place: Mumbai**  
**Dated: December 07, 2018**

**Director**

**Director**

**ANNEXURE 5 - RECONCILIATION OF RESTATED PROFIT:**

(₹ In Lakhs)

Adjustments for	From 1 <sup>st</sup> April to September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	367.65	400.49	225.09	165.75
<b>Adjustments for:</b>	-			
<b>Add: -</b>				
Prior Period Expenses	17.21	15.36	1.11	7.66
Prepaid Expenses	-	0.13	-	-
Provision for Sick Leaves	0.36	(0.39)	(0.54)	0.10
Provision for Casual Leaves	-2.90	(0.06)	(0.93)	0.02
Provision for Gratuity	-2.39	6.42	0.56	(10.03)
Difference in Depreciation	5.79	(13.63)	22.20	(4.37)
Provision Made for Expenses	-	(16.45)	(15.36)	(1.11)
Adjustment for Deferred Tax	12.38	(4.52)	(0.85)	(3.31)
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>398.10</b>	<b>387.35</b>	<b>231.27</b>	<b>54.71</b>

Notes:

**1. Income tax Provision**

There is difference in taxation as per audited books and restated books as the taxation provision is calculated on restated profits.

**2. Deferred Tax Liability/ Asset Adjustment**

In Audited Financial Statements, there was mistake no Deferred Tax Asset/Liability is calculated which is rectified in Restated Financial Statements.

**3. Income Tax Written Off**

In Audited Financial Statements, Income tax has been written off in Profit & Loss account directly whereas in Restated Financial Statements, Income Tax Provision is calculated as actual & difference is written off in Reserve & surplus directly.

**4. To Give Explanatory Notes regarding Adjustments**

Appropriate adjustments have been made in the restated financial statements, wherever required by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financials of the company for all the years and the requirements of the securities and Exchange board of India (Issue of Capital and Disclosure Requirement) Regulations 2018.

Due to changes in accounting policies and other adjustments as stated above, the Company has recalculated the Income-tax provision and MAT Credit Entitlement and Set-off thereof at the rate of normal Tax rate applicable at the end of relevant year and accordingly, their readjusted amounts have been provided in Tax Shelter.

**ANNEXURE 6- SHARE CAPITAL:**

(₹ In Lakhs except Number of Equity Shares)

Share Capital	From 1 <sup>st</sup> April to 30th September 2018		As At 31 <sup>st</sup> March 2018		As At 31 <sup>st</sup> March 2017		As At 31 <sup>st</sup> March 2016	
	Number	Amt. ₹	Number	Amt. ₹	Number	Amt. ₹	Number	Amt. ₹
<b>Authorised*</b>								
Equity Shares of ₹ 10 each	25,000,000	2,500.00	140,000	140.00	140,000	140.00	140,000	140.00
<b>Issued</b>								
Equity Shares of ₹10 each	16,800,000	1,680.00	140,000	140.00	140,000	140.00	140,000	140.00
<b>Subscribed &amp; Paid up</b>								
Equity Shares of ₹.10 fully paid up	16,800,000	1,680.00	140,000	140.00	140,000	140.00	140,000	140.00
<b>Total</b>	<b>16,800,000</b>	<b>1,680.00</b>	<b>140,000</b>	<b>140.00</b>	<b>140,000</b>	<b>140.00</b>	<b>140,000</b>	<b>140.00</b>

**RECONCILIATION OF NUMBER OF SHARES**

Particulars	Equity Shares		Equity Shares		Equity Shares		Equity Shares	
	Number	Amt. ₹	Number	Amt. ₹	Number	Amt. ₹	Number	Amt. ₹
Shares outstanding at the beginning of the year	1,400,000	140.00	140,000	140.00	140,000	140.00	100,000	100.00
Shares Issued during the year**	15,400,000	1,540.00	-	-	-	-	40,000	40.00
Shares bought back during the year	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	16,800,000	1,680.00	140,000	140.00	140,000	140.00	140,000	140.00

\* The company in its Extra Ordinary General Meeting held on 13.08.2018 has sub divided the share price of the company from ₹ 100 to ₹ 10

\*\* The company in its Extra Ordinary General Meeting held on 28.08.2018 has issued fully paid up bonus share to its existing share holder in the ratio of 11:1 by utilization of ₹ 3,40,04,800 from share premium a/c and 11,99,95,200 from General Reserve.

**Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	From 1 <sup>st</sup> April to 30th September 2018		As At 31 <sup>st</sup> March 2018		As At 31 <sup>st</sup> March 2017		As At 31 <sup>st</sup> March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Suraj Zanwar	9,360,000	55.71%	78,000	55.71%	78,000	55.71%	78,000	55.71%
Kavita Zanwar	2,400,000	14.29%	20,000	14.29%	20,000	14.29%	20,000	14.29%
Shakuntala Zanwar	550,000	3.27%	5,000	3.57%	5,000	3.57%	5,000	3.57%
Pankaj Zanwar	4,200,000	25.00%	35,000	25.00%	35,000	25.00%	35,000	25.00%

#### ANNEXURE 7- RESERVE AND SURPLUS

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Securities Premium Reserve	111.94	340.05	340.05	340.05
Depreciation Reserve for Change in Method of Accounting	3.29	3.29	3.29	3.29
Surplus (Profit & Loss Account)	431.61	1,233.47	846.12	614.84
Balance brought forward from previous year	1,233.47	846.12	614.84	460.13
Add: Profit for the period	398.10	387.35	231.28	154.71
Less: Utilization for Bonus	1,199.95			
<b>Total</b>	<b>546.84</b>	<b>1,576.81</b>	<b>1,189.46</b>	<b>958.18</b>

#### ANNEXURE 8- LONG TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Bonds and Debentures</b>	125.00	125.00	125.00	125.00
<b>Secured</b>				
<b>(a) Term loans</b>				
<b>From Bank</b>				
HDFC Car Loan	-	-	-	0.69
Cholamandalam Commercial Vehicle Loan	-	-	-	-
TATA Capital	-	-	-	1.34
<b>(Secured Against Vehicles of the Company)</b>				
Corporation Bank Term Loan	96.85	108.01	125.77	140.55

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Corporation Bank Term Loan	158.54	174.11	202.67	226.70
Dena Bank Term Loan	368.37	415.95	485.29	541.33
IDBI Bank Term Loan	246.59	278.57	324.29	347.09
Growth Capital SIDBI	243.75	281.25	300.00	100.00
Corporation Bank Term Loan	92.64	97.28	72.81	-
Dena Bank Term Loan	91.59	97.29	72.82	-
SIDBI	423.14	471.14	534.14	-
Yes Bank Vehicle Loan	49.39	-	-	-
LOAN-YES BANK-S-CROSS	9.39	-	-	-
LOAN TERM - VIJAYABANK – 0045	288.21	-	-	-
LOAN TERM - HDFC BANK	40.22	-	-	-
<b>(Secured Against Property of Directors &amp; Company)</b>				
<b>(b) Other Loans and advances from Related Parties</b>	242.52	411.05	157.09	553.26
Sub-total (a)	2,476.20	2,459.65	2,399.88	2,035.96
<b>Unsecured</b>				
<b>(b) From Promoters/ Promoters Group/ Group Companies/Directors &amp; their Relatives</b>	-	-	-	-
Sub-total (b)	-	-	-	-
<b>Total</b>	<b>2,476.20</b>	<b>2,459.65</b>	<b>2,399.88</b>	<b>2,035.96</b>

**ANNEXURE 9 - NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM BORROWINGS**

(₹ In Lakhs)

Sr. No	Lender	Nature of facility	Date of Sanction of Loan	Amount outstanding as at September 30, 2018 (In Lakhs)	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
1	YES Bank	Term Loan	8-May-2018	49.39	10.03%	Payable in 84 monthly instalments of ₹ 92,197/- commencing from 15.05.2018	Primary: First & exclusive charge in form of mortgage of BMW
2	YES Bank	Term Loan	30-Jul-2018	9.39	11.99%	Payable in 60 monthly instalments of ₹ 24,259/- commencing from 15-08-2018.	Primary: First & exclusive charge in form of Hypothecation of S cross
3	Corporation Bank	Term Loan	1-Aug-2014	96.85	11.95%	Payable in 84 balloning monthly instalments of first 13 instalments of ₹ 55,000 each and thereafter next 12 installments of ₹ 74,000, Next 12 Installments of ₹ 1,10,000, Next 12 installments of ₹ 1,48,000, Next 12 installments of ₹ 2,07,000, Next 12 Installments of ₹ 3,17,000 and last 11 instalments of ₹ 4,10,000	Pari passu charge on fixed assets of the Company
4	Corporation Bank	Term Loan	8-Feb-2014	158.54	11.95%	Payable in 84 balloning monthly instalments of first 13 instalments of ₹ 89,000 each and thereafter next 12 installments of ₹. 1,19,000, Next 12 Installments of ₹. 1,79,000, Next 12 installments of ₹. 2,38,000, Next 12 installments of ₹ 3,33,000, Next 12	Pari passu charge on fixed assets of the Company

Sr. No	Lender	Nature of facility	Date of Sanction of Loan	Amount outstanding as at September 30, 2018 (In Lakhs)	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
						Installments of ₹. 5,17,000 and last 11 instalments of ₹. 6,56,000	
5	DENA Bank	Term Loan	10-Feb-2014 & 23-Jul-2014	368.37	10.70%	<p><b>Term Loan I –</b> Payable in 84 balloning monthly instalments of first 13 instalments of ₹. 1,58,000 each and thereafter next 12 installments of ₹. 2,10,000, Next 12 Installments of ₹. 3,15,000, Next 12 installments of ₹ 4,20,000, Next 12 installments of ₹ 5,86,000, Next 12 installments ₹. 9,01,000, last 11 installment of ₹. 11,64,000</p> <p><b>Term Loan II-</b> Payable in 84 balloning monthly instalments of first 13 instalments of ₹. 55,000 each and thereafter next 12 installments of ₹.74,000, Next 12 Installments of ₹. 1,11,000, Next 12 installments of ₹ 1,48,000, Next 12 installments of ₹ 2,07,000, Next 12 installments ₹. 3,17,000, last 11 installment of ₹. 4,10,000</p>	Pari passu charge on fixed assets of the Company
6	IDBI Bank	Term Loan	5-Apr-2013	246.59	12.40%	Payable in 84 balloning monthly instalments after initial moratorium period of 2 months:-	Pari passu charge on fixed assets of the Company

Sr. No	Lender	Nature of facility	Date of Sanction of Loan	Amount outstanding as at September 30, 2018 (In Lakhs)	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
						of first 13 instalments of ₹. 1,43,000 each and thereafter next 12 installments of ₹. 1,90,000, Next 12 Installments of ₹. 2,86,000, Next 12 installments of ₹ 3,81,000, Next 12 installments of ₹ 5,33,000, Next 12 installments ₹. 8,19,000, last 12 installment of ₹. 10,56,000	
7	CORPORATION Bank	Term Loan	19-Mar-2016	92.64	11.95%	Not exceeding 108 months including initial mortoriam period of 18 months i.e  Payable in 90 balloning monthly instalments of first 14 instalments of ₹ 76,000 each and thereafter next 12 installments of ₹. 95,000, Next 12 Installments of ₹. 1,14,000, Next 12 installments of ₹ 1,32,000, Next 14 installments of ₹ 1,90,000, Next 25 installments ₹. 2,27,000, last installment of ₹. 2,59,000	Pari passu charge on fixed assets of the Company
8	DENA Bank	Term Loan	27-Mar-2016	91.59	10.70%	90 months Installments including initial mortoriam period of 18 months i.e  Payable in 72 balloning monthly instalments of first 14 instalments of	Pari passu charge on fixed assets of the Company



Sr. No.	Lender	Nature of facility	Date of Sanction of Loan	Amount outstanding as at September 30, 2018 (In Lakhs)	Rate of interest (%)	Repayment terms	Security/Principal terms and conditions
						₹ 76,000 each and thereafter next 12 installments of ₹. 95,000, Next 12 Installments of ₹. 1,14,000, Next 12 installments of ₹ 1,32,000, Next 14 installments of ₹ 1,90,000, Next 25 installments ₹. 2,27,000, last installment of ₹. 2,59,000	

**ANNEXURE 10- DEFERRED TAX LIABILITIES**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
WDV as per book	1,946.64	1,956.71	2,106.29	1,772.42
WDV as per IT	1,556.48	1,577.95	1,802.98	1,554.86
Time Difference	390.16	378.76	303.32	217.57
Disallowance u/s 43B				
Brought forward Unabsorbed Loss & Depreciation				
Prior Period Adjustments	17.21	(1.85)	(14.25)	6.55
<b>Total</b>	<b>407.37</b>	<b>376.91</b>	<b>289.07</b>	<b>224.12</b>
<b>As per B/S (Liability/(Asset))</b>	<b>112.24</b>	<b>124.62</b>	<b>95.57</b>	<b>74.10</b>
<b>Transfer to P &amp; L A/c (Loss/(Profit))</b>	<b>(12.38)</b>	<b>29.04</b>	<b>21.47</b>	<b>34.78</b>

**ANNEXURE 11- LONG TERM PROVISIONS**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Sick Leave	1.35	1.71	1.32	0.78
Casual Leave	4.23	1.33	1.27	0.33
Gratuity	33.09	30.70	37.12	37.68
<b>Total</b>	<b>38.67</b>	<b>33.74</b>	<b>39.72</b>	<b>38.79</b>

**ANNEXURE 12 OTHER LONG-TERM LIABILITIES**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Capital Creditors	6.87	39.53	18.68	34.97
<b>Total</b>	<b>6.87</b>	<b>39.53</b>	<b>18.68</b>	<b>34.97</b>

**ANNEXURE 13- SHORT TERM BORROWINGS**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Secured</b>				
<b>1) Loan Repayable on Demand from bank</b>				
IDBI Bank Cash Credit	1,166.23	1,129.37	872.67	874.41
Dena Bank Cash Credit	334.23	491.07	194.85	87.59
Corporation Bank Cash Credit	524.43	683.71	500.37	108.12
Loan - Bajaj Finance 402HFB84763337	25.00			
<b>(Secured Against Stock &amp; Property of Director)</b>				
<b>2) Loan from Related parties</b>				-

	2,158.96	2,304.15	1,567.89	1,070.11
<b>Unsecured</b>				
<b>(a) From NBFC and Others</b>	-	-	-	-
<b>(b) From Promoters/ Promoters Group/ Group Companies/Directors &amp; their Relatives</b>	-	-	-	-
<b>(c) Loans and advances from others</b>	-	-	-	-
<b>Total</b>	<b>2,158.96</b>	<b>2,304.15</b>	<b>1,567.89</b>	<b>1,070.11</b>

**ANNEXURE 14; NATURE OF SECURITY AND TERMS OF REPAYMENT FOR SHORT TERM BORROWING**

(₹ In Lakhs)

Sr. No.	Lender	Nature of facility	Date of Sanction of Loan	Loan	Amount outstanding as at September 30, 2018 (In Lakhs)	Charges for facility	Security / Principal terms and conditions
1	IDBI Bank	Working Capital Loan (Cash Credit & Letter of Credit)	22-Feb-2017	Working Capital Loan	1,166.23	MCLR Rate Plus 3.50% (currently 11.75%) with monthly or as and when levied rests+.25% on renewed cash credit amount as applicable. ROI will change as per bank/RBI guidelines.	<p><b>Primary:</b> First &amp; exclusive charge in form of Hypothecation of all the current assets (Stocks of raw materials, stock in process, stock of consumables/components, stock of finished goods and receivables), movable assets (present and future) of the company.</p> <p><b>Collateral:</b></p> <ol style="list-style-type: none"> <li>1. First &amp; Exclusive charge by way of equitable mortgage of Office no. SF-207, Near Subhash Chowk, Gurukul Road, Memnagar, Ahmedabad owned by Sriven Projects;</li> <li>2. Factory shed in the name of Mrs. Padmavati Pillai at Shed no. 11, 12, Sunshine Industrial Estate, Near Ajit Mill, Ahmedabad;</li> <li>3. Commercial Complex in the name of Mrs. Padmavati Pillai at shop at 11,12 &amp; S/19, New York Trade Centre, near Thaltej Cross Road, ahmedabad;</li> <li>4. Residential Bungalow owned by Mrs. Padmavati Pillai at 8, Goyal intercity Row House, Drive in Road, Ahmedabad;</li> <li>5. Flat no. 201, Gold Cornet CHS Ltd., Mahakali Caves Road, Andheri (E), Mumbai owned by M/s. Power &amp; Instrumentation, Prop. Parmaraj Pillai.</li> </ol> <p><b>The Loan is also guaranteed by</b></p> <ol style="list-style-type: none"> <li>1. Mrs. Padmavati Pillai,</li> <li>2. Mr. Padmaraj Pillai,</li> <li>3. Mr. Sumeet D. Agnihotri,</li> <li>4. Mr. Sriram Nari,</li> </ol>

Sr. No.	Lender	Nature of facility	Date of Sanction of Loan	Loan	Amount outstanding as at September 30, 2018 (In Lakhs)	Charges for facility	Security / Principal terms and conditions
							5. M/s. Sriven Projects.
2	DENA Bank	Working Capital Loan (Cash Credit & Letter of Credit)	13-Jan-2017	Working Capital Loan	334.23	MCLR plus Spread (currently 12.40) with monthly or as and when levied rests on renewed cash credit amount plus applicable. ROI will change as per bank/RBI guidelines.	<p><b>Primary:</b> First &amp; exclusive charge in form of Hypothecation of all the current assets ( Stocks of raw materials, stock in process, stock of consumables/components, stock of finished goods and receivables), movable assets (present and future) of the company.</p> <p><b>Collateral:</b></p> <p>1. First &amp; Exclusive charge by way of equitable mortgage of 307-310, Atlantis Enclave, Subhash Chowk, Gurukul Road, Ahmedabad.</p> <p><b>The loan is also guranted by</b></p> <p>Mr. Padmaraj Pillai, Mrs. Padmavati Pillai, Mr. Sumeet Agnihotri, Mr. Shriram Nair, Mrs. Renu Agarwal.</p>
3	CORPRATI ON Bank				524.43		
4	BAJAJ Finance				25.00		

Notes:

- (i) The figures disclosed above are based on the Statements of Assets and Liabilities as Restated of the Company.
- (ii) The rate of interest given above are base rate plus spread as agreed with the lenders in the respective facility letters.
- (iii) The above includes long-term borrowings disclosed under Annexure and the current maturities of long-term borrowings included in other current liabilities.

**ANNEXURE 15- TRADE PAYABLES**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>From Promoters/Promoter Group/ Group Companies</b>				
<b>From Others</b>				
(a) Micro, Small and Medium Enterprise	-	-	-	-
(b) Others	555.21	483.11	200.39	1,081.94
<b>Total</b>	<b>555.21</b>	<b>483.11</b>	<b>200.39</b>	<b>1,081.94</b>

**ANNEXURE 16 OTHER CURRENT LIABILITIES**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(i) Installment of Term Loan due within one year	379.16	277.09	199.66	95.35
(ii) Statutory Remittance				
(i) Professional tax Payable	0.15	0.08	0.15	0.16
(ii) VAT & CST Payable	-	106.76	-	-
(iii) Service Tax Payable	-	-	-	-
(iv) Other	(3.22)	0.64	0.56	0.64
(vi) ESI Payable (employer and employee)	8.92	6.70	2.04	1.13
(vii) Provident Fund Payable	8.06	6.81	2.67	2.56
(viii) Provision for Taxation	220.79	100.05	52.36	26.53
(ix) TDS Payable	6.62	8.84	10.71	15.40
(iv) Deposits from Customers	-	53.81	123.23	28.22
(v) Other Payables (Specify Nature) - Remuneration	-	-	17.44	5.27
<b>Total</b>	<b>620.48</b>	<b>560.78</b>	<b>408.82</b>	<b>175.27</b>

**ANNEXURE 17 SHORT TERM PROVISIONS**
**(₹ In Lakhs)**

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Provision For</b>				
<b>(a) Employee benefits</b>	-	-	-	-
<b>(b) Others (Specify nature)</b>				
(i) Income Tax	-	-	-	-
(iii) Electricity and Telephone Expenses	-	4.67	4.07	0.85
(iv) Rent Payable	-	-	1.09	0.34
(v) Salary Payable	2.79	18.05	34.31	28.60
(vi) Expenses Payable	3.97	5.86	14.72	41.75
(vii) Interest Payable	-	11.51	13.23	0.93
(viii) Deposit from Customers	6.02			
<b>Total</b>	<b>12.78</b>	<b>40.09</b>	<b>67.41</b>	<b>72.48</b>

**ANNEXURE 18 - NON-CURRENT ASSETS (FIXED ASSETS)**

(₹ In Lakhs)

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block		
	Balance as at 1 <sup>st</sup> April 2015	Additions	Disposals	Balance as at 31 <sup>st</sup> March 2016	Balance as at 1 <sup>st</sup> April 2015	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 <sup>st</sup> March 2016	Balance as at 31 <sup>st</sup> March 2016	Balance as at 31 <sup>st</sup> March 2015
<b>Tangible Assets</b>											
Land	41.74	-	-	41.74	-	-	-	-	-	41.74	41.74
Building	805.39	-	-	805.39	6.44	25.52	-	-	31.96	773.43	798.95
Tata ACE	3.19	-	-	3.19	1.80	0.50	-	-	2.30	0.89	1.39
Computer	77.46	6.84	-	84.30	35.07	21.24	-	-	56.31	27.99	42.39
Trade Mark	21.37	-	-	21.37	5.81	4.28	-	-	10.09	11.28	15.56
Goodwill	36.32	0.96	-	37.28	7.24	6.81	-	-	14.05	23.23	29.08
Air Conditioner	1.96	-	-	1.96	0.54	0.46	-	-	1.00	0.96	1.43
Office Equipment	3.86	0.70	-	4.56	0.47	0.85	-	-	1.32	3.24	3.39
Plant and Equipment	698.70	9.69	-	708.39	15.27	44.58	-	-	59.86	648.53	683.51
Telephone and Mobile	5.62	-	-	5.62	1.95	1.55	-	-	3.50	2.12	3.67
Electrical Equipment	207.65	-	-	207.65	4.13	19.74	-	-	23.87	183.78	203.52
Furnitures & Fixtures	106.12	1.86	-	107.98	17.39	10.51	-	-	27.90	80.08	88.65
Vehicles	29.28	-	-	29.28	8.72	3.67	-	-	12.39	16.89	20.56
Capital Work In Progress	478.31	423	362.82	538.44	-	-	-	-	-	538.44	478.31
<b>Total</b>	<b>2,516.97</b>	<b>443.00</b>	<b>362.82</b>	<b>2,597.15</b>	<b>104.83</b>	<b>139.72</b>	<b>-</b>	<b>-</b>	<b>244.55</b>	<b>2,352.60</b>	<b>2,412.15</b>



Fixed Assets	Gross Block			Accumulated Depreciation					Net Block		
	Balance as at 1 <sup>st</sup> April 2016	Additions	Disposals	Balance as at 31 <sup>st</sup> March 2017	Balance as at 1 <sup>st</sup> April 2016	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 <sup>st</sup> March 2017	Balance as at 31 <sup>st</sup> March 2017	Balance as at 31 <sup>st</sup> March 2016
<b>Tangible Assets</b>											
Land	41.74	-	-	41.74	-		-	-	-	41.74	41.74
Building	805.39	167.85	-	973.24	31.96	26.82	-	-	58.78	914.46	773.43
Tata ACE	3.19	-	-	3.19	2.30	0.50	-	-	2.80	0.39	0.89
Computer	84.30	3.25	-	87.55	56.31	16.01	-	-	72.32	15.23	27.99
Trade Mark	21.37	0.52	-	21.89	10.09	4.14	-	-	14.23	7.66	11.28
Goodwill	37.28	-	-	37.28	14.05	7.42	-	-	21.47	15.81	23.23
Air Conditioner	1.96	-	-	1.96	1.00	0.34	-	-	1.34	0.62	0.96
Office Equipments	4.56	-	-	4.56	1.32	0.89	-	-	2.21	2.35	3.24
Plant and Equipment	708.39	205.09	-	913.48	59.86	48.16	-	-	108.02	805.46	648.53
Telephone And Mobile	5.62	1.37	-	6.99	3.50	1.11	-	-	4.61	2.38	2.12
Electrical Equipments	207.65	74.58	-	282.23	23.87	21.28	-	-	45.15	237.08	183.78
Furnitures & Fixtures	107.98	22.67	-	130.65	27.90	11.11	-	-	39.01	91.64	80.08
Vehicles	29.28	-	-	29.28	12.39	3.68	-	-	16.07	13.21	16.89
Capital Work In Progress	538.44	319.43	488.95	368.92	-		-	-	-	368.92	538.44
<b>Total</b>	<b>2,597.15</b>	<b>794.76</b>	<b>488.95</b>	<b>2,902.96</b>	<b>244.55</b>	<b>141.46</b>	<b>-</b>	<b>-</b>	<b>386.01</b>	<b>2,516.95</b>	<b>2,352.60</b>

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block		
	Balance as at 1 <sup>st</sup> April 2017	Additions	Disposals	Balance as at 31 <sup>st</sup> March 2018	Balance as at 1 <sup>st</sup> April 2017	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 <sup>st</sup> March 2018	Balance as at 31 <sup>st</sup> March 2018	Balance as at 31 <sup>st</sup> March 2017
<b>Tangible Assets</b>											
Land	41.74	-	-	41.74	-	-	-	-	-	41.74	41.74
Building	973.24	-	-	973.24	58.78	30.86	-	-	89.64	883.60	914.46
Tata ACE	3.19	-	-	3.19	2.80	0.24	-	-	3.04	0.15	0.39
Computer	87.55	1.31	-	88.86	72.32	9.12	-	-	81.44	7.42	15.23
Trade Mark	21.89	0.14	-	22.03	14.23	3.84	-	-	18.07	3.96	7.66
Goodwill	37.28	-	-	37.28	21.47	7.42	-	-	28.89	8.39	15.81
Air Conditioner	1.96	0.23	-	2.19	1.34	0.29	-	-	1.63	0.56	0.62
Office Equipment	4.56	0.11	-	4.67	2.21	0.84	-	-	3.05	1.62	2.35
Plant and Equipment	913.48	1.90	-	915.38	108.02	57.99	-	-	166.01	749.37	805.46
Telephone and Mobile	6.99	0.89	-	7.88	4.61	1.01	-	-	5.62	2.26	2.38
Electrical Equipment	282.23	-	-	282.23	45.15	26.83	-	-	71.98	210.25	237.08
Furnitures & Fixtures	130.65	0.63	-	131.28	39.01	12.77	-	-	51.78	79.50	91.64
Vehicles	29.28	0.10	-	29.38	16.07	3.68	-	-	19.75	9.63	13.21
Capital Work In Progress	368.92	287.26	-	656.18	-	-	-	-	-	656.18	368.92
<b>Total</b>	<b>2,902.96</b>	<b>292.57</b>	<b>-</b>	<b>3,195.53</b>	<b>386.01</b>	<b>154.89</b>	<b>-</b>	<b>-</b>	<b>540.90</b>	<b>2,654.63</b>	<b>2,516.95</b>

Fixed Assets	Gross Block			Accumulated Depreciation					Net Block		
	Balance as at 1 st April 2018	Additions	Disposals	Balance as at 30 th September 2018	Balance as at 1 st April 2018	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 30 th September 2018	Balance as at 30 th September 2018	Balance as at 31 st March 2018
<b>Tangible Assets</b>											
Land	41.74	-	-	41.74	-	-	-	-	-	41.74	41.74
Building	973.24	-	-	973.24	89.64	15.43	-	-	105.07	868.18	883.60
Tata ACE	3.19	-	-	3.19	3.04	0.15	-	-	3.19	-	0.15
Computer	88.86	1.06	-	89.92	81.44	8.48	-	-	89.92	-	7.42
Trade Mark	22.03	1.66	-	23.69	18.07	2.37	-	-	20.44	3.25	3.96
Goodwill	37.28	-	-	37.28	28.89	3.73	-	-	32.62	4.66	8.39
Air Conditioner	2.19	0.20	-	2.39	1.63	0.23	-	-	1.86	0.53	0.56
Office Equipment	4.67	0.16	-	4.83	3.05	0.46	-	-	3.51	1.32	1.62
Plant and Equipment	915.38	1.22	-	916.60	166.01	29.01	-	-	195.02	721.58	749.37
Telephone And Mobile	7.88	0.90	-	8.78	5.62	0.83	-	-	6.45	2.33	2.26
Electrical Equipments	282.23	0.64	-	282.87	71.98	8.95	-	-	80.93	201.94	210.25
Furnitures & Fixtures	131.28	13.06	-	144.34	51.78	6.79	-	-	58.57	85.78	79.50
Vehicles	29.38	57.34	11.61	75.11	19.75	3.71	-	5.43	18.03	57.07	9.63
Capital Work In Progress	656.18	77.77	-	733.95	-	-	-	-	-	733.95	656.18
<b>Total</b>	<b>3,195.53</b>	<b>154.01</b>	<b>11.61</b>	<b>3,337.93</b>	<b>540.90</b>	<b>80.14</b>	<b>-</b>	<b>5.43</b>	<b>615.61</b>	<b>2,722.33</b>	<b>2,654.63</b>

**ANNEXURE 19 NON-CURRENT INVESTMENTS**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Investment In Share</b>				
Mahesh N.S.P. Shares		-	-	-
<b>Investment In Government or Trust Security</b>	-	-	-	-
<b>Aggregate Cost of Investments</b>	-	-	-	-
<b>Aggregate Market Value of Quoted Investments</b>	-	-	-	-
<b>Aggregate Value of Unquoted Investments</b>	-	-	-	-
<b>Total</b>	-	-	-	-

**ANNEXURE 20 LONG TERM LOANS AND ADVANCES**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(Unsecured and Considered Good)				
<b>a. long term loans and advances recoverable from Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company</b>		33.70	68.72	32.27
<b>b. Balance with Government Authorities</b>	-	-	-	-
<b>C. other</b>				
Golden Apple Food & Beverages	-	-	-	-
Deposits	-	122.87	134.86	108.85
Security Deposits	86.22	69.13	45.74	36.67
Other loans and advances	166.85	-	-	-
<b>Total</b>	<b>253.07</b>	<b>225.70</b>	<b>249.32</b>	<b>177.79</b>

**ANNEXURE 21 OTHER NON-CURRENT ASSETS**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Deferred Revenue Expenditure	374.12	400.74	453.98	482.23
<b>Total</b>	<b>374.12</b>	<b>400.74</b>	<b>453.98</b>	<b>482.23</b>

**ANNEXURE 22 CURRENT INVESTMENTS**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Quoted Equity Shares</b>				

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Investment In Share	-	-	-	-
(Non-Quoted Share of share of AMCO Bank Ltd.)				
-Number of equity shares invested				
<b>Aggregate amount of unquoted Investments</b>	-	-	-	-
<b>Aggregate Market Value of Quoted</b>	-	-	-	-
Investment in Short term Fixed Deposits	25.71			
<b>Total</b>	<b>25.71</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### ANNEXURE 23 INVENTORIES

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
a. Raw Material	698.79	391.04	303.9	481.77
(Valued at Lower of Cost or NRV as per FIFO Method)				
b. Packing Material	354.67	241.06	187.34	-
(Valued at Lower of Cost or NRV as per FIFO Method)				
b. Semi-Finished Goods	454.21	339	263.46	270.38
(Valued at Estimated Cost)				
c. Finished Goods	265.68	612.15	475.75	464.95
(Valued at Lower of Cost or NRV as per FIFO Method)				
d. Stock-In-Trade	-	-	-	-
(Valued at Lower of Cost or NRV as per FIFO Method)				
<b>Total</b>	<b>1,773.35</b>	<b>1,583.25</b>	<b>1,230.45</b>	<b>1,217.11</b>

#### ANNEXURE 24 - TRADE RECEIVABLES

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Outstanding for more than Six Months</b>				
a. Secured, Considered Good				
b. Unsecured, Considered Good	190.83	643.13	105.30	93.65
c. Doubtful				
<b>Others</b>				
a. Secured, Considered Good				
b. Unsecured, Considered Good	2,194.52	1,913.72	1,268.20	1,127.27
c. Doubtful				
<b>Total</b>	<b>2,385.35</b>	<b>2,556.85</b>	<b>1,373.50</b>	<b>1,220.92</b>

**ANNEXURE 25 CASH AND CASH EQUIVALENTS**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
a. Cash on Hand & Bank Balance	144.01	58.79	106.80	56.88
<b>Total</b>	<b>144.01</b>	<b>58.79</b>	<b>106.80</b>	<b>56.88</b>

**ANNEXURE 26 SHORT TERM LOANS AND ADVANCES**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(Unsecured and Considered Good)				
<b>a. Loans and advances to Directors/Promoters/Promoter Group/ Associates/ Relatives of Directors/Group Company</b>	-	-	-	-
<b>b. Balance with Government Authorities</b>	-	-	-	-
<b>c. Deposits</b>	-	-	-	-
<b>c. Others (specify nature)</b>	-	-	-	-
Advance to Suppliers	4.25	3.95	4.77	47.97
Security deposits	-	-	-	-
Advance Income tax	11.00	28.00	17.00	16.00
Advance to Creditors	239.71	-	-	-
<b>Total</b>	<b>254.96</b>	<b>31.95</b>	<b>21.77</b>	<b>63.97</b>

**ANNEXURE 27 - OTHER CURRENT ASSETS**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Prepaid Expenses	0.88	1.01	0.88	1.40
(b) Balance with tax Authorities	-	106.06	69.27	57.11
Balance with tax Authorities (GST)	141.84	-	-	-
Balance with tax Authorities (Service Tax)	-	121.71	65.67	44.53
Balance with tax Authorities (Excise)	-	-	36.51	-
TDS Receivable	32.48	21.79	2.71	7.26
(C) Stock In Transit	4.10	-	-	-
<b>Total</b>	<b>179.30</b>	<b>250.57</b>	<b>175.04</b>	<b>110.30</b>

**ANNEXURE 28 CONTINGENT LIABILITIES AND COMMITMENTS**

(₹ In Lakhs)

Particulars	As at 30 <sup>th</sup> September 2018	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Contingent Liabilities				
a. Claims against the company not acknowledged as debts				
b. Guarantees	103.77	110.63	236.96	627.59
c. Other Money for which the company is contingently liable	-	-	6.09	-
(b) Commitments				
<b>Total</b>	<b>103.77</b>	<b>110.63</b>	<b>243.05</b>	<b>627.59</b>

**ANNEXURE 29 - REVENUE FROM OPERATION**

(₹ In Lakhs)

Particulars	From 1 <sup>st</sup> April to 30th September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
Central Sales	3,131.90	5,641.48	4,582.61	4,095.47
Export Sales	592.36	1,078.95	718.36	636.59
	3,724.26	6,720.43	5,300.97	4,732.06
Less: VAT and CST	418.05	648.68	122.65	63.85
Goods Return	32.75	130.05	-	-
<b>Total</b>	<b>3,273.46</b>	<b>5,941.70</b>	<b>5,178.32</b>	<b>4,668.21</b>

**ANNEXURE 30- OTHER INCOME**

(₹ In Lakhs)

Particulars	From 1 <sup>st</sup> April to 30th September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>Other Income</b>				
Discount Received	-	0.78	2.88	0.78
Other Income	27.99	16.86	4.16	46.63
<b>Total</b>	<b>27.99</b>	<b>17.64</b>	<b>7.04</b>	<b>47.41</b>

**ANNEXURE 31; DETAILS OF OTHER INCOME AS RESTATED**

(₹ In Lakhs)

Particulars	From 1 <sup>st</sup> April to 30 <sup>th</sup> September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016	Nature
Other income	27.99	17.64	7.04	47.41	
Net Profit Before Tax as Restated	520.89	513.01	307.89	216.02	

Particulars	From 1 <sup>st</sup> April to 30 <sup>th</sup> September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016	Nature
<b>Percentage</b>	<b>5.37%</b>	<b>3.44%</b>	<b>2.29%</b>	<b>21.95%</b>	
<b>SOURCE OF INCOME</b>					
Discount	-	0.78	2.88	0.78	Recurring and related to business activity.
Interest Income	0.46	0.72	0.60	4.43	Recurring and related to business activity.
Service Charges	-	-	-	-	Non-Recurring and related to business activity
Other Income	27.53	16.14	3.56	42.20	Recurring and not related to business activity
<b>Total Other income</b>	<b>27.99</b>	<b>17.64</b>	<b>7.04</b>	<b>47.41</b>	

#### ANNEXURE 32; COST OF MATERIAL CONSUMED

(₹ In Lakhs)

Particulars	From 1 <sup>st</sup> April to 30 <sup>th</sup> September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>1) PURCHASES OF RAW MATERIALS AND STORES</b>	<b>1,914.79</b>	<b>3,954.17</b>	<b>3,178.27</b>	<b>3,271.48</b>
<b>2) DIRECT/PRODUCTIONS EXPENSES</b>				
Processing Charges	-	57.04	1.87	19.24
Octroi	-	-	-	-
Foil / Cylinder Charges	0.80	1.40	6.49	1.92
Product Approval Charges	-	-	9.30	4.55
Transportation	39.77	176.07	90.17	86.73
Designing Charges	-	-	-	-
Other Charges/ Direct Expenses	165.81	134.35	224.61	185.18
Packing, Freight & Forwarding	5.96	5.61	17.42	13.42
<b>TOTAL</b>	<b>2,127.13</b>	<b>4,328.64</b>	<b>3,528.13</b>	<b>3,582.52</b>



**ANNEXURE 33 - CHANGES IN INVENTORY AND STOCK IN TRADE**

(₹ In Lakhs)

Particulars	From 1 <sup>st</sup> April to 30 <sup>th</sup> September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
<b>Inventories at the end of the year</b>				
Stock-In-Trade	1,773.35	1,583.24	1,230.46	1,217.11
<b>Inventories at the beginning of the year</b>				
Stock-In-Trade	1,583.24	1,230.46	1,217.11	869.78
<b>Net (Increase)/decrease</b>	<b>(190.11)</b>	<b>(352.78)</b>	<b>(13.35)</b>	<b>(347.33)</b>

**ANNEXURE 34 - EMPLOYEES BENEFIT EXPENSES**

(₹ In Lakhs)

Particulars	From 1 <sup>st</sup> April to 30 <sup>th</sup> September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
a) Salaries, Bonus, PF & ESIC	297.06	339.91	363.38	380.60
b) Directors Remuneration	33.84	79.68	54.70	27.60
C) Defined Benefit Obligation				
Sick Leave	-0.36	0.39	0.54	-0.10
Casual Leave	2.90	0.06	0.93	-0.02
Gratuity	2.39	-6.42	-0.56	10.03
<b>Total</b>	<b>335.83</b>	<b>413.62</b>	<b>419.00</b>	<b>418.11</b>

**ANNEXURE 35 - FINANCE COST**

(₹ In Lakhs)

Particulars	From 1 <sup>st</sup> April to 30 <sup>th</sup> September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
Interest on cc	98.33	225.23	167.61	126.89
Interest on Loan	126.20	328.67	330.86	253.25
<b>Total</b>	<b>224.53</b>	<b>553.90</b>	<b>498.47</b>	<b>380.14</b>

**ANNEXURE 36 - DEPRICIATION AND AMORTISATION**

(₹ In Lakhs)

Particulars	From 1st April to 30th September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
Depreciation Expense	80.14	154.89	141.46	139.72
Amortization of Expenses	26.62	53.24	53.24	53.24
<b>Total</b>	<b>106.76</b>	<b>208.13</b>	<b>194.70</b>	<b>192.96</b>

**ANNEXURE 37-OTHER EXPENSES**

(₹ In Lakhs)

Particulars	From 1 <sup>st</sup> April to 30 <sup>th</sup> September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
Rent	14.05	33.90	38.96	38.01
T.A.& Daily Expenses	1.10	3.65	9.06	18.54
Professional Fees	19.17	39.93	33.45	49.43
Other Admin Expenses	-	3.03	12.58	24.51
Advertisement Expenses	1.17	3.23	2.27	2.44
Commission Expenses	5.19	12.44	31.49	10.51
Courier Charges	-	-	-	6.00
Electricity Expenses	51.48	10.72	8.57	5.21
Factory Expenses	0.40	5.37	6.63	5.93
Insurance Expenses	4.19	12.71	7.06	6.29
Office Expenses	0.52	19.72	18.89	11.54
Printing & Stationery	6.36	12.50	12.90	4.69
Repairs & Maintenance	10.40	7.99	8.26	11.06
Travelling Expenses	19.23	56.83	30.41	51.34
Internet & Telephone Expenses	2.88	8.18	9.04	10.00
Interest on Tax	0.36	0.11	4.22	17.70
Bank Charges	4.37	38.48	10.97	-
Legal Expenses	2.58	2.92	5.76	-
Product Registration Charges	22.02	13.97	-	-
Sales Promotion	4.92	9.14	-	-
Loss on sale of Fixed Assets	3.58	-	-	-
Generator Hiring Charges	0.70	-	-	-
IPO Expenses	1.75	-	-	-
<b>Total</b>	<b>176.42</b>	<b>294.82</b>	<b>250.53</b>	<b>273.20</b>

**ANNEXURE 37.1 - PAYMENT TO AUDITORS**

(₹ In Lakhs)

Particulars	From 1 <sup>st</sup> April to 30 <sup>th</sup> September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016	Nature
Other income	27.99	17.64	7.04	47.41	
Net Profit Before Tax as Restated	520.89	513.01	307.89	216.02	
<b>Percentage</b>	<b>5.37%</b>	<b>3.44%</b>	<b>2.29%</b>	<b>21.95%</b>	
<b>SOURCE OF INCOME</b>					

Particulars	From 1 <sup>st</sup> April to 30 <sup>th</sup> September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016	Nature
Discount	-	0.78	2.88	0.78	Recurring and related to business activity.
Interest Income	0.46	0.72	0.60	4.43	Recurring and related to business activity.
Service Charges	-	-	-	-	Non-Recurring and related to business activity
Other Income	27.53	16.14	3.56	42.20	Recurring and related to business activity
<b>Total Other income</b>	<b>27.99</b>	<b>17.64</b>	<b>7.04</b>	<b>47.41</b>	

#### ANNEXURE 38: RELATED PARTY TRANSACTION

##### i) Names of related parties and description of relationship with the company

##### A) Key managerial personnel and their relatives

##### B) Entities under common control/ Entities over which the Promoter has significant influence

(₹ In Lakhs)

Particulars	Till 30/09/2018	2017-18	2016-17	2015-16
<b><u>Unsecured Loan Accepted Cr</u></b>				
Suraj Zanwar	217.30	821.83	374.85	631.52
Pankaj Zanwar	-	138.35	52.50	273.00
Kavita Zanwar	-	-	-	0.93
Sheetal Zanwar	-	-	-	-
Shakuntala Zanwar	-	-	-	1.00
Dhiraj Zanwar	-	0.67	-	3.00
Sangita Zanwar	-	-	-	4.00
Zanwar And Family	-	-	-	-
Jugal Kishore Malu	-	-	-	-
Suraj Zanwar (HUF)	-	-	-	1.79
Dhiraj Zanwar (HUF)	-	-	-	8.75
<b><u>Unsecured Loan Repayment Dr</u></b>				
Suraj Zanwar	355.54	652.00	578.74	856.45
Pankaj Zanwar	26.56	101.32	306.63	293.98
Kavita Zanwar	-	-	-	1.43

Particulars	Till 30/09/2018	2017-18	2016-17	2015-16
Sheetal Zanwar	-	-	-	-
Sheetal Zanwar	-	-	-	-
Shakuntala Zanwar	-	-	0.95	1.00
Dhiraj Zanwar	-	-	-	-
Dhiraj Zanwar	-	-	-	51.33
Zanwar And Family	-	-	-	-
Jugal Kishore Malu	-	-	-	-
Radheshyam Bhandari	-	-	-	-
Sangita Zanwar	-	-	-	18.72
Pooja Dargad	-	-	-	-
Nandkishore Dargad	-	-	-	-
Suraj Zanwar (Huf)	-	2.90	-	-
Dhiraj Zanwar (Huf)	-	0.67	-	-
<b><u>REMUNERATION</u></b>				
Suraj Zanwar	24.00	48.00	36.00	20.40
Pankaj Zanwar	9.00	18.00	18.00	18.00
Kavita Zanwar	-	-	0.70	8.40
<b><u>Salary</u></b>				
Suraj Zanwar	-	-	-	-
Pankaj Zanwar	-	-	-	-
Kavita Zanwar	-	18.00	7.70	-
Riyaz Khan	2.94	5.88	-	-
Jayant Tillo	3.90	7.80	-	-
<b><u>INTEREST</u></b>				
Suraj Zanwar	-	25.00	30.87	49.94
Pankaj Zanwar	-	25.00	30.98	40.86
Kavita Zanwar	-	-	-	-
Sheetal Zanwar	-	-	-	-
Shakuntala	-	-	-	-
Dhiraj Zanwar	-	-	4.43	4.43
Suraj Zanwar Huf	-	-	-	-
Jugal Kishore Malu	-	-	-	-
Zanwar and Family	-	-	-	-
<b><u>COMMISSION</u></b>				
Shakuntala Zanwar	-	1.00	0.95	1.00
<b><u>CLOSING BALANCE (Loan (Receivable)/Payable)</u></b>				
Suraj Zanwar	121.51	263.49	68.66	241.68
Pankaj Zanwar	119.61	146.17	84.14	307.29
Kavita Zanwar	-	-	-	-
Sheetal Zanwar	-	-	-	-
Shakuntala Zanwar	-	-	-	-

Particulars	Till 30/09/2018	2017-18	2016-17	2015-16
Dhiraj Zanwar	0.67	0.67	-	-
Radheshyam Bhandari	0.72	0.72	0.72	0.72
Sangita Zanwar	-	-	-	-
Suraj Zanwar (Huf)	-	-	2.90	2.90
Dhiraj Zanwar (Huf)	-	-	0.67	0.67
Nandkishore Dargad	-	-	-	-
Pooja Dargad	-	-	-	-
Zanwar and Family	-	-	-	-
Jugal Kishore Malu	-	-	-	-

#### ANNEXURE 39 - SUMMARY OF ACCOUNTING RATIOS

(₹ In Lakhs)

Ratios	From 1 <sup>st</sup> April to 30 <sup>th</sup> September 2018	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017	For the year ended 31 <sup>st</sup> March 2016
Restated PAT as per P&L Account	39,809,786	38,735,022	23,127,518	15,471,034
Weighted Average Number of Equity Shares at the end of the Year/Period (Pre-Bonus Issue)	1,400,000	1,400,000	1,400,000	1,001,091
Weighted Average Number of Equity Shares at the end of the Year/Period (Post Bonus Issue)	16,800,000	16,800,000	16,800,000	16,401,091
No. of equity shares at the end of the year/period (Pre-Bonus Issue)	1,400,000	1,400,000	1,400,000	1,400,000
No. of equity shares at the end of the year/period (Post Bonus Issue)	16,800,000	16,800,000	16,800,000	16,800,000
Net Worth	223,986,159	171,680,573	132,945,638	109,818,120
<b>Earnings Per Share</b>				
Basic & Diluted EPS	28.44	27.67	16.52	15.45
Adjusted Basic & Diluted EPS	2.37	2.31	1.38	0.94
<b>Return on Net Worth (%)</b>	17.77%	22.56%	17.40%	14.09%
<b>Net Asset Value Per Share (Rs) (Pre-Bonus Issue)</b>	159.99	122.63	94.96	78.44
<b>Net Asset Value Per Share (Rs) (Post Bonus Issue)</b>	13.33	10.22	7.91	6.54
Nominal Value per Equity share (₹)	10.00	10.00	10.00	10.00

## Footnote

1. Ratios have been calculated as below

Basic and Diluted Earnings Per Share (EPS) (₹)

Basic and Diluted Earnings Per Share (EPS) (₹)	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$
Return on Net Worth (%)	$\frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}$
Net Asset Value per equity share (₹)	$\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the year / period}}$

2. The figures for the period ended September 30, 2018 are not annualised.

3. Although The company in its Extra Ordinary General Meeting held on 13.08.2018 has sub divided the Face Value of Share of the company from ₹ 100 to ₹ 10 but to make above figures comparable with each other we have taken the Face Value of Share at ₹ 10 Only Since Financial Year 2013-14.

4. Adjusted Basic and Diluted EPS is calculated after giving effect of sub division of face value and issue of Bonus shares

## ANNEXURE 40 - CAPITALISATION STATEMENT AS AT 30TH SEPTEMBER, 2018

(₹ In Lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	2,049.89	
Long Term Debt (B)	2476.20	
<b>Total debts (C)</b>	<b>4526.09</b>	
<b>Shareholders' funds</b>		
Equity share capital	1,680.00	[•]
Reserve and surplus - as restated	546.84	
<b>Total shareholders' funds</b>	<b>2,226.84</b>	
<b>Long term debt / shareholders' funds</b>	1.11	
<b>Total debt / shareholders' funds</b>	2.25	

Notes:

1. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at September 30, 2018.

2. Long term Debts includes current maturities of long-term debt.

3. For post issue Capitalization calculation has been done considering the allotment of shares in the IPO & Bonus issue as under

4. The figure of short term/long term debt as appearing on September 30, 2018 has only been considered for calculation purpose of Short term and long-term debt.

## ANNEXURE 41 - STATEMENT OF TAX SHELTER

(₹ In Lakhs)

Particulars	From 1st April to 30th September 2018	For the year ended 31 st March 2018	For the year ended 31 st March 2017	For the year ended 31 st March 2016
Profit before tax as per books (A)	520.89	513.01	307.89	216.02
Normal Corporate Tax Rate (%)	27.55%	33.06%	33.06%	33.06%
Normal Corporate Tax Rate (Other Source) (%)	27.55%	33.06%	33.06%	33.06%
MAT Rates	20.39%	20.39%	20.39%	20.39%
Tax at notional rate of profits	143.52	169.62	101.80	71.42
<b>Adjustments:</b>				
<b>Permanent Differences(B)</b>				
Expenses disallowed/Income disallowed under Income Tax Act, 1961	-	(170.36)	(135.26)	(94.23)
Prior Period Adjustments	-	-	-	-
<b>Total Permanent Differences(B)</b>	-	<b>(170.36)</b>	<b>(135.26)</b>	<b>(94.23)</b>
Income from Other Sources	-	-	-	-
<b>Total Income considered separately (C)</b>	-	-	-	-
<b>Timing Differences (D)</b>				
Difference between tax depreciation and book depreciation	3.74	(16.89)	(32.61)	(39.29)
Depraciation as per P & L A/c	106.76	208.13	194.70	192.96
Depreciation as per Income tax	103.01	225.02	227.31	232.25
Prior Period Adjustments	(17.21)	1.85	14.25	(6.55)
<b>Total Timing Differences (D)</b>	<b>(13.47)</b>	<b>(15.04)</b>	<b>(18.36)</b>	<b>(45.84)</b>
<b>Net Adjustments E = (B+D)</b>	<b>(13.47)</b>	<b>(185.40)</b>	<b>(153.62)</b>	<b>(140.07)</b>
<b>Tax expense / (saving) thereon</b>	<b>(3.71)</b>	<b>(61.30)</b>	<b>(50.79)</b>	<b>(46.31)</b>
<b>Short Term Capital Gain (F)</b>	-	-	-	-
Interest of Fixed Deposits	-	-	-	-
Interest on Deposits				
Interest on IT				
<b>Income from Other Sources (G)</b>	-	-	-	-
<b>Addition u/s 28 to 44DA (Deduction claimed in Normal business)</b>	-	-	-	-
<b>Deduction u/s VI-A</b>	-	-	-	-
<b>Loss of P.Y. Brought Forward &amp; Adjusted(H)</b>	-	-	-	-
<b>Taxable Income/(Loss) (A+E+F+G)</b>	<b>507.43</b>	<b>327.61</b>	<b>154.27</b>	<b>75.95</b>
<b>Taxable Income/(Loss) as per MAT</b>	<b>520.89</b>	<b>513.01</b>	<b>307.89</b>	<b>216.02</b>
<b>Disallowance as per MAT</b>	-	-	-	-
<b>Tax as per MAT</b>	<b>106.20</b>	<b>104.60</b>	<b>62.78</b>	<b>44.04</b>
<b>Basic Tax</b>	<b>96.36</b>	<b>94.91</b>	<b>56.96</b>	<b>39.96</b>
<b>Surcharge</b>	<b>6.75</b>	<b>6.64</b>	<b>3.99</b>	<b>2.80</b>
<b>Edu cess</b>	<b>2.06</b>	<b>2.03</b>	<b>1.22</b>	<b>0.86</b>
<b>SHEC</b>	<b>1.03</b>	<b>1.02</b>	<b>0.61</b>	<b>0.43</b>

Particulars	From 1st April to 30th September 2018	For the year ended 31 st March 2018	For the year ended 31 st March 2017	For the year ended 31 st March 2016
<b>Tax as per Normal Calculation</b>	139.81	108.32	51.00	25.11
<b>Basic Tax</b>	126.86	98.28	46.28	22.79
<b>Surcharge</b>	8.88	6.88	3.24	1.59
<b>Edu ess</b>	2.71	2.10	0.99	0.49
<b>SHEC</b>	1.36	1.05	0.50	0.24
<b>MAT Credit Used</b>	-	-	-	-
<b>Income Tax as returned/computed</b>	139.81	108.32	62.78	44.04
Tax paid as per normal or MAT	Normal	Normal	MAT	MAT



**OTHER FINANCIAL INFORMATION**

**ANNEXURE 39 - SUMMARY OF ACCOUNTING RATIOS**

(₹ In Lakhs)

<b>Ratios</b>	<b>From 1<sup>st</sup> April to 30<sup>th</sup> September 2018</b>	<b>For the year ended 31<sup>st</sup> March 2018</b>	<b>For the year ended 31<sup>st</sup> March 2017</b>	<b>For the year ended 31<sup>st</sup> March 2016</b>
Restated PAT as per P& L Account	39,809,786	38,735,022	23,127,518	15,471,034
Weighted Average Number of Equity Shares at the end of the Year/Period (Pre-Bonus Issue)	1,400,000	1,400,000	1,400,000	1,001,091
Weighted Average Number of Equity Shares at the end of the Year/Period (Post Bonus Issue)	16,800,000	16,800,000	16,800,000	16,401,091
No. of equity shares at the end of the year/period (Pre-Bonus Issue)	1,400,000	1,400,000	1,400,000	1,400,000
No. of equity shares at the end of the year/period (Post Bonus Issue)	16,800,000	16,800,000	16,800,000	16,800,000
Net Worth	223,986,159	171,680,573	132,945,638	109,818,120
<b>Earnings Per Share</b>				
Basic & Diluted EPS	28.44	27.67	16.52	15.45
Adjusted Basic & Diluted EPS	2.37	2.31	1.38	0.94
<b>Return on Net Worth (%)</b>	17.77%	22.56%	17.40%	14.09%
<b>Net Asset Value Per Share (Rs) (Pre-Bonus Issue)</b>	159.99	122.63	94.96	78.44
<b>Net Asset Value Per Share (Rs) (Post Bonus Issue)</b>	13.33	10.22	7.91	6.54
Nominal Value per Equity share (₹)	10.00	10.00	10.00	10.00

**Footnote**

1. Ratios have been calculated as below

Basic and Diluted Earnings Per Share (EPS) (₹)

$$\text{Basic and Diluted Earnings Per Share (EPS) (₹)} = \frac{\text{Restated Profit after Tax available to equity Shareholders}}{\text{Weighted Average Number of Equity Shares at the end of the year / period}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit after Tax available to equity Shareholders}}{\frac{\text{Restated Net Worth of Equity Shareholders}}{\text{Restated Net Worth of Equity Shareholders}}}$$

$$\text{Net Asset Value per equity share (₹)} = \frac{\text{Number of Equity Shares outstanding at the end of the year / period}}$$

2. The figures for the period ended September 30, 2018 are not annualized.

3. Although The company in its Extra Ordinary General Meeting held on 13.08.2018 has sub divided the Face Value of Share of the company from ₹ 100 to ₹ 10 but to make above figures comparable with each other we have taken the Face Value of Share at ₹ 10 Only Since Financial Year 2013-14

**CAPITALISATION STATEMENT**

**ANNEXURE 40 - CAPITALISATION STATEMENT AS AT 30TH SEPTEMBER, 2018**

(₹ In Lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	2538.12	
Long Term Debt (B)	2476.20	
<b>Total debts (C)</b>	<b>5014.32</b>	
<b>Shareholders' funds</b>		
Equity share capital	1,680.00	[•]
Reserve and surplus - as restated	546.84	
<b>Total shareholders' funds</b>	<b>2,226.84</b>	
<b>Long term debt / shareholders' funds</b>	1.11	
<b>Total debt / shareholders' funds</b>	2.25	

Notes:

1. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at September 30, 2018.
2. Long term Debts includes current maturities of long-term debt.
3. For post issue Capitalization calculation has been done considering the allotment of shares in the IPO & Bonus issue as under
4. The figure of short term/long term debt as appearing on September 30, 2018 has only been considered for calculation purpose of Short term and long-term debt.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the period ended September 2018 and for the financial year ended March 31, 2018, 2017 and 2016. You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled "*Risk Factors*" beginning on page 25 of this Draft Red Herring Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Cian Healthcare Limited, our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for Financial Years 2018, 2017 and 2016 included in this Draft Red Herring Prospectus beginning on page 179 of this Draft Red Herring Prospectus.

### **Business Overview**

Our Company is a WHO-GMP & ISO -9001:2015 certified transnational manufacturing Company with wide range of Pharmaceutical, Nutraceutical, Ayurvedic, Cosmeceuticals, Sexual Wellness and Food supplement products. Our Company has a full-fledged F & D and regulatory department. Our Company complies with the standard manufacturing practices as laid down by the World Health Organization and is also certified by the Food and Drug Control Administration.

Our Company develops, manufactures and commercializes pharmaceutical products including sales, marketing, quality assurance, distribution, compliance and regulatory aspects under 12 therapeutic segments like Orthopaedics, Gynaecology, Paediatrics, Cardiac, Diabetic, Dermatology, Pain Management, Antibiotics, Neuro, Critical Care, Gastro-Intestinal and Nutraceuticals, alongwith 10 sales division focused on developing and growing our engagements in specialist and super specialist division. Our company works under different business models like Brand Business, Export, Third Party Manufacturing and Government Supplies

### **Significant developments subsequent to the last financial year:**

After the date of last financial year i.e. March 31, 2018, the Directors of our Company confirm that, there have not been any significant material developments which materially and adversely affect or is likely to affect within the next twelve months for the trading or profitability of the Company, the value of its assets or its ability to pay its liability. However, following material events have occurred after the last audited period.

1. The shareholders of our Company have approved the proposal for increase in authorised capital from ₹ 1,40,00,000 divided into 1,40,000 Equity shares of face value of ₹ 100 each to ₹ 5,00,00,000 divided into 5,00,000 Equity Shares of face value of ₹ 100 each in the extra-ordinary meeting held on August 13, 2018.

2. The shareholders of our Company have approved sub-division of shares from ₹ 5,00,00,000 divided into 5,00,000 Equity shares of face value of ₹ 100 each to ₹ 5,00,00,000 divided into 50,00,000 Equity Shares of face value of ₹ 10 each in the extra-ordinary meeting held on August 13, 2018.
3. The shareholders of our Company have approved the proposal for increase in authorised capital from ₹ 5,00,00,000 divided into 5,00,000 Equity shares of face value of ₹ 10 each to ₹ 25,00,00,000 divided into 25,00,000 Equity Shares of face value of ₹ 10 each in the extra-ordinary meeting held on August 28, 2018.
4. The Shareholders of our Company have approved the proposal to issue 1,54,00,000 Equity shares as bonus shares in the ratio of 11 equity shares for every 1 equity share held in the extra-ordinary meeting held on August 28, 2018.
5. The Shareholders of our Company have approved allotment of 1,98,830 Equity shares on Rights Issue basis to the then existing shareholders in the extra-ordinary meeting held on October 05, 2018.
6. The Shareholders of our Company have approved allotment of 15,729 Equity shares in the extra-ordinary meeting held on October 31, 2018 on private placement basis.
7. Our Company's shareholders have approved conversion of Debentures into 1,30,205 Equity Shares in the extra-ordinary meeting held on October 31, 2018.
8. The shareholders of our Company have designated as Suraj Zanwar as Managing Director in the extra-ordinary meeting held on October 06, 2018.
9. Jayant Tiloo have resigned from our Company as Executive Director w.e.f. October 31, 2018.
10. The shareholders of our Company approved the resolution for conversion of Cian Healthcare Private Limited to Cian Healthcare Limited in their meeting held on November 19, 2018.
11. The shareholders of our Company have designated Pankaj Zanwar and Riyaz Khan as Non-executive Director and Whole Time Director respectively in the extra-ordinary general meeting held on January 14, 2019.
12. The shareholders of our Company have designated Balasubramaniam Padmanabhan and Smita Khanna as Independent Director in the extra-ordinary general meeting held on January 14, 2019.

**Discussion on Results of Operation:**

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our firm for the period ended on September 30, 2018 and for the years ended March 31, 2016, 2017 and 2018.

**Key factors affecting the results of operation:**

Our Company's future results of operations could be affected potentially by the following factors:

- Political Stability of the Country.
- World Economy.
- Government policies for the Pharmaceutical Industry.
- Investment Flow in the country from the other countries.

- Competition from existing players:
- Company's ability to successfully implement growth strategy
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate
- Recession in the market
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and
- financial condition;

**Discussion on Results of Operation:**

The following discussion on results of operations should be read in conjunction with the Financial Results of our Company for the for the years ended March 31, 2018, 2017 and 2016

**OVERVIEW OF REVENUE AND EXPENDITURE**

***Revenue of operations***

Our primary revenue is from sale of Pharmaceutical Products

***Other Income***

Our other income consists of Discount Received and other income

Particulars	For the month ended September 30, 2018	For the period ended March 31,		
		2018	2017	2016
<b>Income</b>				
Revenue from operations	3,273.46	5,941.70	5,178.32	4,668.21
As a % of total Income	99.15%	99.70%	99.86%	98.99%
Other Income	27.99	17.64	7.04	47.41
As a % of Total Income	0.85%	0.30%	0.14%	1.01%
<b>Total Revenue</b>	<b>3,301.45</b>	<b>5,959.34</b>	<b>5,185.36</b>	<b>4,715.62</b>

**EXPENDITURE**

Our total expenditure primarily consists of cost of material consumed, Changes in inventories of Stock-in-Trade, Employee benefit expenses, Product Registration Charges, rent, T.A.& Daily Expenses, Electricity Expenses, finance cost and other expenses.

**Cost of Material consumed**

Cost of Material consumed includes cost of raw materials, packing materials and stores which is used in manufacturing process.

**Employment Benefit Expenses**

It includes Salaries & wages, Bonus, PF & ESIC, Directors Remuneration, Gratuity and other expenses.

**Other Expenses**

It includes expenses for labour expenses, Legal and professional Fees, Selling and Distribution Expenses, Shop rent and Vehicle Expenses, etc.

**Finance Costs**

Our finance costs mainly include Interest on working capital and Interest on Loan.

## Depreciation

Depreciation includes depreciation and amortization.

### RESULTS OF OUR OPERATION

(₹ In Lakhs)

Particulars	For the period ended September 30, 2018	For the year ended		
		2018	2017	2016
Revenue from operations	3,273.46	5,941.70	5,178.32	4,668.21
% of total revenue	99.15%	99.70%	99.86%	98.99%
Other Income	27.99	17.64	7.04	47.41
% of total revenue	0.85%	0.30%	0.14%	1.01%
<b>Total Revenue (I + II)</b>	<b>3,301.45</b>	<b>5,959.34</b>	<b>5,185.36</b>	<b>4,715.62</b>
Variance		14.93%	9.96%	-
<b>Expenses:</b>				
Cost of Material Consumed	2,127.13	4,328.64	3,528.13	3,582.52
% of total revenue	64.43%	72.64%	68.04%	75.97%
Changes in inventories of Stock-in-Trade	-190.11	-352.78	-13.35	-347.33
% of total revenue	-5.76%	-5.92%	-0.26%	-7.37%
Employee benefits expense	335.83	413.62	419.00	418.11
% of total revenue	10.17%	6.94%	8.08%	8.87%
Other expenses	176.42	294.82	250.53	273.20
% of total revenue	5.34%	4.95%	4.83%	5.79%
<b>Total Expense</b>	<b>2,449.27</b>	<b>4,684.30</b>	<b>4,184.30</b>	<b>3,926.50</b>
% of total revenue	74.19%	78.60%	80.69%	83.27%
<b>Restated Profit before interest, tax, depreciation and amortisation (EBIDTA)</b>	<b>852.18</b>	<b>1,275.04</b>	<b>1,001.06</b>	<b>789.12</b>
% of total revenue	25.81%	21.40%	19.31%	16.73%
Finance costs	224.53	553.90	498.47	380.14
% of total revenue	6.80%	9.29%	9.61%	8.06%
Depreciation and amortization expense	106.76	208.13	194.70	192.96
% of total revenue	3.23%	3.49%	3.75%	4.09%
<b>Restated profit before Tax</b>	<b>520.89</b>	<b>513.01</b>	<b>307.89</b>	<b>216.02</b>
% of total revenue	15.78%	8.61%	5.94%	4.58%
Tax expense:	122.79	125.66	76.61	61.31
(1) Current tax	135.17	96.62	55.14	26.53
(2) Deferred Tax charge/ (credit)	-12.38	29.04	21.47	34.78
(3) MAT credit entitlement		-	-	
<b>Profit/ (Loss) for the period (IX-X)</b>	<b>398.10</b>	<b>387.35</b>	<b>231.28</b>	<b>154.71</b>
<b>Profit Margin</b>	<b>12.06%</b>	<b>6.50%</b>	<b>4.46%</b>	<b>3.28%</b>

## **RESULT OF OPERATIONS FOR THE PERIOD ENDED SEPTEMBER 30, 2018**

### **Income from Operations**

Our revenue from operations for the period ended September 30, 2018 was ₹ 3,273.46 Lakhs which was about 99.15% of the total revenue and which includes revenue from manufacturing of tablets, gels, ointments, capsules for Pharmaceuticals, Nutraceuticals, Ayurvedic and Unani, Food supplement and Sexual wellness products.

### **Other Income**

Our other income for the period ended September 30, 2018 was ₹ 27.99 Lakhs which was about 0.85% of the total revenue.

### **Expenditure:**

#### **Cost of Material consumed**

Our Cost of Material consumption for the period ended September 30, 2018 was ₹ 2127.13 Lakhs which was about 64.43% of total revenue.

#### **Employee Benefits expenses:**

The employee benefits expenses for the period ended September 30, 2018 is ₹ 335.83 Lakhs which was about 10.17% of the total revenue and which includes Salaries, Bonus, Provident Fund & ESIC, Gratuity and other expenses.

#### **Other Expenses**

Other Expenses for the period ended September 30, 2018 is ₹ 176.42 Lakhs which was about 5.34% of the total revenue and which includes rent, Professional Fees, Advertisement Expenses, Commission Expenses, Electricity Expenses, Product Registration Charges and Miscellaneous Expenses etc.

#### **Financial Costs**

Financial costs for the period ended September 30, 2018 is ₹ 224.53 Lakhs which was about 6.80% of the total revenue and which consists of interest on working capital loan and Interest on loan.

#### **Depreciation**

Depreciation for the period ended September 30, 2018 is ₹ 106.76 Lakhs which was about 3.23% of the total revenue and which consists of depreciation and amortization.

#### **Profit after/(Loss) Tax**

PAT/(Loss) for the period ended September 30, 2018 is ₹ 398.10 Lakhs.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2018 WITH FINANCIAL YEAR MARCH 31, 2017:**

### **Income from Operations**

The company is in business of manufacturing of tablets, gels, ointments, capsules for Pharmaceuticals, Nutraceuticals, Ayurvedic and Unani, Food supplement and Sexual wellness products. The total income from operations for the FY 2017-18 was ₹ 5941.70 Lakhs as compared to ₹ 5178.32 Lakhs during the FY 2016-17 showing increase of 14.74%. The increase is due to increase in scale of business

### **Other Income**

Other income for the FY 2017-18 was ₹ 17.64 Lakhs as compared to ₹ 7.04 Lakhs during the FY 2016-17 showing an increase of 150.57%.



### **Expenditure:**

#### **Cost of Material consumed**

Our Cost of Material consumption increased to ₹ 4,328.64 Lakhs for FY 2017-18 as compared to ₹ 3528.13 Lakhs during the FY 2016-17 showing an increase of 22.69% due to increase in sales. In 2017 -18 our Company supplied drugs worth ₹ 15. 50 Crores to BPPI.

#### **Employee Benefits Expenses**

The Employee expenses for FY 2017-18 was ₹ 413.62 Lakhs against the expenses of ₹ 419.00 Lakhs in FY 2016-17 showing Decrease of 1.28%. The decrease in the employee benefit expenses was due to Salaries, Bonus, PF & ESIC.

#### **Other Expenses**

Other Expenses increase from ₹ 250.53 Lakhs for FY 2016-17 to ₹ 294.82 Lakhs for FY 2017-18 showing an increase of 17.68%. The other expenses include mainly Rent and Professional Fees, Travelling expenses, Bank Charges expenses. The main reason for reduction in other expenses was due to increase in Bank Charges, Product Registration Charges, Sales Promotion etc.

#### **Financial Costs**

Financial Costs increased from ₹ 498.47 Lakhs in FY 2016-17 to ₹ 553.90 Lakhs in FY 2017-18 showing increase of 11.12%. The increase in financial charges was due to increase in the utilization of bank working capital limits, etc.

#### **Depreciation**

The Depreciation for FY 2017-18 was ₹ 208.13 Lakhs as compared to ₹ 194.70 Lakhs for FY 2016-17. The depreciation was increased to 6.90%.

#### **Profit After Tax**

Profit After Tax increased from ₹ 231.28 for the FY 2016-17 to ₹ 387.35 Lakhs in FY 2017-18. The PAT was 6.50% of total revenue.

### **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR MARCH 31, 2016:**

#### **Income from Operations**

The company is in business of manufacturing of tablets, gels, ointments, capsules for Pharmaceuticals, Nutraceuticals, Ayurvedic and Unani, Food supplement and Sexual wellness products. The total income from operations for the FY 2016-17 was ₹ 5178.32 Lakhs as compared to ₹ 4,668.21 Lakhs during the FY 2015-16 showing an increase of 10.93%. The increase is due to decrease in scale of business.

#### **Other Income**

Other income for the FY 2016-17 was ₹ 7.04 Lakhs as compared to ₹ 47.41 Lakhs during the FY 2015-16 showing decrease of 85.15%.

### **Expenditure:**

#### **Cost of Material consumed**

Our Cost of Material consumption increased to ₹ 3528.13 Lakhs for FY 2016-17 as compared to ₹ 3582.52 Lakhs during the FY 2015-16 showing decrease of 1.52%.

#### **Employee Benefits Expenses**

The Employee benefits expenses for FY 2016-17 was ₹ 419.00 Lakhs against the expenses of ₹ 418.11 Lakhs in FY 2015-16 showing increase of 0.21%. The increase in the employee expenses was on account of increase in Gratuity and Directors Remuneration.

#### **Other Expenses**

Other Expenses decreased from ₹ 273.20 Lakhs for FY 2015-16 to ₹ 250.53 Lakhs for FY 2016-17 showing decrease of 8.30%. The main reason for reduction of the Other expenses was due to reduction in T.A.& Daily Expenses, Professional Fees, Other Admin Expenses and Commission Expenses, etc.

#### **Financial Costs**

Financial Costs increased from ₹ 380.14 Lakhs for FY 2015-16 to ₹ 498.17 Lakhs for FY 2016-17 showing increase of 31.13%. The increase in financial charges was due to reduction in scale of operations and utilization of bank working capital limits.

#### **Depreciation**

The depreciation for FY 2016-17 was ₹ 194.70 Lakhs as compared to ₹ 192.96 Lakhs for FY 2015-16. The depreciation was increase to 0.90%.

#### **Profit after Tax**

PAT increased from ₹ 154.71 Lakhs for the FY 2015-16 to ₹ 231.28 Lakhs in FY 2016-17. The PAT was 4.46% of the total revenue.

#### **Related Party Transactions**

For further information please refer “Annexure 38” beginning on page under Chapter titled “Financial Statements” beginning on page 179 of this Draft Red Herring Prospectus.

#### **Financial Market Risks**

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

#### **Interest Rate Risk**

We are currently exposed interest to rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

#### **Effect of Inflation**

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

#### **Information required as per Item (II) (C) (i) of Part A of Schedule VI to the SEBI Regulations:**

##### **1. Unusual or infrequent events or transactions**

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

##### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled “Risk Factors” beginning on page 25 of this Draft

Red Herring Prospectus. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section titled "*Risk Factors*" beginning on page 25 in this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Our Company's future costs and revenues will be determined by demand/supply in Pharmaceutical, nutraceutical, food and supplement, cosmeceutical, ayurvedic & unani and sexual wellness sector

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business.

**6. Total turnover of each major industry segment in which the issuer company operated.**

The Company is in the business of Pharmaceutical, nutraceutical, food and supplement, cosmeceutical, ayurvedic & unani and sexual wellness products. The relevant industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page no 101 of this Draft Red Herring Prospectus.

**7. Status of any publicly announced new products or business segment.**

Our Company has not announced any new product and segment.

**8. The extent to which business is seasonal.**

Our Company's business is not seasonal. However, the business of the company depends upon the Growth potential of the economy and growth of the country.

**9. Any significant dependence on a single or few suppliers or customers.**

We are not dependent significantly on single customers. or few suppliers.

**10. Competitive conditions.**

Competitive conditions are as described under the Chapters titled "*Business Overview*" beginning on page 124 of this Draft Red Herring Prospectus.

## FINANCIAL INDEBTEDNESS

Our Company has availed certain loans in the ordinary course of business for the purposes including, but not limited to meeting its working capital requirements and financing its capital expenditure. Unless otherwise stated, the approvals and/or sanctions are valid as of the date of this Draft Red Herring Prospectus and in case the said approvals and/or sanctions have expired, we have either made an application for renewal or are in the process of making an application for renewal.

### A. IDBI BANK LIMITED – *Consortium Leader*

Below are the details as per the Sanction Letter dated January 01, 2018 and February 27, 2018

(₹ in Lakhs)

Nature of Facility	Term Loan	Cash Credit Limit	EPC/ PCFC/ PSFC/ FBP/ FBN (Sub Limit of CC)	Letter of credit/ Bank Guarantee (Sub Limit of CC)
<b>Sanctioned (Rs in Lakhs)</b>	400.00	1240.00	(260.00)	(520.00)
<b>Purpose</b>	For Construction & Acquisition of L&B, P&M at new plants Roorkee (Uttarakhand) having project cost of ₹ 1995 Lakhs	Working Capital Requirement	To execute export orders	Working Capital / performance /advance BG
<b>Interest Rate</b>	MCLR(Y) + 3.85% p.a. Present effective as 12.40% p.a.	MCLR(Y) + 2.40% p.a. i.e. 10.90%. Present effective as 8.55% p.a. to be reset yearly	<b>Pre- shipment</b> - MCLR(Y) + 2.20% p.a. Present effective as 10.75% p.a. <b>Post - Shipment</b> -MCLR (6 Months) +2.65% p.a. Present effective as 11% p.a. FC: As per Bank Guidelines	Commission charges – 2% p.a. Other charges actual basis.
<b>Repayment</b>	Repayable in 84 Months Installments commended from 31/03/2015. The door to door tenure is 86 months of repayment	Payable on Demand.	On due date from the proceeds of the export bills/export receivable. In case of non-repayment the bills will be crystallised as per RBI guidelines on due date and interest on crystallised bill will be recovered @ BPLR + 2%	Repayable on Demand / from corresponding LC / Return of Original Guarantee on or before date of expiry.

Nature of Facility	Term Loan	Cash Credit Limit	EPC/ PCFC/ PSFC/ FBP/ FBN (Sub Limit of CC)	Letter of credit/ Bank Guarantee (Sub Limit of CC)
<b>Tenor/ Validity</b>		12 months line	<p><b>For EPC/PCFC up to 180 days or expiry of the contracts/export letter of the credit for shipment, whichever is earlier</b></p> <p><b>For FBP/FBN/PSFC: 1-year line of credit</b></p>	
<b>Primary Security</b>	First Pari-Passu charge on all the immovable and movable fixed assets of the Company (present and future) situated at Khasara No. 248 and 245, Village - Sisona, Bhagwanpur Roorkee-Haridwar Uttarakhand	--	Exclusive first pari passu charge by way of hypothecation of entire current assets of the Company including stock and debtors (present & future)	
<b>Outstanding as on September 30, 2018</b>	246.59	1166.23	--	--

#### COVENANTS OF EPC/ PCFC/ PSFC/ FBP/ FBN

1. The bank shall obtain D&B report on overseas buyer wherever necessary. The cost of such reports shall be recovered from the company
2. Terms of EPC/PCFC will be subject to RBI guidelines issued from time to time. In case EPC is not liquidated in a manner approved by RBI, the facilities will be converted into Cash Credit limit and the normal applicable interest rate will be charged.
3. Outstanding In EPC/ PCFC account should be liquidated only out of export proceeds
4. If the actual Export does not take place the interest at normal domestic lending rate will be charged from date of first disbursement
5. In case of overdue of EPC/PCFC, penal interest of 2% will be recovered
6. Bills having usance period beyond 180 days will not be eligible for bank finance

**B. DENA BANK – Consortium Member**

Below are the details as per the Sanction Renewal Letter dated March 02, 2018

(Rs in Lakhs)

Nature of Facility	Cash Credit Hypothecation (Stocks and Debts)	Term Loan	Fresh Term Loan
Sanctioned (Rs in Lakhs)	340.00	595.00	137.50
Interest Rate	MCLR (8.30%) + 2.40% i.e. 10.70%*	MCLR (8.30%) + 2.40% + TP i.e. 11.20%	MCLR (8.30%) + 2.40% + TP i.e. 11.20%
Repayment	Payable on Demand.	90 Monthly Installments after a moratorium of 18 Months	90 Monthly Installments after a moratorium of 18 Months
Tenor	12 months	108 months	108 months
Primary Security	1)Hypothecation of Stocks of raw material, work in progress & finished goods 2)Hypothecation of all book debts not exceeding 120 days. (However, the book debts above 120 days will be charged as security though it is not considered as calculation of DP)	Expansion of Building and Building Complaine, Plant and Machinery and Other Fixed Assets	Expansion of Building and Building Complaine, Plant and Machinery and Other Fixed Assets
Outstanding as on September 30, 2018 (Rs in Lakhs)	334.23	368.37	91.59

\*The MCLR is fixed for a period of one year irrespective of change in MCLR during the intervening period.

C. – CORPORATION BANK - Consortium Member

Below are the details as per the Sanction Letter dated March 01, 2018

Nature of Facility	Sanctioned (Rs in Lakhs)	Purpose	Interest Rate	Repayment	Security	Outstanding as on September 30, 2018 (₹ In Lakhs)
Cash Credit	570.00	To meet working capital requirement	11.35% p.a. i.e. (One-year MCLR + 2.70%) subject to revision from time to time. (1-year MCLR prevailing as on date is 8.65%)	CC – running account repayable on demand subject	First pari passu charge by way of hypothecation of entire current assets of the Company including stock and debtors (present and future)	524.43
PCL/PCFC/PSFC /FDBN/FDBD/FDBP (Sub Limit within CC Limit)	100.00	To execute order/ To meet working capital requirement	<p><b>Pre-Shipment:</b> Up to 270 days: MCLR +0.60% i.e. 9.25% Beyond 270 days and up to 360 days: MCLR + 5.00% i.e. 13.65%</p> <p><b>Post shipment:</b></p> <p><b>Demand bills:</b> MCLR + 0.60% i.e. 9.25% Upto 180 days from the date of advance: MCLR +0.30% i.e. 8.95%</p> <p><b>PSCFC:</b> as per banks guidelines at the time of availment and subject to obtention of necessary</p>	<p><b>PCL:</b> Each PCL to be cleared within 180 days out of proceeds of export bills routed through our Bank.</p> <p><b>Export Bills:</b> Not to exceed 180 days from the date of Bill of Lading</p>	Extension of First pari passu charge by way of hypothecation of entire current assets of the Company including stock and debtors (present and future)	--

Nature of Facility	Sanctioned (Rs in Lakhs)	Purpose	Interest Rate	Repayment	Security	Outstanding as on September 30, 2018 (₹ In Lakhs)
			confirmation from IIBD Mumbai. (As on February 16, 2018 - 1 Year MCLR is 8.65%)			
<b>Import/ Inland Letter of Credit</b> (Sub Limit within CC Limit)	(100.00)	To purchase /import raw materials / To meet working capital requirement	<b>Tenor</b> – One Year subject to renewal every year /individual LC not to exceed 90 days	Repayable on Demand/from Corresponding LC		--
<b>Bank Guarantee</b> (Sub Limit within CC Limit)	(40.00)	For issuing guarantees in lieu of EMD, security deposits, for release of retention money/ drawing mobilization advance, performance, guarantee for concession in payment of customs duty, export performance, participation in global tenders etc.	<b>Tenor</b> – One Year subject to renewal every year /individual BG Tenure 36 Months subject to review every year.	Return of original guarantee on or before date of expiry		--



Nature of Facility	Sanctioned (Rs in Lakhs)	Purpose	Interest Rate	Repayment	Security	Outstanding as on September 30, 2018 (₹ In Lakhs)
<b>Term Loan Review – 560821000007691</b>	250.00	For Construction and acquisition of land and building, Plant and Machinery at new plants at Roorkee, Uttarakhand having project cost of ₹ 1995.00 Lakhs.	11.95% p.a. (i.e. One-year MCLR+3.30%), subject to revision from time to time. (1 year MCLR prevailing as on date is: 8.65%)	Payable on demands.12 months line	Pari-passu first charge on P&M and other moveable assets  - Pari-passu first charge on the entire immovable and movable assets of the company [Present & Future] for proposed expansion plan including equitable mortgage of land and building situated at Khasara No.248 and 245, Village Sisona, Bhagwanpur, Roorkee, Haridwar	158.54
<b>Term Loan Review -560821000007780</b>	155.00			As per original sanctioned terms and conditions		96.85
<b>Term Loan Review- 560821000008108</b>	137.50	To part finance expansion cum modernization plan of Companies Unit situated at Village Sisona, Haridwar, Uttarakhand and setting of New Medicated Soap factory at Wai, Satara, (For Construction building, Plant and Machinery and other		As per original sanctioned terms and conditions	First pari-passu charge on immovable and movable assets of the company [Present & Future] situated at Khasara No.248 and 245, Village Sisona, Bhagwanpur, Roorkee, Haridwar  -First Pari-passu charge by way of hypothecation of all the borrowers movable asset (save and except book debts) including	91.59

Nature of Facility	Sanctioned (Rs in Lakhs)	Purpose	Interest Rate	Repayment	Security	Outstanding as on September 30, 2018 (₹ In Lakhs)
		fixed assets along with accrued expenses) having project cost of ₹. 1336.12 lakh (Revised to ₹ 1068.02 Crore)			movable plant, machinery, spares, tools and accessories, office equipments, computers, furniture, vehicle, capital work in progress etc  -First pari-passu charge on the leasehold right to the charge on the Industrial Land of 8600 sq. ft. situated at Plot No. C-6 MIDC Wai, Satara, Maharashtra.	

Facility 5	Fast collection service –
Exposure Level	₹ 50.00 Lakhs
RAI	MCLR + 4.25% from day 1 to till the date of

Facility	Facility 6 – Forward Purchase Contract	Facility 7- Forward Sales Contract
Extent of Credit	₹. 100 Lakhs	₹ 100 Lakhs
Purpose	To mitigate exchange risk involved in exports/ imports	To mitigate exchange risk involved in exports/ imports

### Collateral Security

1. First Pari-passu charge by way of hypothecation of entire current assets of the Company including stock and debtors (Present & Future).
2. First pari-Passu charge on all the immovable fixed assets of the Company (present and future) situated at Khasara No. 248 and 245, Village - Sisona, Bhagwanpur, Roorkee-Haridwar, Uttarakhand
3. First pari-Passu charge on all the movable fixed assets of the Company (present and future) situated at Khasara No. 248 and 245, Village - Sisona, Bhagwanpur Roorkee- Haridwar Uttarakhand
4. First pan-Passu charge by way of Equitable mortgage of Plot No. C- 6, MIDC, Wai, Taluka- Wai, Dist. - Satara, Maharashtra admeasuring about 8600 sq. metres
5. First pan-Passu charge by way of Equitable Mortgage of Shop at V.en ka.tesh \lardban,\_ CTS No 1766, Sr. No. 46215 and R.S No. 461/2B Ganesh Nagar, Sangali. Ad measuring about 910 sq. ft
6. First pari-pasu charge by way of Equitable Mortgage at Residential Property situated at Flat No. 14, 1st and lInd 1loor, Amrapali Residency, Sant Nagar- Araneyeshwar Pune 411009. Admeasuring about 1255 sq. ft
7. First pari-Passu charge by way of Equitable Mortgage of Plot No. 9 &20 S/No.288/89, Road, Near Radhika Hotel, Satara
8. Assignment of two key Man insurance policy of ₹ 110.00 each Status: assigned m favour of IDBI Bank.
9. Brand Assignment of all products of the Company by the way signing Deed, of assignment /Deed of Hypothecation, Power of attorney and filing form 8 with ROC for the same
10. Lien on Fixed Deposit, lien marked in favour of IDBI.
11. Pledge of 10% of the paid up capital of ₹ 140.00 lakh (i.e. 14,000 shares of ₹ 100/- each aggregating to ₹ 14 lakh)
12. Second pari-pasu charge by way or Residential Property situated at, "Shobha Carnation", Flat No. D1-2057, 5th floor, block no. 2, S. No. 19, No. 19, 1/1 A/1 Al I, 16 Kondhwa, Pune 411048
13. First pari-pasu charge by way of Equitable Mortgage Land at Khasra No.245, plot no. 1 & 2 Village, Sisone, Post Bhagwanpur, Tehsil Roorkee, District Haridwar

### **Personal Guarantees:**

Sr No.	Name of the Guarantor
1.	Suraj Shriniwas Zanwar
2.	Kavita Suraj Zanwar
3.	Pankaj Shriniwas Zanwar
4.	Sheetal Pankaj Zanwar
5.	Shakuntala Zanwar
6.	Abhishek Bhandari (Guarantee to the extent of value of his collateral security ₹ 300 lakh)

**D- SIDBI BANK - Consortium Member**

Below are the details as per the Sanction Letter dated December 10, 2015

(Rs in Lakhs)					
Nature of Facility	Sanctioned (Rs in Lakhs)	Purpose	Interest Rate	Repayment	Outstanding as on September 30, 2018
<b>Term Loan</b>	725.00	The Loan of 725 lakh shall be utilized by the Borrower for expansion cum modernization of company's unit situated at Village Sisona, Haridwar. Uttarakand and setting of new Medicated Soap factory at Wai, Dist Satara. Maharashtra under Consortium Lending arrangement along with Corporation Bank, Dena Bank and IDBI Bank.	Interest will be payable at the rate of 0.25% above SIDBI's Prime Lending Rate (PLR) rising or falling therewith, with monthly rests. The current SIDBI PLR being 11.95% and current effective rate of interest being 12.20% p. a	The Loan shall be repaid by the Borrower to SIDBI in 90 monthly instalments after a moratorium of 18 months from the date of first disbursement of the loan as per the repayment schedule annexed hereto.	423.14
<b>Subordinate Debt under Growth Capital &amp; Equity Assistance Scheme for MSMEs (GEM)</b>	300.00	--	14.45% p.a., with monthly rests, on the principal amount of the SD outstanding from time to time	The Borrower shall repay the assistance commencing 36 months from the date 1 disbursement. <b>No of Installments</b> 1-48 <b>Installment Amount</b> ₹ 6.25 lakhs	243.75

#### Primary Security for Terms Loan of ₹ 725 Lakhs

- 1- First pari-passu charge with IDBI Bank, Corporation Bank and Dena Bank on immovable and movable fixed assets of the company (present and future) located at Khasra No.248 and 245. admeasuring 1245 sq. mts. and 1021.5 sq. mts. respectively at Village Sisona, Bhagwanpur, Roorkee, Uttarakhand along with construction thereon.
- 2- First pari-passu charge with IDBI Bank, Corporation Bank and Dena Bank by way of hypothecation in favour of SIDBI of all the borrower's movable assets (save & except stock & book debts), including the movable plant, machinery, spares, tools & accessories, office equipment, computers, furniture, fixtures, vehicles, capital work in progress etc. both present and future.
- 3- First pari-passu with IDBI Bank. Corporation Bank and Dena Bank on the ease hold rights of the charge on the Industrial land of 8600 sq. Ft. situated at Plot No.C-6 MIDC, Wai, Taluka Wai, Dist. - Satara, Maharashtra, in the name of the applicant company.

#### Collateral Security for Term Loan of ₹ 725 Lakhs

1. First pari-passu charge with IDBI Bank, Corporation Bank and Dena Bank on the residential property situated at 1st and 2nd Floor, 14 Amrapali Residency, Sant Nagar, Araneyeshwar, Pune - 411 009 admeasuring 1255 sq. feet owned by Shri Pankaj Zanwar and Smt. Sheetal Pankaj Zanwar Equitable Mortgage of Shop at Venkatesh Vardhan, CTS No 1766, Sr. No. 462/5 and R.S No. 461/2B Ganesh Nagar, Sangali owned by Shri Suraj Shriniwas Zanwar.
2. Brand assignment of all the products of the company by way of signing Deed of Assignment / Deed of Hypothecation, Power of Attorney and filing of Form with RoC for the same on pari passu basis.
3. Pledge of 10% of the paid capital of the envisaged capital in the proportion of each promotee's shareholding, on pari passu basis.
4. Pari-passu first charge on the FD of ₹ 6.25 lakh In the name of Shri Suraj Zanwar.
5. First pari-passu charge with IDBI Bank, Corporation Bank and Dena Bank on immovable land and construction thereon located at Khasra No. 245 admeasuring 379.315 sq. ft. owned by Shri Suraj Zanwar and Shri Pankaj Zanwar at Village Sisona. Bhagwanpur, Roorkee, Haridwar, Uttarakhand.
6. Pari-passu charges by way of assignment of Key Man Insurance in hie name of Shri Suraj Shriniwas Zanwar.
7. First charge on pari-passu basis with IDBI Bank. Corporation Bank and Dena Bank by way of hypothecation in favour of SIDBI on stock of raw materials, stock-in-process, Finished Goods, Spares & Stores, Receivables and all other Current Assets, present and future.
8. First pari-passu charge with IDBI Bank. Corporation Bank and Dena Bank on immovable property located at Plot No.9 and 20, S/No.288/289, Radhika Road, Near Radhika Hotel, Satara admeasuring about 6000 sq. ft. owned by Shri Abhishek Radheshyam Bhandari.
9. First pari-passu charge with DBI Bank, Corporation Bank and Dena Bank on immovable property (Shop) located at Venkatesh Vardhan, CTS No 1766, Sr No 46212B Ganesh Nagar. Sangali admeasuring 914 sq. ft. owned by Shri Suraj] Shriniwas Zanwar.
10. Second pari-passu charge with IDBI Bank, Corporation Bank and Dena Bank on the residential property at Flat No.D1-2057. 5th Floor, Block No.2, Shoba Carnation, S.No.19. Hissa No.1/1A/1A/1, 16, Kondhwa, Pune- 41108 admeasuring about 3224 sq. feet owned by Shri Suraj Shriniwas Zanwar Smt. Kavita Suraj Zanwar, Smt.. Shakuntala Shriniwas Zanwar {First charge is with IDBI Housing RAC having 0/s TT8.42 Lacs}

#### Security for Subordinate Debt of ₹ 300 Lakhs

Security for Assistance - The assistance, together with interest, costs, expenses, penal interest and all other monies, due and payable by the borrower shall be secured by

- 1- Residual charge on immovable and movable fixed assets of the company (present and future) located at Khasra No.248 and 245, admeasuring 1245 sq. mts. and 1021.5 sq. mts. respectively at Village Sisona, Bhagwanpur, Roorkee, Uttarakhand along with construction thereon. immovable and movable fixed assets of the company (present and future) located at Khasra No.248 and 245, admeasuring 1245 sq. mts. and 1021.5 sq. mts. respectively at Village Sisona, Bhagwanpur, Roorkee, Uttarakhand along with construction thereon.
- 2- Residual charge by way of hypothecation in favour of SIDBI on stock of raw materials, stock-in-process, Finished Goods, Spares & Stores, Receivables and all other Current Assets, present and future.
- 3- Residual charge on immovable land and construction thereon located at Khasra No. 245 admeasuring 379.315 sq. ft. owned by Shri Suraj Zanwar and Shri Pankaj Zanwar at Village Sisona, Bhagwanpur, Roorkee, Haridwar, Uttarakhand.
- 4- Residual charge by way of hypothecation in favour of SIDBI of all the borrower's movable assets, including the movable plant, machinery, spares, tools & accessories, office equipment, computers, furniture, fixtures, vehicles, capital work in progress etc. both present and future.
- 5- Residual charge on the residential property situated at 1st and 2nd Floor, 14 Amrapali Residency, Sant Nagar, Araneyeshwar, Pune - 411 009 admeasuring 1255 sq. feet owned by Shri Pankaj Zanwar and Smt Sheetal Pankaj Zanwar.
- 6- Residual charge on immovable property located at Plot No.9 and 20, S/No.288/289, Radhika Road, Near Radhika Hotel, Satara admeasuring about 6000 sq. ft. owned by Shri Abhishek Radheshyam Bhandari.
- 7- Residual charge on immovable property (Shop) located at Venkatesh Vardhan, CTS No 1766, Sr No 461/2B Ganesh Nagar, Sangali admeasuring 914 sq. ft. owned by Shri Suraj Shriniwas Zanwar
- 8- Residual charge on the leasehold rights of the charge on the industrial land of 8600 sq. mtrs. situated at Plot No.C-6 MIDC, Wai, Taluka Wai, Dist.- Satara, Maharashtra, in the name of the applicant company.

**E – VIJAYA BANK - Consortium Member**

**Below are the details as per the Sanction Letter dated May 02, 2018**

**(Rs in Lakhs)**

<b>Nature of Facility</b>	<b>Sanctioned (Rs in Lakhs)</b>	<b>Purpose</b>	<b>Interest Rate</b>	<b>Repayment</b>	<b>Outstanding as on September 30, 2018</b>
<b>Term Loan</b>	1200.00	To part finance the project involving setting up expansion project at the company's existing manufacturing plant at Khasra	ROI at 1 Year MCLR + 4.85% i.e presently at 13.35%	Principal to be repaid in 84 per un-equal monthly instalment commencing after moratorium period 18 months from	288.21

Nature of Facility	Sanctioned (Rs in Lakhs)	Purpose	Interest Rate	Repayment	Outstanding as on September 30, 2018
		no. 245 & 248, Village Sisona, Post Bhagwanpur, Tehsil Roorkee, District Haridwar, Uttarakhand, at a project cost of Rs 1927.58 lakhs to be funded from Debt and Equity mix of 3.00:1.		the disbursement.  Door to Door Tenor of 8.50 year. Interest to be paid as when debited	

#### Primary Security

Facility	Description
<b>Term Loan</b>	First pari passu charge by way of equitable mortgage along with all the existing term lenders on all the immovable and movable fixed assets of the company (present and future) situated at: a- Khasara No. 248 and 245, Village - Sisona, Near Bhagwanpur, Taluka Roorkee, Dist. Haridwar, Uttarakhand b- Plot No. C-6, MIDC, Wai Taluka Wai, Dist. Satara, Maharashtra ad measuring about 8600 sq. mtrs
<b>CCH</b>	First pari passu charge along with all the other existing consortium member Banks by way of hypothecation of entire current assets of the company including stock and debtors (present & future).

#### Collateral Security for Working Capital and Term Loan

Sr No.	Security Name	Owner
1	Equitable mortgage of Shop (Basement Godown) at Venkatesh Vardhan, CTS No. 1766, Sr. No. 462/5, and R.S. No. 461/2B, Ganesh Nagar, Taluka Mi raj, Dist Sangli, Maharashtra - 416416	Suraj Zanwar
2	Equitable mortgage of Residential property situated at Flat No. 14, 1st and 2nd Floor, Amrapali Residency Sah Gruh Rachana Maryadit, S. No. 0/52/53A, 3, Near Walvekar lawns, Shant Nagar, Aranyeshwar, Parvati, Pune - 411009 Maharashtra	Pankaj Zanwar & Sheetal Zanwar
3	Equitable mortgage of plot no. 9 and 20, S/No. 288/289, Near Axis Bank and opp Saraswat Bank, New Radhika Road, Near Radhika Hotel, Satara, Maharashtra - 415002.	Abhishek Bhandari

4	Assignment of all brands of all products of the company by way of signing deed of assignment / deed of hypothecation, power of attorney and filing form 8 with ROC for the same	Company
5	Assignment of Key Man Insurance Policy for Shri Suraj S Zanwar, of ₹ 110 lakhs	Suraj Zanwar
6	FD of Shri Suraj s Zanwar, lien marked in favor of IDBI Bank	Suraj Zanwar
7	Pledge of 10% of the paid up capital of the company	Suraj Zanwar/ Pankaj Zanwar/ Sheetal Zanwar/ Kavita Zanwar

NOTE :Out of collateral security of Rs 44.26 crore, ₹ 4.48 crore is property mortgaged, ₹ 37.19 crore is Brand Assignment, ₹ 1.18 Crore is FD/insurance and ₹ 1.40 crore is equity pledge

#### Collateral Security exclusively for Working Capital Limits

Second pari passu charge on all immovable and movable fixed assets of the company (present and future) along with IDBI Bank, Corporation Bank, and Dena Bank

#### Collateral Security exclusively for Term Loans

Second pari passu charge on all current assets of the company (present and future) along with IDBI Bank, Corporation Bank, Dena Bank and SIDBI

#### Key covenants

- (a) Facilities granted by Consortium Banks are not used for any other purpose than specified.
- (b) The Company to obtain prior permission of the Consortium Banks and to intimate them before raising any further loans/ availing any facilities against the assets offered as security for the facilities.
- (c) Any change in shareholding/ directorship/ partnership/ ownership shall be undertaken with prior permission of the Consortium Banks
- (d) The Company shall submit details of foreign currency exposures undertaken and the unhedged portion of such exposures on a monthly/ quarterly basis to the Consortium Banks on its letterhead duly signed by an authorised signatory in line with the prevailing RBI guidelines.
- (e) Any payout by way of salary to directors/ partners/ proprietors or by way of interest to other subordinated letter shall not be allowed in the event of delay or default in repayment of any facility availed from the Bank.
- (f) The opinion of Consortium Banks on the fitness/ acceptability of the properties as security shall be final, conclusive and binding on the Company and security provider.
- (g) Consortium Banks reserves the right to revoke or cancel the facilities sanctioned and/or vary, alter, modify or rescind, amend or change the terms and conditions of the Facility at its discretion. Also Consortium Banks reserves the right to revoke or cancel and/or vary, alter or modify the said un-utilised limits, at its discretion, without prior notice.
- (h) Consortium Banks shall have the first right of refusal for entry into the working capital banking arrangement for the Company for its incremental working capital needs.



- (i) The Consortium Banks reserves the right to increase the interest rate on the sanctioned financial facilities, including increasing the interest spread, in the event of downgrade in Borrower's internal or external rating.
- (j) The Company shall not modify the plans and permissions approved and granted by respective corporation or local authorities or make public, advertise in respect of any matter concerning the assets given to the Lender as security.
- (k) The Company shall obtain and keep alive all statutory approvals (IT, ST, CST, Factory approvals, PCB clearances) required for the Business and also ensure that there are no pending/ overdues/ arrears in this regard.
- (l) The Borrower shall route their banking business including foreign exchange, deposits and bill business through Consortium Banks
- (m) The Company may get the facility or Consortium Banks rated from the Credit Rated Agency.
- (n) The Company shall obtain all the necessary sanctions/permissions from all requisite authorities.
- (o) The Company agrees that the Company hereby irrevocably authorises and appoints Consortium Banks as its attorney to interact, approach and discuss with one or more buyers or units, premises, sold or agreed to be sold in the project/ premises/ assets to be given as security or already given as security, for any reason or purpose whatsoever as decided and in case of default by the Company, Consortium Banks shall be entitled to interact, approach and discuss with such buyers as attorney holder of the Company.

**Security Details:**

**FOR IDBI BANK AND DENA BANK**

Primary Security	
Types of Facility	Security Description
<b>CC/PC/FBP/FBN/LC/BG</b>	Exclusive first pari passu charge by way of hypothecation of entire current assets of the Company including stock and debtors (present & future)
<b>Term Loan</b>	First Pari-Passu charge on all the immovable and movable fixed assets of the Company (present and future) situated at Khasara No. 248 and 245, Village - Sisona, Bhagwanpur Roorkee- Haridwar Uttarakhand.
Collateral Security	
<b>I - Pari -Passu charge on:</b>	
<ol style="list-style-type: none"> <li>1. Equitable Mortgage of plot No. C-6, MIDC, Wai, Taluka- Wai, Dist. - Satara, Maharashtra admeasuring about 8600 sq. metres including plant &amp; machinery &amp; the construction thereon if any.</li> <li>2. Equitable Mortgage of Shop at Venkatesh Vardhan, CTS No 1766, Sr. No. 462/5 and R.S No. 461/2B Ganesh Nagar, Sangali owned by Shri Suraj Shriniwas Zanwar.</li> <li>3. Equitable Mortgage at Residential Property situated at 14 Amrapali Residency, Sant Nagar- Araneyeshwar Pune 411009 in the name of Shri. Pankaj Zanwar.</li> </ol>	

4. Equitable Mortgage of Plot No. 9 and 20, S/No. 288/289, Radhika Road, Near Radhika Hotel, Satara, Owned by Shri Abhishek Radheshyam Bhandari, son of Shri Radheshyam Bhandari.
5. Land at Khasra No.245, plot no. 1 & 2 Village, Sisone, Post Bhagwanpur, Tehsil Roorkee, District Haridwar in the name of Shri Suraj Zanwar and Shri Pankaj Zanwar.
6. FD of Shri Suraj S Zanwar, lien marked in favour of IDBI (Present value:- ₹ 9. 64lakh).
7. Brand Assignment of all products of the Company by way signing deed of assignment/Deed of Hypothecation.
8. Key Man insurance policy for Shri Suraj S Zanwar & Shri Pankaj Zanwar of ₹ 110 lakh each
9. Pledge of 10% of the paid-up capital of ₹ 140 lakh (i.e. 14000 shares of ₹ 100/-each aggregating to ₹ 14 lakh).

**II -Pari -Passu charge with all consortium members:**

- Residential Property situated at, "Shobha Carnation", Flat No. D 1-2057, 5th floor, block no. 2, S. No. 19, Hissa No: I/IA/IA/1, 16, Kondhwa, Pune-411048, owned by Shri Suraj Zanwar.

**Specific for CC:**

- Second charge on pari-passu basis on all the immovable and movable fixed assets of the Company (present and future).

**Specific for TL**

- Second charge on pari-passu basis by way of hypothecation of entire current assets of the Company including stock and debtors (present and future).

Personal Guarantees:	
Sr No.	Name of the Guarantor
1	Suraj Shriniwas Zanwar
2	Kavita Suraj Zanwar
3	Pankaj Shriniwas Zanwar
4	Sheetal Pankaj Zanwar
5	Shakuntala Zanwar
6	Abhishek Bhandari (Guarantee to the extent of value of his collateral security ₹ 300 lakh)

The Company has also availed following Loans:

Bank Name	Date	Nature of loan	Amount (in lakhs)	Installments (per month)	Secured or unsecured	Tenure (in months)	Interest	Outstanding as on September 30,2018
Yes Bank	July 31, 2018	Car Loan	11.70	₹ 24,259	Secured by way of hypothecation of vehicle	60	--	9.39
Yes Bank	April 25, 2018	HP Loan	58.88	₹ 92,197	Secured by way of hypothecation of vehicle	84	8.24%	49.39
HDFC Bank	September 01, 2018	Business Loan	50.00	₹ 1,40,424	Unsecured	48		40.22
Bajaj Finserv	August 19, 2018	Business loan	160.05	₹ 6517	Unsecured	72	16.50 %	25.00

#### Unsecured Loans

Nature of Borrowings	Amount (₹ in Lakhs)
Loan from Directors	241.12
Loan from Relatives	1.39
<b>Total</b>	<b>242.51</b>

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (I) criminal proceedings, (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Promoters and Directors (the "**Relevant Parties**").*

*For the purpose of (V) above, our Board in its meeting held on January 22, 2019, has considered and adopted a policy of materiality for identification of material litigation involving the Relevant Parties.*

- (1). *In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Fiscals including outstanding action, and tax matters, would be considered 'material' if:*
- (a) *the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 5 % of the profit after tax of our Company as on September 30, 2018 per the restated financial statements of our Company; or*
  - (b) *the monetary liability is not of any such pending quantifiable, however, the outcome proceedings may have a bearing on the business, operations, prospects or reputation of our Company.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board pursuant to board resolution dated January 22, 2019, has considered outstanding dues to any creditor of the Company having monetary value which exceeds 10% of the profit after tax of the Company as per the latest restated financial statements of the Company disclosed in the Draft Red Herring Prospectus, as material.*

*Further, for outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with the Company regarding status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder, as has been relied upon by its statutory auditors.*

#### A. Litigation involving our Company

##### l) Litigation against our Company

##### a) Criminal Proceedings

1. *State of Maharashtra vs. Suraj Srinivas Zanwar, Pankaj Srinivas Zanwar, Ashok Rai, Baleeghur Rehman and Cian Healthcare Private Limited – Registration No. 288 of 2017*

*Savita B. Datir, Drugs Inspector, Food and Drugs Administration, Pune ("**Complainant**"), has filed a criminal complaint before the Chief Judicial Magistrate, Satara under section 18(a)(i) r/w sections 17B(d) and 16 and section 18(c) of the Drugs and Cosmetics Act, 1940 against Suraj Srinivas Zanwar, Pankaj Srinivas Zanwar, Ashok Rai, Baleeghur Rehman and our Company (collectively known as "**Accused**"). The complaint is pertaining to sale and distribution of spurious and not of standard quality drugs namely PZ-D Tablet [Pantoprazole and Domperidone Tablets], manufactured by our Company, by the Accused. The matter is presently pending.*

2. *State of Maharashtra vs. Cian Healthcare Private Limited and Suraj Srinivas Zanwar – Registration No. 3792 of 2017*

*S.N Narwane, Drugs Inspector, Food and Drugs Administration, Pune ("**Complainant**"), has filed a criminal complaint before the Chief Judicial Magistrate, Pune under section 18(a)(i) r/w*

section 16 and section 34 of the Drugs and Cosmetics Act, 1940 against our Company and Suraj Srinivas Zanwar (together known as "**Accused**"). The charges in the complaint is pertaining to sale and distribution of "not of standard quality drug" ("*Levocode 500 [Levofloxacin Tablets I.P. 500 mg.]*") which was manufactured by our Company. The matter is presently pending.

b) *Actions by statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Company.

c) *Tax Claims*

Particulars	No. of cases	Aggregate amount involved (in ₹)
Direct Tax	NA	60,25,880
Indirect Tax	-	-
<b>Total</b>	<b>NA</b>	<b>60,25,880</b>

Also, there was an outstanding demand of ₹ 55,10,530, however our Company has paid ₹ 49,01,810 through various challans and the Company has filed for the waiver of the amount for this matter.

d) *Other Pending Material Litigations*

As on the date of this *Draft Red Herring Prospectus*, there are no pending material litigations against our Company.

II) ***Litigation by our Company***

a) *Criminal Proceedings*

1. *Cian Health Care Private Limited vs. M/s Mukta Remedies Registration No. 300561 of 2014*

Our Company has filed a criminal complaint before the Chief Judicial Magistrate, Nashik under Section 138 of the Negotiable Instruments Act, 1881 against M/s Mukta Remedies ("**Accused**") on account of dishonor of two cheques of ₹ 30,000 each, issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

2. *Cian Health Care Private Limited vs. Alice Pharma Private Limited – Registration No. 602637 of 2015*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against Alice Pharma Private Limited ("**Accused**") on account of dishonor of a cheque of ₹ 5,64,000 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

3. *Cian Health Care Private Limited vs. Hygieia Biogenics Private Limited, Jayanti Ganguly, Viplap Sengupta and Suomato Banerjee Sengupta – Registration No. 1821 of 2016*

Our Company has filed a criminal complaint before the Chief Metropolitan Magistrate Court, Calcutta under Section 138 of the Negotiable Instruments Act, 1881 against Hygieia Biogenics Private Limited and its Directors ("**Accused**") on account of dishonor of a cheque of ₹ 4,47,334 issued to our Company against the goods supplied by our Company to the Accused. The matter was later transferred to the Judicial Magistrate, First Class, Court (Cantonment), Pune and is presently pending.

4. *Cian Health Care Private Limited vs. Angel Medisciences Private Limited – Registration. No. 572 of 2015*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Pune under sections 420, 406, 506, 504 and 352 of the Indian Penal Code, 1860 against Angel

Medisciences Private Limited ("**Accused**") for default in payment of outstanding bills for products supplied by our Company to the Accused. In this matter, the Accused denied to make the payment alleging defects in the supplied products. The matter is presently pending.

5. *Cian Health Care Private Limited vs. Prolix Pharma Limited, Chandravir Singh, Brijmohan Singh, Balkrishna Singh and Sunita Devi – Registration No. 3806 of 2016*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against Prolix Pharma Limited ("**Accused**") on account of dishonor of a cheque of ₹ 72,908 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

6. *Cian Health Care Private Limited vs. M/s Perch – Registration No. 3828 of 2016*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s Perch ("**Accused**") on account of dishonor of cheques of ₹ 21,599 and ₹ 22,197 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

7. *Cian Health Care Private Limited vs. M/s Ophelia Pharmaceuticals – Registration No. 170 of 2017*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s Ophelia Pharmaceuticals ("**Accused**") on account of dishonor of a cheque of ₹ 83,372 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

8. *Cian Health Care Private Limited vs. M/s Pharma Traders – Registration No. 171 of 2017*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s Pharma Traders ("**Accused**") on account of dishonor of a cheque of ₹ 62,728 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

9. *Cian Health Care Private Limited vs. Novus Life Sciences Private Limited – Registration No. 3435 of 2017*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against Novus Life Sciences Private Limited ("**Accused**") on account of dishonor of a cheque of ₹ 1,44,483 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

10. *Cian Health Care Private Limited vs. Sri Gowri Shankar Medical Agencies – Registration No. 4840 of 2017*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against Sri Gowri Shankar Medical Agencies ("**Accused**") on account of dishonor of a cheque of ₹ 2,48,293 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

11. *Cian Health Care Private Limited vs. M/s S.V. Pharma – Registration No. 4878 of 2017*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court

(Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s S.V. Pharma ("**Accused**") on account of dishonor of a cheque of ₹ 59,972 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

12. *Cian Health Care Private Limited vs. M/s B.S.P. Healthcare – Registration No. 4921 of 2017*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s B.S.P. Healthcare ("**Accused**") on account of dishonor of a cheque of ₹. 3,26,664 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

13. *Cian Health Care Private Limited vs. Shri Hari Pharmaceuticals – Criminal Revision No. 7890 of 2017*

Our Company has filed a revision petition before the District Court Pune, Pune under Section 397 of the Code of Criminal Procedure, 1973 against Shri Hari Pharmaceuticals ("**Accused**") for revision of a judgment passed on April 7, 2016 by the Judicial Magistrate of First Class, Cantonment, Pune in Criminal Case No. 1764 of 2012, acquitting the accused for offence alleged to be committed by them under Section 138 of the Negotiable Instruments Act, 1881 on account of dishonor of a cheque of ₹ 15,341 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

14. *Cian Health Care Private Limited vs. Body Craft Health Club – Criminal Revision No. 7891 of 2017*

Our Company has filed a revision petition before the District Court, Pune under Section 397 of the Code of Criminal Procedure, 1973 against Body Craft Health Club ("**Accused**") for revision of a judgment passed on April 7, 2016 by the Judicial Magistrate of First Class, Cantonment, Pune in Criminal Case No. 2503 of 2013, acquitting the accused for offence alleged to be committed by them under Section 138 of the Negotiable Instruments Act, 1881 on account of dishonor of a cheque of ₹ 88,690 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

15. *Cian Health Care Private Limited vs. Shri Arya Medical Agency – Criminal Revision No. 7892 of 2017*

Our Company has filed a revision petition before the District Court Pune, Pune under Section 397 of the Code of Criminal Procedure, 1973 against Shri Arya Medical Agency ("**Accused**") for revision of a judgment passed on April 7, 2016 by the Judicial Magistrate of First Class, Cantonment, Pune in Criminal Case No. 3594 of 2012, acquitting the accused for offence alleged to be committed by them under Section 138 of the Negotiable Instruments Act, 1881 on account of dishonor of a cheque of ₹ 30,000 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

16. *Cian Health Care Private Limited vs. Gayatri Pharma – Criminal Revision No. 7893 of 2017*

Our Company has filed a revision petition before the District Court Pune, Pune under Section 397 of the Code of Criminal Procedure, 1973 against Gayatri Pharma ("**Accused**") for revision of a judgment passed on April 7, 2016 by the Judicial Magistrate of First Class, Cantonment, Pune in Criminal Case No. 2502 of 2013, acquitting the accused for offence alleged to be committed by them under Section 138 of the Negotiable Instruments Act, 1881 on account of dishonor of a cheque of ₹ 26,858 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

17. *Cian Health Care Private Limited vs. Mishra Chemist – Criminal Revision No. 7894 of 2017*

Our Company has filed a revision petition before the District Court Pune, Pune under Section 397 of the Code of Criminal Procedure, 1973 against Mishra Chemist ("**Accused**") for revision

of a judgment passed on April 7, 2016 by the Judicial Magistrate of First Class, Cantonment, Pune in Criminal Case No. 961 of 2014, acquitting the accused for offence alleged to be committed by them under Section 138 of the Negotiable Instruments Act, 1881 on account of dishonor of a cheque of ₹ 1,12,579 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

18. *Cian Health Care Private Limited vs. Solevian Laboratories Private Limited – Registration No. 206 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against Solevian Laboratories Private Limited ("**Accused**") on account of dishonor of a cheque of ₹ 1,85,525 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

19. *Cian Health Care Private Limited vs. M/s Ajit Sales Corporation – Registration No. 207 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s Ajit Sales Corporation ("**Accused**") on account of dishonor of several cheques of ₹ 7,313, ₹ 20,009, ₹ 3,375, ₹ 4,050, ₹ 12,660, ₹ 13,183 and ₹ 13,184 totalling to an amount of ₹ 73,774 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

20. *Cian Health Care Private Limited vs. M/s Khyati Mediciners – Registration No. 498 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s Khyati Mediciners ("**Accused**") on account of dishonor of a cheque of ₹ 1,58,421 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

21. *Cian Health Care Private Limited vs. M/s Vijaya Durga Medical Agencies – Registration No. 1063 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s Vijaya Durga Medical Agencies ("**Accused**") on account of dishonor of a cheque of ₹ 1,00,000 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

22. *Cian Health Care Private Limited vs. M/s Sai Medical Agencies – Registration. No. 1821 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s Sai Medical Agencies ("**Accused**") on account of dishonor of a cheque of ₹ 1,55,078 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

23. *Cian Health Care Private Limited vs. M/s P.M Distributers – Registration No. 1822 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s P.M Distributers ("**Accused**") on account of dishonor of a cheque of ₹ 1,47,107 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

24. *Cian Health Care Private Limited vs. M/s Shree Sant Bhojaji Agencies – Registration No. 1823 of 2018*



Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against *M/s Shree Sant Bhojaji Agencies ("Accused")* on account of dishonor of a cheque of ₹ 27,868 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

25. *Cian Health Care Private Limited vs. M/s Great Indian Medicine Company – Registration No. 1824 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against *M/s Great Indian Medicine Company ("Accused")* on account of dishonor of a cheque of ₹ 1,84,484 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

26. *Cian Health Care Private Limited vs. M/s Divya Pharma – Registration No. 1982 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against *M/s Divya Pharma ("Accused")* on account of dishonor of a cheque of ₹ 29,167 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

27. *Cian Health Care Private Limited vs. M/s Pines & Poplar Enterprises – Registration No. 1983 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against *M/s Pines & Poplar Enterprises ("Accused")* on account of dishonor of a cheque of ₹ 2,46,146 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

28. *Cian Health Care Private Limited vs. M/s Sri Jagannath Pharmaceutical – Registration No. 2013 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against *M/s Sri Jagannath Pharmaceutical ("Accused")* on account of dishonor of a cheque of ₹ 2,18,104 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

29. *Cian Health Care Private Limited vs. Spy Pharma Private Limited – Registration No. 2050 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against *Spy Pharma Private Limited ("Accused")* on account of dishonor of a cheque of ₹ 2,12,165 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

30. *Cian Health Care Private Limited vs. M/s Sri Parimala Pharma Distributors – Registration No. 2660 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against *M/s Sri Parimala Pharma Distributors ("Accused")* on account of dishonor of a cheque of ₹ 1,40,483 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

31. *Cian Health Care Private Limited vs. M/s Laxmi Pharmaceutical Distributor – Registration No..*

*No. 3230 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s Laxmi Pharmaceutical Distributor ("**Accused**") on account of dishonor of a cheque of ₹ 50,000 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

*32. Cian Health Care Private Limited vs. M/s Laxmi Pharmaceutical Distributor – Registration No. 3231 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s Laxmi Pharmaceutical Distributor ("**Accused**") on account of dishonor of a cheque of ₹ 64,651 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

*33. Cian Health Care Private Limited vs. M/s N. S. Healthcare – Registration No. 3333 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s N. S. Healthcare ("**Accused**") on account of dishonor of a cheque of ₹ 1,22,956 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

*34. Cian Health Care Private Limited vs. M/s Sri Gopal Pharmaceuticals – Registration No. 3334 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s Sri Gopal Pharmaceuticals ("**Accused**") on account of dishonor of a cheque of ₹ 1,78,480 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

*35. Cian Health Care Private Limited vs. M/s Murlidhar Pharma – Registration No. 2659 of 2018*

Our Company has filed a criminal complaint before the Judicial Magistrate, First Class, Court (Cantonment), Pune under Section 138 of the Negotiable Instruments Act, 1881 against M/s Murlidhar Pharma ("**Accused**") on account of dishonor of a cheque of ₹ 4,45,901 issued to our Company against the goods supplied by our Company to the Accused. The matter is presently pending.

b) *Actions involving statutory or regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending matters by our Company against statutory or regulatory authorities.

c) *Tax Claims*

Particulars	No. of cases	Aggregate amount involved (in ₹)
Direct Tax	-	-
Indirect Tax	2	24,94,754
<b>Total</b>	<b>2</b>	<b>24,94,754</b>

d) *Other Pending Material Litigations*

*1. Cian Health Care Private Limited vs. M/s New Gour Drug House – R.S.S. No. 43 of 2015*

Our Company has filed a summary suit before the Civil Judge, Senior Division, Pune under Order XXXVII of the Civil Procedure Code, 1908 against M/s New Gour Drug House ("**Defendant**") on

account of default in payment of outstanding bills of ₹ 2,10,038 against various medicine and pharmaceutical products. Our Company has filed the said suit praying a decree of amount 2,54,145 including compensatory costs at 21% interest per annum to be drawn against the Defendant. The matter is presently pending.

2. *Cian Health Care Private Limited vs. M/s Jain Pharma – R.S.S. No. 163 of 2015*

Our Company has filed a summary suit before the Civil Judge, Senior Division, Pune under Order XXXVII of the Civil Procedure Code, 1908 against M/s Jain Pharma ("**Defendent**") on account of default in payment of outstanding bills of ₹ 46,638 against various medicine and pharmaceutical products. Our Company has filed the said suit praying a decree of amount ₹ 60,098 including compensatory costs at 21% interest per annum to be drawn against the Defendant. The matter is presently pending.

3. *Cian Health Care Private Limited vs. M/s Shrimanti Medisale – R.S.S. No. 53 of 2015*

Our Company has filed a summary suit before the Civil Judge, Senior Division, Pune under Order XXXVII of the Civil Procedure Code, 1908 against M/s Shrimanti Medisale ("**Defendent**") on account of default in payment of outstanding bills of ₹ 1,74,051 against various medicine and pharmaceutical products. Our Company has filed the said suit praying a decree of amount 2,10,601 including compensatory costs at 21% interest per annum to be drawn against the Defendant. The matter is presently pending.

**B. Litigation involving our Directors**

l) **Litigation against our Directors**

a) *Criminal Proceedings*

1. *State of Maharashtra vs. Suraj Srinivas Zanwar, Pankaj Srinivas Zanwar, Ashok Rai, Baleeghur Rehman and Cian Healthcare Private Limited – R.C.C No. 288 of 2017*

Savita B. Datir, Drugs Inspector, Food and Drugs Administration, Maharashtra State ("**Complainant**"), has filed a criminal complaint before the Chief Judicial Magistrate, Satara under section 18(a)(i) r/w sections 17B(d) and 16 and section 18(c) of the Drugs and Cosmetics Act, 1940 against Suraj Srinivas Zanwar, Pankaj Srinivas Zanwar, Ashok Rai, Baleeghur Rehman and our Company (collectively known as "**Accused**"). For further details in relation to the said matter, please refer to the section "Litigations involving our Company" in this chapter.

2. *State of Maharashtra vs. Cian Healthcare Private Limited and Suraj Srinivas Zanwar – R.C.C No. 3792 of 2017*

S.N Narwane, Drugs Inspector, Food and Drugs Administration, Maharashtra State ("**Complainant**"), has filed a criminal complaint before the Chief Judicial Magistrate, Pune under section 18(a)(i) r/w section 16 and section 34 of the Drugs and Cosmetics Act, 1940 against our Company and Suraj Srinivas Zanwar (together known as "**Accused**"). For further details in relation to the said matter, please refer to the section "Litigations involving our Company" in this chapter.

b) *Actions by statutory and regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Directors.

c) *Tax Claims*

Particulars	No. of cases	Aggregate amount involved (in ₹)
Direct Tax	2	2,67,970
Indirect Tax	-	-

Particulars	No. of cases	Aggregate amount involved (in ₹)
<b>Total</b>	<b>2</b>	<b>2,67,970</b>

d) *Other Pending Material Litigations*

As on the date of this Draft Red Herring Prospectus, there are no pending material litigations against our Directors.

II) ***Litigation by our Directors***

a) *Criminal Proceedings*

As on the date of this Draft Red Herring Prospectus, there are no pending litigations by our Directors.

b) *Actions by statutory and regulatory authorities*

As on the date of this Draft Red Herring Prospectus, there are no pending matters by our Directors against statutory or regulatory authorities.

c) *Tax Claims*

As on the date of this Draft Red Herring Prospectus, there are no pending taxation matters initiated by our Directors.

d) *Other Pending Material Litigations*

As on the date of this Draft Red Herring Prospectus, there are no pending material litigations filed by our Directors.

C. **Litigation involving our Promoters**

a) Except as disclosed in the section "Litigations by our Directors" in this chapter, there are no any other litigation matters involving our Promoters.

b) *Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscal*

As on the date of this Draft Red Herring Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our Promoters in the last five Fiscals including any outstanding action.

**Outstanding dues to Creditors**

As of September 30, 2018, we had 243 creditors on a consolidated basis. The aggregate amount outstanding to such creditors as on September 30, 2018 was 441.14 lakhs, on a consolidated basis

As per the Materiality Policy, such creditors to whom, outstanding dues to any creditor of our Company having monetary value which exceed 39.81 lakhs, which is 10% of the profit after tax of our Company as per the Restated Financial Statements of our Company dated September 30, 2018 included in this Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, in this regard, the creditors to whom an amount exceeding 106.44 lakhs was owed as on September 30, 2018, were considered 'material' creditors

Based on the above, there are 2 material creditors of our Company as on September 30, 2018, to whom an aggregate amount of 106.44 lakhs was outstanding on such date

Details of outstanding dues owed as at September 30, 2018 to MSMEs and other creditors are set out below.

Creditors	Number of Cases	Amount due (in ₹ Lakhs)
MSMEs	Nil	Nil

Creditors	Number of Cases	Amount due (in ₹ Lakhs)
Other creditors	2	106.44

The details pertaining to amounts due towards the material creditors are available on the website of our Company at [www.cian.co](http://www.cian.co)

**D. Material Developments**

Except as disclosed in the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 227 of this Draft Red Herring Prospectus, in the opinion of our Board, there have not arisen, since September 30, 2018, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

**E. Wilful Defaulter**

Our Promoters and Directors have not been identified as a willful defaulter in terms of the SEBI ICDR Regulations as on the date of this Draft Red Herring Prospectus.

## GOVERNMENT & OTHER STATUTORY APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Offer or continue our business activities. In view of the approvals listed below, we can undertake the Offer and our current/ proposed business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Offer or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.*

*The objects clause of the respective memorandum of association enables our Company to undertake their respective present business activities.*

### A. Approvals for the Offer

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on January 09, 2019 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the extra ordinary general meeting held on January 14, 2019, authorized the Issue.
3. In-principle approval dated [●] from the SME Platform of BSE for listing of the Equity Shares issued by our Company pursuant to the Offer.

### B. Incorporation details of our Company

1. Certificate of Incorporation dated January 07, 2003, issued by the Registrar of Companies, Pune, in the name of "CIAN HEALTHCARE PRIVATE LIMITED".
2. Fresh Certificate of Incorporation dated November 30, 2018, issued by the Registrar of Companies, Pune consequent upon conversion from private company to public company i.e. from "CIAN HEALTHCARE PRIVATE LIMITED" to "CIAN HEALTHCARE LIMITED".
3. The Corporate Identity Number (CIN) of our Company is U24233PN2003PLC017563.

### C. Tax Related Approvals

1. The Permanent Account Number (PAN) of our Company is AACCC5027C issued by Income Tax Department under the Income Tax Act, 1961.
2. The Tax Deduction Account Number of our Company is KLPC00737C issued by the Income Tax Department, Government of India dated January 27, 2005.
3. The GST registration number for the manufacturing unit at Roorkee and loan license manufacturing unit at Baddi and Company's office at Pune are 05AACCC5027C1ZB, 02AACCC5027C1ZH and 27AACCC5027C1Z5 respectively.
4. Certificate of enrolment under the Maharashtra State Tax on Profession, Trades, Callings and Employment Act 1975, bearing enrollment no. 99132313836P.
5. Certificate of registration under the Maharashtra State Tax on Profession, Trades, Callings and Employment Act 1975, bearing registration certificate number 27620309037P.

### D. Business and Operational Approvals

1. Udhog Aadhar Memorandum, bearing UAN UK06B0000110, issued by the Ministry of Micro, Small & Medium Enterprises, Government of India.

2. Registration cum Membership Certificate, bearing registration no. PXL/SSM/I-VI/RO/CHPL/5612/2010-11, dated April 17, 2015 issued by the Pharmaceuticals Export Promotion Council of India. The certificate is valid upto March 31, 2020.
3. Certificate of Importer-Exporter Code bearing number 3109004950 issued by the Office of Joint Director General of Foreign Trade, Ministry of Commerce and Industry dated December 3, 2014.

As on the date of this Draft Red Herring Prospectus, our Company has two manufacturing units, one of the units is in Roorkee and the second unit is on loan and license facility located at Baddi. Further, apart from our registered office and corporate office in Pune, our Company also has an office at Sangli.

Also, a unit of our Company located at Roorkee is under construction and the operation has not been started yet. For further details of our manufacturing facilities, please refer to the chapter titled “*Business Overview*” beginning on page 124 of this Draft Red Herring Prospectus.

Various approvals, licenses and registrations under several central or state-level acts, rules and regulations are required to operate our manufacturing facilities, registered office and corporate office. We have received the following approvals/ licenses pertaining to our facilities and offices:

**Approval for our manufacturing facility at Roorkee Unit**

S. No.	Description	Issuing Authority	Registration Number/ License Number	Date of Issue	Date of Expiry
<b>General Approvals</b>					
1.	License to work a factory under Rules 7(1) of Factories Act, 1948	Labour Department of Uttarakhand	HWR-1271	August 13, 2015	December 31, 2019
2.	Consent under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization under Rule 6(2) of the Hazardous Waste (Management, Handling and Trans boundary Movement) Rules, 2008	Uttarakhand Environment Protection and Pollution Control Board	Consent No. 38910/ 4118	December 15, 2018	March 31, 2021
3.	License to manufacture for sale of drugs other than those specified in schedule C, C(1) and X to the Drugs & Cosmetic Rules, 1945 in Form 25	Drug Licensing Authority (Mfg/ Sale)	82/UA/2006	September 21, 2017	September 20, 2022
4.	Certificate of license to manufacture for sale of drugs specified	Drug Licensing Authority (Mfg/ Sale)	82/UA/SC/P-2006	September 21, 2017	September 20, 2022

S. No.	Description	Issuing Authority	Registration Number/ License Number	Date of Issue	Date of Expiry
	in schedule C, C(1) other than those specified in schedule X to Drugs & Cosmetic Rules, 1945 in Form 28				
5.	License to sell, stock or exhibit or offer for sale or distribute by wholesale drugs other than those specified in Schedules C, & C(1) and X under the provisions of Drugs & Cosmetic Act, 1940 in Form 20-B	Drug Licensing Authority (Sales), Garhwal Division, Uttarakhand	License No. OBW-37/HDR/FEB/2016	February 26, 2016	February 25, 2021
6.	Certificate of Goods Manufacturing Practices for the manufacturing and testing of Tablets (Non-Beta), Capsules (Non Beta), External Preparation, Liquid and Granules/Powder (Sachet) (Non-Beta) as per World Health Organization TRS Guidelines	Directorate General of Medical Health & Family Welfare, Sahastradhara Road, Dehradun, Uttarakhand	Certificate no: 17P/1/153/2012/1085	January 17, 2018	January 16, 2020
7.	Certificate of Goods Manufacturing Practices for confirming to the requirements of Good Manufacturing Practices as laid down under the Drugs & Cosmetics Rule, 1945	Drug Controlling & Licensing Authority (Mfg), Garhwal Mandal, Uttarakhand	F. No: 17P/1/153/2012/9417	May 24, 2018	May 23, 2019
8.	License under Food Safety and Standards Act, 2006	State licensing Authority under FSSA, 2006	12617006000199	July 7, 2017	July 6, 2022
9.	License under Food Safety and Standards Act, 2006 for export	Central Licensing Authority under FSSA, 2006	License Number: 10018012000473	May 21, 2018	May 20, 2023



S. No.	Description	Issuing Authority	Registration Number/ License Number	Date of Issue	Date of Expiry
10.	Certificate of Good Laboratory Practices under Schedule "L-1" (150-E) of the Drugs & Cosmetics Rule 1945	Drug Controlling & Licensing Authority (Mfg), Garhwal Mandal, Uttarakhand	F.No. 17P/1/153/2012/9416	May 24, 2018	May 23, 2019
11.	Grant of Neutral Code No. for export	Drug Licensing & Controlling Authority, Uttarakhand	Neutral Code No. UK/Drugs/82/UA/2006 on form 25 and UK /Drugs/82/UA/SC/P-2006 on form 28	April 02, 2013	-
12.	License to repacking for sell or distribution of drugs being drugs other than those specified in Schedules C and C(I) (I excluding those specified in Sch. X) under the provisions of Drugs and Cosmetics Act, 1940 in Form 25-B	Drug Controlling & Licensing Authority (Mfg), Garhwal Mandal, Uttarakhand	1/UA/RPL/2018	May 23, 2018	May 22, 2023
13.	Market Standing Certificate	Drug Controlling & Licensing Authority (Mfg.), Uttarakhand	F.No.17P/1/153/2012/14499	September 20, 2018	March 19, 2018
14.	Certificate of registration under Legal Metrology Act, 2009	Legal Metrology Officer	No. 57	November 29, 2018	December 06, 2019 for EWM
15.	Certificate of registration under Legal Metrology Act, 2009	Legal Metrology Officer	No. 57	November 29, 2018	December 06, 2020 for Weights
16.	Fire NOC	Chief Fire Fighting Officer, Haridwar	89991483	March 23, 2018	--
17.	Ayurvedic & Unani Manufacturing License	Licensing Officer, Department of Ayurvedic and Unani	UK.AY- 320/2015	January 04, 2017	--

S. No.	Description	Issuing Authority	Registration Number/ License Number	Date of Issue	Date of Expiry
18.	Loan license to manufacture for sale or for distribution of drugs other than those specified in Schedules C, C(1) and X in Form 25-A in favour of Sava Healthcare Limited, c/o Cian Healthcare Private Limited	Drug Controlling & Licensing Authority (Mfg.)	68/UA/LL/2017	September 12, 2017	September 11, 2022
<b>Labour Approvals</b>					
19.	Employee State Insurance Code number under the Employee State Insurance Act, 1948, for the unit in Pune.	Deputy Director, Employee' State Insurance Corporation	61000408890000305	March 26, 2014	-
20.	Provident fund code number under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employees' provident fund organisation	UKDDN0037442000	February 27, 2015	-

**Loan and License facility in Baddi**

S. No.	Description	Issuing Authority	Registration Number/ License Number	Date of Issue	Date of Expiry
<b>General Approvals</b>					
1. 1.	Loan license to manufacture for sale or for distribution of drugs specified in Schedules C and C(1) excluding those specified in schedule X in Form 28-A	State Drugs Controlling cum Licensing Authority, Baddi	License No.: L/17/1945/MB	July 07, 2017	July 06, 2022
2.	Loan license to manufacture for sale or for distribution of drugs other than those specified in Schedules C, C(1) and X in Form 25-A	State Drugs Controlling cum Licensing Authority, Baddi	License No.: L/17/1944/MB	July 07, 2017	July 06, 2022

**Approval for our offices in Pune**

Sr. No.	Description	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
<i>Corporate Office</i>					

Sr. No.	Description	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Shop license registration number under The Maharashtra Shops and Establishment Act 1948	Government of Maharashtra	1731000310979133	March 31, 2017	March 31, 2020
<i>Registered Office</i>					
2.	License under Food Safety and Standards Act, 2006 (state license)	Food and Drug Administration, Maharashtra State	License No. 11518036000468	March 28, 2018	March 27, 2020
3.	Employee State Insurance Code number under the Employee State Insurance Act, 1948.	Deputy Director, Employee' State Insurance Corporation	33610408890010305	June 19, 2015	-
4.	Provident fund code number under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Employees' provident fund organization	PUPUN1357314	April 29, 2016	-

Our Company has intimated to the concerned authority regarding the establishment at pune at our registered office and for office at Sangli as required under the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017.

#### **E. ISO Registrations**

1. Certificate of Registration under ISO 9001:2015 for Quality Management bearing certificate no. 16327 in respect of the scope "Manufacturing and Marketing of Allopathic (Pharmacopoeial) Patent and Proprietary, Ayurvedic Medicines, Food Products, OTC Products for Human and Veterinary use in various formulations like, tablets, capsules, liquid, injectables, lotion, ointment, powder, soap, cosmetic, condom, etc." dated November 23, 2016 issued by British Certification Inc, valid up to November 22, 2019.
2. Certificate of Registration under ISO 9001:2015, bearing Certificate No. 85256/A/0001/UK/En dated June 23, 2018, in recognition of the quality management system in respect of the scope "Manufacture and Supply of Allopathic Medicines (Tablet, Capsule, Liquid Syrup, Powder and External Preparation), Herbal Food Supplement, Veterinary Medicines and Cosmetics" issued by the United Registrar of Systems. The certificate is valid upto June 22, 2021.

#### **F. Country-wise Product Registration**

Our Company is registered / approved to sell its products in total of 29 countries.

#### **G. Intellectual Property Registrations**

As on the date of this Draft Red Herring Prospectus, our Company is using a total of 60 trademarks out of which 47 are registered. However, all are not all together in the name of the Company as out of 47 Trademarks only 12 Trademarks are in the name of the Company rest 34 Trademarks are in the name of the Promoter and a Trademarks named Kisan Gold Neem is in the name of Gurusiddappa B Hanamshtti.

Also, 14 of our trademarks are pending at various stages, out of which 13 are in the name of the Company and one of the Trademark named Nutra Slim is in the name of the Promoter.

Also, our Company has been granted a registration of 1 patent with the Controller General of Patents, Design and Trademarks, Government of India.

***Approvals Expired but not applied for***

1. Renewal of shops and establishment license of our Company's office at Sangli

***Approvals Applied for but not yet received***

1. Consent from Uttarakhand Environment Protection & Pollution Control Board for the Ganga XGN - Xtended Green Node.
2. Application for registration under the Contract Labour Act, 1970
3. Liscence under Food Safety and Standards Act, 2006 for our registered office in the category of central Liscence

### **OUR GROUP COMPANIES**

The definition of “Group Companies” pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board.

Based on the above, there are no Group Companies of our Company.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on January 09, 2019 subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013.

The members of our Company have approved this Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EGM of our Company held on January 14, 2019.

We have received In-Principle Approval from BSE vide their letter dated [●] to use the name of BSE in the Draft Red Herring Prospectus for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

### PROHIBITION BY SEBI

Our Company, Promoter, Promoter Group, Directors, Group Companies are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by Board or any securities market regulator in any other jurisdiction or any other authority/court.

### CONFIRMATIONS

1. Our Company, Promoter, Promoter Groups is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. Our Directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our Directors are associated as promoters or directors.

### ELIGIBILITY FOR THE ISSUE

Our company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than ten crore and up to twenty five crore rupee, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME platform of BSE). Our Company also complies with eligibility conditions laid by SME Platform of BSE for listing of Equity Shares.

### We confirm that:

- a. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, the lead manager Shall ensure that the issuer shall file copy of the Draft Red Herring Prospectus /Red Herring Prospectus/Prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Red Herring Prospectus /Red Herring Prospectus /Prospectus to SEBI.
- b. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please see "General Information" on page 52 of this Draft Red Herring Prospectus.
- c. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within eight days from the date our Company becomes liable to unblock it, then our Company and every officer in default

shall, on and from expiry of eight days, be liable to unblock such application money with interest as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable laws.

- d. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see “General Information” on page 52 of this Draft Red Herring Prospectus /Red Herring Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Exchange / Platform BSE circular dated April 19, 2012 and notice dated February 5, 2015, July 11, 2018 and January 09, 2019 which states as follows:

**1. The issuer should be a Company incorporated Under Companies Act,1956**

Our Company is incorporated under the Companies Act,1956.

**2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.**

The post issue paid up capital of the Company will be ₹ 2336.08 Lakhs, less than ₹25 crores

**3. Net Tangible Assets**

The Company has net Tangible assets as on September 30, 2018 and March, 31 2019 ₹ 2239.87 lakhs and 1716.80 Lakhs.

**4. Positive Net Worth of ₹ 300.00 Lakhs**

Our Company satisfies the above criteria. Our Net Worth is as follows:-

(₹ in lakhs)

Particulars	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Net Worth as per Restated Financial Statement	2226.84	1716.81	1329.46	1098.18

**5. Track Record**

**(A) The company should have a (combined) track record of at least 3 years.**

Our Company satisfies the criteria of Track Record

(₹ in lakhs)

Particulars	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Net Profit as per P&L Account	398.10	387.35	231.28	154.71

**(B) The company should have combined positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net worth should be positive.**

Our Company satisfies the criteria of Track Record

(₹ in lakhs)

Particulars	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Cash Accruals as per restated Financial Statement	144.01	58.79	106.81	56.88
Net Worth as per Restated Financial Statement	2226.84	1716.81	1329.46	1098.18

**6. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company's shares bear an ISIN No: INE05BN01019

**7. Company shall mandatorily have a website.**

Our Company has a live and operational website: [www.cian.co](http://www.cian.co)

**8. Certificate from the applicant company stating the following:**

- a. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- b. There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- c. There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to BSE for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE.

**SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 01, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER 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 ISSUE. SEBI FURTHER RESERVES THE RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT.**

**DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

Our Company, the Directors, and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the above-mentioned entities and that anyone placing reliance on any other source of information, including our website: [www.ashapurigold.com](http://www.ashapurigold.com), [www.fedsec.in](http://www.fedsec.in). would be doing so at his or her own risk.

**DISCLAIMER IN RESPECT OF JURISDICTION**

This issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub –account registered with SEBI which is a foreign corporate or go reign individual, permitted insurance companies and pension funds) and to FIIs and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Gujarat 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.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and 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 Draft Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE**

BSE Limited ("BSE") has given vide its letter dated [●] permission to this Company to use its name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed on SME platform. BSE has scrutinized this offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner: -

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this company's securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent

to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT.**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **LISTING**

Our company has obtained In-Principle approval from BSE vide letter dated [•] to use name of BSE in this offer document for listing of equity shares on SME Platform of BSE.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining In-principle approval from SME Platform of BSE. Application will be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE, the Company shall forthwith unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not unblocked within Eight days after our Company becomes liable to unblock it then our Company and every officer in default shall, on and from such expiry of Eight days, be liable to unblock such application money, with interest at the rate of 15% per annum on application money, as prescribed under as prescribed under Section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the BSE mentioned above are taken within Six Working Days from the Issue Closing Date.

#### **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**"Any person who –**

**(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or**

**(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or vis-à-vis otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013 .”**

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

#### **CONSENTS**

The written consents of Directors, Company Secretary, Compliance Officer & Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Legal Advisor to the Issue, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter, Market Maker and Banker to Issue to act in their respective capacities have been obtained and will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. A Biyani & Co, Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, restated financial statements and statement of Tax Benefits dated December 07, 2018, and December 07, 2019 respectively, which may be available to the Company and its shareholders, included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at [www.fedsec.in](http://www.fedsec.in)

**Annexure A**

**DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED**

Sr. No.	Issue Name	Issue Size (Cr)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Shree Ganesh Remedies Limited	8.55	36	October 13, 2017	40.00	1.11% (1.85%)	24.31% (+6.17%)	27.78% (+4.46%)
2.	Lorenzini Apparels Ltd	4.47	10	February 15, 2018	10.20	-32.10% (-3.27%)	-38.50% (3.63%)	-54.50% (9.76%)
3.	Ganesh Films India Limited	8.42	80	July 31, 2018	80.00	4.19% (2.97%)	1.19% (-9.41%)	-27.25% (-5.18%)
4.	Add-Shop Promotions Limited	6.22	26	September 10, 2018	28.20	3.85% (-9.55%)	1.92% (-7.81%)	NA
5.	Sun Retail Limited	10.11	23	October 16, 2018	36.00	100.22% (-0.06%)	95.65% (1.97%)	NA

Sources: All share price data is from [www.bseindia.com](http://www.bseindia.com)

**Note:**

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

**SUMMARY STATEMENT OF DISCLOSURE**

Financial year	Total no. of IPO	Total funds Raised (₹. Cr)	Nos of IPOs trading at discount on 30th Calendar day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less Than 25%
<b>2016-17</b>			<b>Not Applicable</b>											
<b>2017-18</b>	<b>*2</b>	<b>13.02</b>		<b>1</b>				<b>1</b>	<b>1</b>				<b>1</b>	
<b>2018-19</b>	<b>**3#</b>	<b>24.75</b>				<b>1</b>		<b>2</b>		<b>1</b>				

*The scripts of Shree Ganesh Remedies Limited and Lorenzini Apparels Limited were listed on October 13, 2017 and February 15, 2018 respectively.*

*\*\*The scripts of Ganesh Films India Limited, Add-Shop Promotions Limited and Sun Retail Limited were listed on July 31, 2018, September 10, 2018 and October 16, 2018 respectively.*

*#The scripts of Add-Shop Promotions Limited and Sun Retail Limited have not completed 180 Days and 180 Days respectively from the date of listing.*

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided. Track Record of past issues handled by Fedex Securities Private Limited.

#### **Track Record of past issues handled by Fedex Securities Private Limited**

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.fedsec.in](http://www.fedsec.in)

#### **EXPERT OPINION**

Except for

(a) Peer Review Auditors' reports dated December 07, 2018 on the restated financial statements by M/s. A. Biyani & Co., Chartered Accountants

(b) Statement of Tax Benefits dated December 07, 2018 by M/s. A. Biyani & Co., Chartered Accountants; we have not obtained any other expert opinions.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

#### **COMMISSION PAYABLE TO SCSBS**

The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However, in case, where ASBA Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of ₹10 per ASBA Application Form processed by them.

#### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

Company has not made any Public or Right issue during last five years .

#### **COMMISSION OR BROKERAGE**

We have not made any previous public issue. Therefore, no sums has been paid or payable in last five years.

#### **CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY ISSUER, LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY**

Our Company and its Group Companies and Subsidiaries have not made any capital issue during the last three years.

#### **LISTED VENTURES OF PROMOTERS**

There are no listed ventures of our Company as on date of filing of this Draft Red Herring Prospectus.

#### **PROMISE VIS-À-VIS PERFORMANCE**

Since neither our Company nor our Promoter Group Companies have made any previous rights or public issues during last 5 years, Promise vis-à-vis Performance is not applicable.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants.

#### **Disposal of Investor Grievances by our Company**

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

The Company has obtained authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on January 24, 2019 comprising of Pankaj Zanwar as a Chairman, Smita Khanna and Balasubramaniam Padmanabhan as members. For further details, please refer the chapter titled *“Our Management”* on page no. 160 of Draft Red Herring Prospectus.

Our Company has also appointed Usha Jaswani as the Company Secretary and Compliance Officer of our company, for this Issue he may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Cian Healthcare Limited**

1<sup>st</sup> Floor, Premdeep Building,  
Above Latur Urban Co-op Bank Ltd,  
Lulla Nagar Chowk, Camp-Kondhwa Road,  
Pune – 411 040, Maharashtra, India.

**Tel No:** 020-41471234 / 265

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

**E-mail:** cs@cian.co

**Contact Person:** Usha Jaswani



## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, BSE SME, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the GoI, BSE SME, the RoC and any other authorities while granting their approval for the Issue.*

*Please note that, in terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants applying in a public issue shall use only ASBA facility for making the payment. Further vide the said circular, Designated Intermediaries have also been authorised to collect the Application Forms. Investors may visit the official website of the stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

The Equity Shares being issued shall be subject to the provisions of the Companies Act, Memorandum and Articles of Association, and shall rank pari passu in all respects with the other existing shares of our Company including in respect of the rights to receive dividends. The Allottees of the Equity Shares in the Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, refer section titled “Main Provisions of Articles of Association” beginning on page 318 of this Draft Red Herring Prospectus.

Our Company shall pay dividends, if declared, to the shareholders of our Company in accordance with the Dividend policy of our Company, provisions of the Companies Act, the Memorandum of Association and Articles of Association and the SEBI Listing Regulations. The declaration and payment of dividends will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. For further details, please refer chapter titled “Dividend Policy” on page 178 and section titled “Main provisions of the Articles of Association” on page 318 respectively, of this Draft Red Herring Prospectus.

#### **Face Value and Issue Price**

The face value of each Equity Share is ₹ 10. The Issue Price at Lower end of Price Band is ₹ [●] per Equity Share and at the Higher end of the Price Band is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and the regional newspaper [●], each with wide circulation, at least two (2) Working Days prior to the Bid/ Issue Opening Date. 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 websites of the Stock Exchange. At any given point of time there shall be only one (1) denomination of Equity Shares of our Company, subject to applicable law.

#### **Compliance with the SEBI (ICDR) Regulations and accounting norms**

Our Company shall comply with all requirements of the SEBI ICDR Regulations 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholder**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders of our Company shall have the following rights:

- the right to receive dividend, if declared;
- the right to attend general meetings and exercise voting powers, unless prohibited by law;
- the right to vote on a poll either in person or by proxy;
- the right to received annual reports & notices to member
- the right to receive offers for rights shares and be allotted bonus shares, if announced;
- the right to receive surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- the right of free transferability of equity shares, subject to applicable law, including RBI rules and regulations, if any; and such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of SEBI Listing Regulations and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer section titled “*Main Provisions of Articles of Association*” beginning on page 318 of this Draft Red Herring Prospectus.

### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “*Main Provisions of the Articles of Association*” beginning on page 318 of this Draft Red Herring Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations 2018, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing the Prospectus:

- Tripartite agreement dated February 05, 2019 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated [●] among NSDL, our Company and the Registrar to the Issue

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Issue will be only in electronic form and in multiples of [●] Equity Shares subject to a minimum Allotment of [●] Equity Shares to the successful Applicants in terms of SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. For details of allocation and allotment, please refer chapter titled “*Issue Procedure*” beginning on page 287 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

#### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

#### **Joint holders**

Subject to our Articles, where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold the same as joint-tenants, with benefits of survivorship.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts/authorities at Mumbai, Maharashtra, India.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of 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, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act read with Companies (Share Capital and Debentures) Rules, 2014, the sole or the first Applicant, along with other joint Applicant, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Company’s Registered Office or to the Registrar to the Issue.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. to make such transfer of the equity shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the equity shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, 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 Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the Applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Bid Opening Date**

<b>Event</b>	<b>Indicative Date</b>
Bid Opening Date	[●]
Bid Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds, (if any, for Anchor Investor) / Unblocking of funds from ASBA Accounts	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within six (6) Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the BRLM to the Stock Exchange. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (*excluding any public holiday*).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the BRLM is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the

Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision of the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/ Issue Period not exceeding ten (10) working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the BRLM and at the terminals of the Syndicate Member.**

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid-cum- Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

#### **Minimum Subscription**

**The requirement for 90% minimum subscription in terms of the SEBI (ICDR) Regulations is not applicable to the Issue. In terms of Regulation 260 of the SEBI (ICDR) Regulations, the Issue is not restricted to any minimum subscription level. The Issue is 100% underwritten.**

If our Company does not receive the subscription of 100% of the Issue through the Prospectus including devolvement of Underwriters within sixty (60) days from the date of Issue Closing Date, our Company shall forthwith refund/unblock the entire subscription amount received, as the case maybe. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act and applicable law.

Further, in accordance with Regulation 268 of SEBI ICDR Regulations, the minimum number of Allottees in this Issue shall be fifty (50). In case the minimum number of prospective Allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **Arrangement for disposal of odd lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on BSE SME.

#### **Restriction on Transfer and transmission of shares or debentures and on their consolidation or splitting of Equity Shares**

Except for, lock-in of pre-Issue equity shareholding, Promoters' minimum contribution and for a period of thirty (30) days from the date of Allotment, as detailed in the chapter "*Capital Structure*" beginning on page 65 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation/splitting except as provided in the Articles of Association. Please refer section titled "*Main Provisions of Articles of Association*" beginning on page 318 of this Draft Red Herring Prospectus.

**The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead**

**Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.**

### **New Financial Instruments**

As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

### **Allotment only in Dematerialized form**

In accordance with SEBI ICDR Regulations 2018 and Section 29 of the Companies Act, Equity Shares will be issued and Allotted only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

### **Withdrawal of the Issue**

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue anytime after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date, providing reasons for not proceeding with the Issue and the BSE SME shall be informed promptly in this regard. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) Working Day from the date of receipt of such notification.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determine that we will proceed with an initial public offering of the Company's Equity Shares, the Company shall file a fresh Draft Red Herring Prospectus with BSE SME. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the BSE SME, which the Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

### **Migration to Main Board**

In accordance with the BSE SME circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the BSE SME for a minimum period of two (2) years from the date of listing and only after that it can migrate to the main board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of SEBI ICDR Regulations 2018.

- As per the provisions of the Chapter IX of SEBI ICDR Regulations, our Company may migrate to the main board of BSE from the BSE SME on a later date, if the Paid up Capital of our Company is likely to increase above ₹ 25 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

- If the Paid-Up Capital of our Company is more than ₹ 10.00 Crore and up to c 25.00 Crore, our company may still apply for migration to the Main Board If our Company fulfils the eligibility criteria for listing laid down by the Main Board of BSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any Company desiring to migrate to the Main board from the SME Board within 2 Years of Listing on SME platform of BSE has to fulfil following conditions:

- a. The Increase in post issue face value capital beyond ₹ 25 crore should arise only because of merger/acquisition or for expansion purposes.
- b. The company should have a minimum turnover of ₹ 100 crore as per latest audited financials and market capitalization of ₹ 100 crore.
- c. The Company should have a minimum profit before tax of ₹ 10 crore for two years out of 3 preceding years.
- d. There should not be any action against the company by any regulatory agency at the time of application for migration.

#### **Market Making**

The Equity Shares issued through this Issue are proposed to be listed on BSE SME, wherein [●] is the Market Maker to this Issue and shall ensure compulsory Market Making for a minimum period of three (3) years from the date of listing on BSE SME. For further details of the agreement entered into between our Company, the BRLM and the Market Maker, please refer chapter titled “*General Information*” beginning on page 52 of this Draft Red Herring Prospectus.

## ISSUE PROCEDURE

*All Bidders should review the General Information Document for Investing in public issues prepared and issued in accordance with the SEBI circular no. 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, the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 (the "General Information Document"), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of BSE, the Company and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment Instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Issue; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Bid cum Application Form); (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund*

*Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Book Running Lead Manager would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications 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 Prospectus.*

Pursuant to the SEBI ICDR Regulations 2018, the ASBA process is mandatory for all investors excluding Anchor Investors and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Application forms. All Applicants shall ensure that the ASBA Account has sufficient credit balance such that the full Application Amount can be blocked by the SCSB at the time of submitting the Application. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in> . For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by BSE to act as intermediaries for submitting Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Application Forms, please refer the above-mentioned BSE website.

*Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the*



*applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.*

### **Book Building Issue Procedure**

Pursuant to Regulation 253(2) of Chapter IX of the SEBI ICDR Regulations, this Issue is being made through the Book Building Issue Process wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines

Under-subscription, if any, in any 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 BRLM and the Designated Stock Exchange.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the BSE SME.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the BSE SME

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. **The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected.** In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the BSE SME. Applicants will not have the option of being allotted Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the Allotment.

### **Phased implementation of Unified Payments Interface**

SEBI has issued a circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the circular, Unified Payments Interface will be introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Bidders through intermediaries. Phase I of this mechanism is applicable from January 1, 2019.

## Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE (<https://www.bsesme.com/>), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide bank account details and authorization to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centers only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected

The prescribed colour of the Application Form for the various categories is as follows:

Category	Colour of Application Form*
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCI's, etc. applying on a repatriation basis (ASBA)	Blue

*\*Excluding electronic Application Form*

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called "Designated Intermediaries").

Sr No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
4.	A depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	registrar to an issue and share transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries shall submit Bid cum Application Forms to SCSBs only.

### Availability of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and Application Forms

The bid cum Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus may be obtained from the Registered Office of our Company, Book Running Lead Manager to

the Issue, Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. <https://www.bsesme.com/>

**Who can apply:**

In addition to the category of Applicants set forth under General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors (NIIs) category;
- Mutual Funds registered with SEBI;
- VCFs registered with SEBI;
- FVCIs registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F.NO.2/3/2005-DDII dated November 23, 2005 of the GoI, published in the Gazette of India;
- Insurance funds set up and managed by the army, navy or air force of the Union of India and by the Department of Posts, India;
- Nominated Investor and Market Maker
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares.
- Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Bids not to be made by:**

- Minors (except through their Guardians)
- Partnership firms or their nominations
- Overseas Corporate Bodies.

**The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and 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, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Maximum and Minimum Application Size**

#### **1. For Retails Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

#### **2. For Other than Retail Individual Bidders (Non-Institutional Bidders and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Bid.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM 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 the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

### **Participation by associates/ affiliates of Book Running Lead Manager**

The BRLM shall not be allowed to subscribe to the Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM may subscribe to or purchase the Equity Shares in the Issue, including in the QIB Portion or in the Non-Institutional Category as may be applicable to such Applicants, 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 associates or affiliates of the BRLM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

### **Option to Subscribe in the Issue**

a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.

b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Bids by eligible NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“**NRE**”) accounts, or Foreign Currency Non-Resident (“**FCNR**”) ASBA Accounts, and eligible NRI Applicants applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Application Amount, at the time of the submission of the Application Form.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour).

Pursuant to the provisions of the FEMA regulations, investments by NRIs under the Portfolio Investment Scheme (“**PIS**”) is subject to certain limits, i.e., 10.00% 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 not passed any resolution to increase this limit and hence investments by NRIs under the PIS will be subject to a limit of 10% of the paid-up equity capital of the Company.

### **Bids by HUFs**

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;

### **Bids by FPIs including FIIs**

In terms of SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three (3) years for which fees have been paid as per SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under SEBI FPI Regulations. However, existing FIIs and their sub accounts may continue to buy, sell or deal in securities till the expiry of their existing SEBI registration. Further, a QFI who had not obtained a certificate of registration as an FPI could only continue to buy, sell or otherwise deal in securities until January 6, 2015. Hence, such QFIs who have not registered as FPIs under SEBI FPI Regulations shall not be eligible to participate in this Issue.

In terms of SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limit an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“ODIs”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. FPIs are required to apply through the ASBA process to participate in the Issue.

The Registrar shall use Permanent Account Number (PAN) issued by Income Tax Department of India for checking compliance for a single foreign portfolio investor; and obtain validation from Depositories for the FPIs to ensure there is no breach of investment limit.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying security) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, pursuant to a circular dated November 24, 2014 issued by SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility conditions set forth in Regulation 4 of SEBI FPI Regulations; and (ii) do not have “opaque structures”, as defined under SEBI FPI Regulations.

In case of Applications made by FPIs, a verified true copy of the certificate of registration issued under SEBI FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject any application without assigning any reason. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Applications 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 Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

SEBI VCF Regulations and SEBI FVCI Regulations inter alia prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one (1) venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their corpus in one (1) investee company. A category III AIF cannot invest more than 10% of their investible funds in one (1) investee company. A venture capital fund registered as a category I AIF, as defined in 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 SEBI AIF Regulations shall continue to be regulated by SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of SEBI AIF Regulations.

Further, according to SEBI ICDR Regulations, the shareholding of VCFs and category I AIFs or FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that such equity shares held are locked in for a period of at least one (1) year from the date of purchase by such VCF or category I AIFs or FVCI.

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.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency. There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

#### **Application by provident funds/ pension funds**

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application, without assigning any reason thereof

#### **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 Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company, without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the 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 bank'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 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 Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“IRDA Investment Regulations”).

### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of SEBI circulars dated September 13, 2012 and January 2, 2013. 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 ASBA applications.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject their Application in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- With respect to Applications by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
- With respect to Applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Application Form.
- With respect to Applications made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.



- With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application form, subject to such terms and conditions that our Company and the Lead Manager may deem fit.

**The above information is given for the benefit of the Applicants. Our Company and the BRLM 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. Applicants are advised to make their independent investigations and Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

#### **Bids by OCBs**

In accordance with RBI regulations, OCBs cannot participate in this Issue.

#### **Bids by Mutual Funds**

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 Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one (1) scheme of the mutual fund will not be treated as multiple Applications, provided, that the Applications clearly indicate the scheme concerned for which the Application has been made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

#### **ASBA Process**

Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ('ASBA Account') is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful Applicants to the ASBA Public Issue Account. In case

of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Book Running Lead Manager.

Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the Applicant shall submit the ASBA Application Format the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

#### **Method and Process of Bids**

1. The Designated Intermediaries shall accept applications from the Bids during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 (ten) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 (ten) Working Days.
3. During the Issue Period, Bidders who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Bidder cannot apply on another Application Form after bids on one Bid Cum Application Form have been submitted to the Designated Intermediaries. Submission of a second Bid cum Application form to either the same or to another Designated Intermediaries will be treated as multiple bids and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the bid cum application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All bids shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. Upon receipt of the bid cum Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the bid Amount are available in the ASBA Account, as mentioned in the bid cum Application Form, prior to uploading such bids with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such bids and shall not upload such bids with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the bid Amount mentioned in the Bid cum Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
9. The bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful bidders to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Bids at Different Price Levels and Revision of Bids**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders Can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders May Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non- Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

### **Information for the Bidders**

- a) Our Company shall file the Red Herring Prospectus with the RoC at least three days before the Bid / Issue Opening Date.
- b) Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations 2018, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the ICDR Regulations 2018.
- c) Our Company shall announce the Price Band at least two Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- d) This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the application forms available on the websites of the stock exchanges.
- e) The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchange, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- f) The Book Running Lead Manager shall dispatch the Red Herring Prospectus and other Issue material including Bid cum Application Form, to the Designated Stock Exchange, Bankers to the Issue, investors' associations and SCSBs in advance.

**The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected**

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the BSE, along with the Book Running Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the bidders. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the bidders.

#### **Payment Mechanism for Bidders**

The Bidders shall specify the bank account number in their Bid cum Application Form and the SCSBs shall block an amount equivalent to the bid Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

***Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.***

#### **Electronic Registration of Applications**

- 1) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchange. 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
- 2) On the Bid/ Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges
- 3) 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

### **Build-up of the Book**

- a) Bids received from various Bidders through 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. QIBs and Non-Institutional Bidders can neither withdraw or lower the size of Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage and Retail Individual Bidders can withdraw or revise their bids till Bid/Offer Closing Date.

### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage

### **Revision of Bids**

- a) During the Bid/ Offer Period, any Bidder (other than QIBs and Non-Institutional Bidders, 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) Retail Individual Bidders may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- 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 can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid. Bidders 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

### **Allocation of Equity shares**

1. The Issue is being made through the Book Building Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Bidders, subject to valid bids being received from Retail Individual Bidders at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Bidders.
2. Under- subscription if any, in any 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 Book Running Lead Manager and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

4. In terms of SEBI Regulations, Non-Retail Bidders shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

#### **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Draft Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by SEBI ICDR Regulations, an English daily newspaper, a Hindi daily newspaper and, a regional newspaper, where our Registered Office is situated each with wide circulation. In the pre-Issue advertisement, we shall state Issue Opening Date, Issue Closing Date and the QIB Issue Closing Date.

#### **Advertisement regarding Issue Price and Prospectus**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **Issuance of Allotment Advice**

- a) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- b) The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their bidders who have been allocated Equity Shares in the Issue.
- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bid.

#### **Issuance of Confirmation Allocation Note (“CAN”)**

- a) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the BRLM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Offer Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Offer Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **Designated Date and Allotment of Equity Shares**

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within two months from the date of allotment thereof or such extended time as may be approved by the National Company Law Tribunal under Section 56 of the Companies Act, 2013 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates. After the funds are transferred from the SCSB's to Public Issue Account on the Designated Date, the Company would ensure the credit to the

successful Applicants depository account. Allotment of the Equity Shares to the Allottees shall be within one working day of the date of approval of Basis of Allotment by Designated Stock Exchange. Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated/ allotted to them pursuant to this issue.

### **Payment of Refund**

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Red Herring Prospectus, the Book Running Lead Manager shall intimate Public Issue Bank and Public Issue Bank shall transfer the funds from Public Issue account to Refund Account as per the written instruction from Book Running Lead Manager and the Registrar for further payment to the beneficiary applicants.

### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus with ROC**

- a) Our company and BRLM has entered into an Underwriting Agreement dated [●]
- b) A copy of Red Herring Prospectus and Prospectus will be filled with the RoC in terms of Section 32 of Companies Act, 2013.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated February 05, 2019 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE05BN01019

### **General Instructions**

Applicants are requested to note the additional instructions provided below.

Do's:

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic forms;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
7. All Applicants (other than Anchor Investors) should apply through the ASBA process only;

8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants 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 Applicants 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;
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 name(s) given in the 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 application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form and entered into the online IPO system of the BSE SME by the relevant Designated Intermediary, match with the DP ID, Client ID and PAN available in the Depository database;
21. Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online system of BSE SME by the relevant Designated Intermediary, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the 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 Application Form;

22. In relation to the ASBA Applications, ensure that you use the ASBA Form bearing the stamp of the relevant Designated Intermediary (in the Specified Locations) (except in case of electronic forms);
23. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
24. Ensure that while applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Collection Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one (1) 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>). Ensure that you have mentioned the correct ASBA Account number in the Application Form;
25. Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgement;
26. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
27. Ensure that you have correctly signed the authorisation/undertaking box in the 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 Application Amount mentioned in the Application Form at the time of submission of the Application;
28. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, cheque, by money order or by postal order or by stock invest or any mode other than stated herein;
4. Do not send Application / ASBA Forms by post, instead submit the same to the Designated Intermediary only;
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the BRLM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
8. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
9. Do not submit the General Index Register number instead of the PAN;

10. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account;
11. As an ASBA Applicant, do not instruct your respective banks to release the funds blocked in the ASBA Account;
12. 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 Issue;
13. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
14. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
15. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
16. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not submit an Application 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 Depositories);
18. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
19. Do not submit more than five (5) ASBA Forms per ASBA Account;
20. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
21. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, 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>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Other Instructions**

##### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

##### **Multiple Applications**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these

are checked manually for age, signature and father/ husband 's name to determine if they are multiple applications.

ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made. In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple Applications and are liable to be rejected. The Company, in consultation with the Book Running Book Running Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. For Bidders other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.

2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Bidders for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Bidders should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue Book Running Lead Manager can, however, accept the Application(s) which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

### **Grounds for Technical Rejections**

Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

- Bids/Applications by OCBs;
- 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;
- 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;
- Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- PAN not mentioned in the Bid cum Application Form/ Application Forms 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;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price; Bids accompanied by stock invest/money order/postal order/cash;
- Bids/Applications at Cut-off Price by NIBs and QIBs;
- The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Submission of more than five ASBA Forms/Application Forms per ASBA Account;
- Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;
- Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- Bids not uploaded in the Stock Exchanges bidding system.
- Inadequate funds in the bank account to block the Bid/ Application Amount specified in the ASBA Form/ Application Form at the time of blocking such Bid/ Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids/Applications by Bidders not submitted through ASBA process;

- Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Issue;
- 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.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA, as the case maybe.

### **Disposal of Applications**

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Bidders and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Bidders who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 6 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”.

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

### **Mode of Refunds**

- a) **In case of ASBA Bids:** Within 6 (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 Account on unsuccessful Bid, for any excess amount blocked on Bidding, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer

- b) In the case of Bids from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) In case of 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 Investors. In case of 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 Investors in their Investor Application Forms for refunds. Accordingly, 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 Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay

***Mode of making refunds for Bidders other than ASBA Bidders***

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Bidders 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 as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Bidders' 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 Code 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 Bidders 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 Code of that particular bank branch and the payment of refund may be made to the Bidders 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** - Bidders having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Bidders having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Offer will obtain from the Depository the demographic details including address, Bidders account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Bidders at their sole risk and neither the BRLM or the Registrar to the Offer or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and

- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 90% of the Offer, 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 may refer to Draft Red Herring Prospectus.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND**

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI.

#### **Undertakings by our Company**

We undertake as follows:

1. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. BSE on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with BSE SME / RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
3. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
4. That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
5. All steps for completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are to be listed are taken within the period prescribed by SEBI;
6. If the Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within fifteen (15) days from the Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15% per annum for the delayed period;
7. That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within the specified period of the Issue Closing Date by giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
8. That the Promoters' contribution in full, if required, shall be brought in advance before the Issue opens for subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on Applicants in accordance with applicable provisions under SEBI ICDR Regulations;
9. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

10. That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from BSE SME where listing is sought has been received;
11. That no further issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc, other than as disclosed in accordance with Regulation 19 of SEBI ICDR Regulations;
12. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
13. That it shall comply with such disclosure and account norms specified by SEBI from time to time.

#### **Utilization of Net Proceeds of the Issue**

The Board of Directors of our Company certifies that:

1. all monies received out of the Issue shall be transferred to a separate bank account other than the bank account referred to in the Companies Act;
2. details of all monies utilised out of the Issue referred in sub-item 1, shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
3. details of all unutilised monies out of the Issue referred in sub-item 1, if any, shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
4. Our Company shall comply with the requirements of SEBI LODR Regulations 2018 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. Our Company declares that all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 of Chapter IX of SEBI ICDR Regulations, whereby, an issuer’s post issue face value capital exceeds ten crore rupees but does not exceed twenty-five crores. The Company shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being BSE SME). For further details regarding the salient features and terms of this Issue, please refer chapters titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on pages 280 and 287 respectively, of this Draft Red Herring Prospectus.

### Present Issue Structure

The present Issue of up-to 62,16,000 Equity Shares for cash at a price of ₹ [●] (including a premium of ₹ [●] aggregating up-to ₹ [●] Lakhs by our Company. The Issue comprises a net issue to the public of up-to [●] Equity shares (the “Net Issue”). The Issue will constitute [●] % of the post- Issue paid-up Equity Share capital of our Company and the Net Issue will constitute [●] % of the post- Issue paid-up Equity Share capital of our Company.

The Issue comprises a reservation of up to [●] Equity Shares of ₹ 10 each for subscription by the designated Market Maker (the “Market Maker Reservation Portion”).

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available of allocation	[●] Equity Shares	[●] Equity Shares
Percentage of Issue Size available for allocation	[●] % of the Issue size	[●] % of Issue size
Basis of Allotment	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each.  For further details please refer “Basis of Allotment” under chapter titled “ <i>Issue Procedure</i> ” beginning on page 287 of this Draft Red Herring Prospectus.	Firm allotment
Mode of Application	Through ASBA process only	Through ASBA process only
Minimum Application Size	<b>For QIB and NII</b> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds ₹ 2,00,000  <b>For Retail Individual Applicants</b> Such number of Equity shares where the application size is of at least ₹ 1,00,000.	[●] Equity Shares

Particulars of the Issue	Net Issue to Public	Market Maker Reservation Portion
<b>Maximum Application Size</b>	<p><b>For QIB and NII:</b> Such number of Equity Shares in multiples of [●] Equity Shares such that the application size does not exceed the Issue size.</p> <p><b>For Retail Individuals:</b> Such number of Equity Shares and in multiples of [●] Equity Shares such that the application value does not exceed ₹2,00,000.</p>	[●] Equity Shares of face value of ₹ 10 each
<b>Mode of Allotment</b>	Dematerialized mode	Dematerialized mode
<b>Trading Lot</b>	[●] Equity Shares	[●] Equity Shares, however, the Market Maker may accept odd lots if any, in the market as permitted under SEBI ICDR Regulations.
<b>Terms of payment</b>	The entire application amount will be payable at the time of submission of the Application Form.	
<b>Application</b>	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	

**Note:**

1. In case of joint applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.
2. Applicants will be required to confirm and will be deemed to have represented to our Company, the BRLM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.
3. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

**Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the "Circular") standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in ₹)	Lot Size (No. of shares)
Up to 14	10000
More than 14 up to 18	8000
More than 18 up to 25	6000
More than 25 up to 35	4000
More than 35 up to 50	3000
More than 50 up to 70	2000

Issue Price (in ₹)	Lot Size (No. of shares)
More than 70 up to 90	1600
More than 90 up to 120	1200
More than 120 up to 150	1000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with Book Running Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

#### **Withdrawal of the Offer**

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of BSE SME for listing and trading of the Equity Shares issued through this Issue, which the Company shall apply for after Allotment;
- (ii) The final RoC approval of the Prospectus after it is filed with the RoC.
- (iii) In case, our Company wishes to withdraw the Issue after the Issue Opening Date but before Allotment, our Company will give public notice giving reasons for withdrawal of the Issue. The public notice will appear in all editions of [●], an English daily newspaper, all editions of [●], a Hindi daily newspaper and [●], a Regional newspaper, where our Registered Office is situated each with wide circulation.

The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts / refund the amount, as the case maybe, within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and BSE SME will also be informed promptly about the same. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public issue of equity shares, our Company will file a fresh Issue Draft Red Herring Prospectus with BSE SME where the equity shares may be proposed to be listed.

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period at the Collection Centres mentioned in the Application Form. On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for Retail and non-Retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (**"FEMA"**). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are Reserve Bank of India (**"RBI"**) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (**"DIPP"**).

The Government of India has from time to time made policy pronouncements on Foreign Direct Investment (**"FDI"**) through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 (**"FDI Policy 2017"**), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Foreign investment is allowed up to 100% under automatic route in our Company subject to certain conditions. For further details please see the chapter titled *"Key Industry Regulations and Policies"* beginning on page 144 of this Draft Red Herring Prospectus.

RBI has also issued Master Direction- Foreign Investment in India dated January 4, 2018. In terms of the Master Direction, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment limit is allowed up to 100% under automatic route in our Company, subject to appropriate approvals of the shareholders in general meeting. Eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% and such transaction must be conducted on a recognized stock exchange, in accordance with applicable conditions. Further, SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of 10% subject to the total sectoral cap of all FPIs/sub accounts put together being 24% of the paid-up capital of the Indian Company. The aggregate limit of 10% in case of NRIs and OCIs together may be raised to 24 % if a special resolution to that effect is passed by the Shareholders of the Indian company concerned. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing of a special resolution to that effect by its Shareholders. Also, the purchase/ sale of capital instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Indian Company making fresh issue of shares to a person resident outside India would be subject to reporting requirements inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of FC-GPR.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue

**The Equity Shares have not been and will not be registered under the 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 Securities Act and applicable state securities laws.**

**Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs" pursuant to the private placement exemption set out in Section 4(a)(2) of the Securities Act; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs"), in transactions exempt from the registration requirements of the Securities Act and (b) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The above information is given for the benefit of the Bidders. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

**SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT, 2013**

**A COMPANY LIMITED BY SHARES**

**\*ARTICLES OF ASSOCIATION**

**OF**

**CIAN HEALTHCARE LIMITED**

**PRELIMINARY**

1. I) Regulations in Table “F” in the First Schedule to the Companies Act, 2013 shall apply to this Company except in so far as they are not inconsistent with any of the provisions contained in these Regulations and except in so far as they are herein after expressly or impliedly excluded or modified.
- II) Regulations 27, 48, 76 of Table ‘F’ shall not apply to the Company.

**INTERPRETATION**

1. In these Regulations-
  - a) **“the Act”** means the Companies Act, 2013,
  - b) **“the seal”** means the common seal of the company.
2. unless the context otherwise requires, the words and expressions contained shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
3. **“The Company”** or **“This Company”** means **CIAN HEALTHCARE LIMITED**

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*\*New set of Articles of Association has been adopted vide a Special Resolution passed by the members of the company, at their Extra Ordinary General Meeting held on 19th November 2018, consent to conversion of Private Limited into Public Limited, subject to approval of the Registrar of Companies.*

**//CERTIFIED TRUE COPY//**

**FOR AND ON BEHALF OF**

**CIAN HEALTHCARE PRIVATE LIMITED**

**(SURAJ SHRINIWAS ZANWAR)**

**MANAGING DIRECTOR**

**DIN: 01304850**

4. **“The Director”** means the director being of the company and includes any person occupying the position of a director by whatever name called as defined under section 2(34) of the Companies Act, 2013.
5. **“Month”** means the calendar month.
6. **“The Office”** means the Registered Office for the time being of the Company.
7. **“The Presents”** means these Articles of Association or originally formed or as altered from time to time by special resolution.
8. **Dividend”** includes interim dividend and bonus.
9. **“Writing”** shall include printing and lithography and any other mode of representing or reproducing words in visible form.
10. **“The Board”** means the Board of directors of the company.
11. **“The Managing Director”** means Managing Director of the company, as defined under section 2(54) of the Companies Act, 2013.
12. **“The Register”** means the register of members of the company required to be kept under section 88 of the Companies Act, 2013.
13. The Company is a Public Company within the meaning of Section 2(71) of the Companies Act,2013,

#### **SHARE CAPITAL AND VARIATION OF RIGHTS**

1. 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 same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, --
  - (a) One certificate for all his shares without payment of any charges; or
  - (b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - (ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary:

Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

Explanation.- For the purposes of this item, it is hereby clarified that in case of an One Person Company, it shall be sufficient if the certificate is signed by a director and the company secretary, wherever the company has appointed a company secretary, or any other person authorised by the Board for the purpose.];



(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

4. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) 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.

6. (i) 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 section 48, 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.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **LIEN**

9. (i) The company shall have a first and paramount lien –
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

10. 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; or

(b) until the expiration of 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.

11. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **CALLS ON SHARES**

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies 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 one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least 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.

(iii) A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. (i) 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 thereon from the day appointed for payment

thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board –

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### **TRANSFER OF SHARES**

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) 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.

20. The Board may, subject to the right of appeal conferred by section 58 decline to register --

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

The Board may decline to recognize any instrument of transfer unless --

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

21. On giving not less than seven days previous notice in accordance with section 91 and rules made thereunder, 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 thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **TRANSMISSION OF SHARES**

22. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
23. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) 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.
24. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
25. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### **FORFEITURE OF SHARES**

26. If a member fails to pay any call, or installment 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 installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
27. The notice aforesaid shall --
- (a) name a further day (not being earlier than the expiry of 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
- (b) 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 shall be liable to be forfeited.

28. If the requirements of any such notice as aforesaid are 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.
29. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
30. (i) 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 him to the company in respect of the shares.
- (ii) 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.
31. (i) 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 persons claiming to be entitled to the share;
- (ii) 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 favor of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
32. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **ALTERATION OF CAPITAL**

33. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
34. Subject to the provisions of section 61, the company may, by ordinary resolution, --
- (a) consolidate and divide all or any of its 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 reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (c) 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.

35. Where shares are converted into stock, --

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

36. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, --

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

#### **CAPITALISATION OF PROFITS**

37. (i) The company in general meeting may, upon the recommendation of the Board, resolve --

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), 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;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

38. (i) 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.

(ii) The Board shall have power --

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### **BUY-BACK OF SHARES**

39. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **GENERAL MEETINGS**

40. 1) A General Meeting of the Company, which shall be styled, as the Annual General Meeting shall be held at the intervals and in accordance with the provisions, hereinafter appearing. The First Annual General Meeting of the Company shall be held within nine months from the end of the first financial year of the company and the next Annual General Meeting of the Company shall be held within six months after the expiry of each financial year but so that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Every Annual General Meeting shall be called at a time, during business hours, i.e. 9 a.m. to 6 p.m. on a day that is not a National holiday (includes a day declared as National Holiday by the Central Government) and shall be held either at the Registered Office of the Company or at some other place which will be convenient and as decided by the members of the company, and the notice calling the Meeting shall specify it as the Annual General Meeting.

2) The accidental omission to give any such notice to or the non-receipt of such notice by any of the members to whom it should be given shall not invalidate any resolution passed or proceeding held at any meetings.

3) The Board may convene other General Meetings of the Company whenever it thinks fit and such meeting shall be called Extra Ordinary General Meeting.

4) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for the general meetings shall be as two members present in person or proxy.

5) All general meetings other than annual general meeting shall be called extraordinary general meeting.

41. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **PROCEEDINGS AT GENERAL MEETINGS**

42. 1) A General meeting of the shareholders, whether annual or general, shall be called by giving not less than twenty one clear days' notice provided that a meeting may be called by giving a shorter notice in accordance with the provisions of Section 101 of the Act. Every notice of a meeting shall specify the place, day and time of the meeting and shall contain a statement of business to be transacted thereat. An explanatory statement in respect of special items of business under Section 102 of the Act need not be annexed to or sent with any notice of any General Meeting.

2) In a General Meeting, members may be allowed to participate through electronic means, i.e. through video conferencing. However, it shall be the duty of the Board of Directors and/or the Secretary, if duly authorized in this behalf, to ensure necessary infrastructure and equipments in place and to safeguard the integrity of the meeting. The persons participating through electronic means in a general meeting shall not be counted for the purpose of quorum.

3(i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

43. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

44. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

45. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **ADJOURNMENT OF MEETING**

46. 1) If within half an hour, from the time appointed for Meeting the quorum is not present, the Meeting if convened upon a requisition of the members shall stand dissolved but in any other case it shall stand adjourned to the same day in the next week at the same time and same place. If at further adjourned meeting a quorum is not present, those members present shall be deemed to be the quorum and may do all business as a quorum could have done.

2)(i).The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii).No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.



(iii).When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv).Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **VOTING RIGHTS**

47. 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 one vote; and
  - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
48. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
49. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
50. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
51. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
52. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
53. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **PROXY**

54. 1).Subject to the provisions of these Articles, vote may be given either personally or by an attorney or by proxy or in the case of a body corporate by a representative duly authorized under Section 113 of the Act. The Chairman of the meeting shall have authority to decide the validity of vote.
- 2).The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
55. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

56. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **BOARD OF DIRECTORS**

57. i). Unless and until otherwise determined by the Company in General Meeting by a special resolution, the number of Directors shall not be less than two and not be more than Fifteen including Directors nominated by financial institutions.

ii). The following are the First directors of the Company:

**(A) MR. SURAJ SHRINIWAS ZANWAR**

**(B) MR. GOPAL LAXMINARAYAN ZANWAR**

All the Directors of the Company are not liable to retire by rotation, unless resolved otherwise.

iii). Subject to the Provisions of Article 58 (i) hereof, The Board shall be entitled to appoint any one or more of them as Alternate/ Financial/ Special/ Executive/ Whole time Director/ such other designated whole time Directors whose terms of appointment shall be as may be decided by the Board, subject to the provisions of the Act. The Board has power to appoint any other qualified person to be additional or Director to fill casual vacancy.

iv). The Board may, from time to time appoint one or more Directors to be the Managing Director or Managing Directors of the Company, either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may from time to time (subject to be the provisions of the Contracts between him or them and the Company) remove or dismiss him or them from office and appoint another or other in his or their place or places.

v). A Managing Director or Whole time Director or Technical Director shall, in addition to the remuneration payable to him as a Director of the Company under these Articles, receive such additional remuneration as from time to time be sanctioned by the Company by way of salary or commission or participation in profits or partly in one way or partly in another subject to the provisions of the Companies Act, 2013.

vi). Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in section 179 thereof, the Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the directors as they may think fit, and may confer such power for such time, and to be exercised for such objects and purposes and upon such times and conditions and with such restrictions as they think fit; and they may confer such powers, either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf; and from time to time revoke, withdraw, alter or vary all or any of such powers.

vii). The Directors may appoint any one of their technically qualified Director to be the Technical Director of the Company for such period and on such terms as to payment of remuneration and for affording him such amenities and perquisites as may be agreed to between such Technical Director of the Company and the Directors and delegate to such Technical Director such of their powers and duties as they may think it proper to do.

viii). The Directors may appoint any person to be an Alternate Director to act for a Director during his absence from the State in which the meetings of the Board are ordinarily held provided that such absence for a period not less than three months from India and such appointment shall have effect and such appointee while he holds office as an Alternate Director shall be entitled to notice of Meetings of the Directors and to attend and vote thereat accordingly but he shall ipso facto vacate office if and when the original Director returns to the said State, or vacates Office as a Director.

ix).a) Subject to the provisions of the Companies Act 2013 notwithstanding anything to the contrary contained in these Articles, any Financing Company or Body Corporate or Bank or Insurance Corporation (hereinafter referred to as "the Financial Institution") shall have a right to appoint, remove, reappoint, substitute from time to time, its nominee as a Director (hereinafter referred to as "the Nominee Director") on the Board of the Company, so long as any moneys remain owing to them or any of them by the Company, out of any Financial Assistance granted by them or any of them to the Company by way of loan and/or by holding debentures and/or shares in the Company and/or as a result of underwriting or direct subscription and/or any Liability of the Company arising out of the guarantee furnished by the Financial Institution on behalf of the Company remains outstanding.

b) The Nominee Director so appointed shall not be required to hold any qualification shares in the Company nor shall he / they be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s) so appointed.

Subject to the aforesaid, the said Nominee Director(s) shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Directors of the Company is entitled.

c) The sitting fees in relation to such Nominee Director shall accrue to the Bank/ Financial Institution and the same shall accordingly be paid by the Company directly to such Bank / Financial Institution. Bank or the Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.

d) The Nominee Director shall, notwithstanding anything to the contrary contained in Articles, be at liberty to disclose any information obtained by him / them to the Bank / Financial Institution appointing him/them as such Director(s).

x) The Directors of the Company need not hold any qualification shares.

xi) The Director may be paid sitting fees not exceeding as may be prescribed by the Government from time to time per meeting, as may be fixed from time to time by the Board for attending the meeting of the Board or of any subcommittee thereof in addition to the reimbursement of actual expenses incurred for attending the meeting.

xii) Any Director who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which in the opinion of the Directors are outside of the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profit or otherwise as the Directors may determine.

58. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them –

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

59. The Board may pay all expenses incurred in getting up and registering the company.
60. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
61. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
62. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
63. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **PROCEEDINGS OF THE BOARD**

64. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
65. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
66. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
67. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.
68. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

69. i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
70. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
71. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
72. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

73. Subject to the provisions of the Act, --
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
74. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

75. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

The Certificates issued under section 46 of the Act be issued under the common seal, or signed by two directors or a director and a company secretary, if appointed.

#### **DIVIDENDS AND RESERVES**

76. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
77. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
78. (i) 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 equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
79. (i) 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.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) 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.
80. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
81. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
82. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
83. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
84. No dividend shall bear interest against the company.

#### **ACCOUNTS**

85. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### **WINDING UP**

86. Subject to the provisions of Chapter XX of the Act and rules made thereunder --

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

87. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

#### **OTHERS**

88. **GENERAL AUTHORITY:** Where in the Act, it has been provided that a company shall have any right, privileges or authority or that a company could carry out any transaction only if the company is so authorised by its Articles in every such case, this regulation hereby authorizes and empowers the company to have such right, privilege or authority and to carry out such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

## **SECTION X- OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following documents and contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. (IST) on all Working Days from the date of this Draft Red Herring Prospectus until the Issue Closing Date.

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 of the provisions contained in the Companies Act and other applicable law.

#### **A) Material contracts for the Issue**

1. Issue Agreement dated [●] between our Company and the Lead Manager.
2. Registrar Agreement dated [●] between our Company and Registrar to the Issue.
3. Underwriting Agreement dated [●] amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated [●] amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated [●] amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.
6. Tripartite agreement dated February 05, 2019 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue
7. Tripartite agreement dated [●] amongst our Company, National Securities Depository Limited and Registrar to the Issue.

#### **B) Material documents for the Issue**

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated January 09, 2019 in relation to the Issue and other related matters.
3. Shareholders' resolution dated January 14, 2019 in relation to the Issue and other related matters.
4. Consents of our Promoter, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory and Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Underwriters to the Issue, Bankers to our Company, Market Maker and Banker to the Issue to include their names in this Draft Red Herring Prospectus and to act in their respective capacities.



5. Peer Review Auditors Report dated December 07, 2018 on Restated Financial Statements of our Company for the period ended September 30, 2018 and for the years ended March 31, 2018, 2017 and 2016.
6. The Report dated December 07, 2018 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Red Herring Prospectus.
7. Copy of approval from BSE SME vide letter dated [●] to use the name of BSE Limited in this offer document for listing of Equity Shares on SME Platform of BSE Limited.
8. Contract of service dated January 14, 2019, entered into by our Company with Suraj Zanwar.
9. Contract of service dated January 14, 2019, entered into by our Company with Riyaz Khan
10. Sanction letter of Vijaya Bank
11. Due diligence certificate submitted to BSE SME dated March 01, 2019 from Book Running Lead Manager to the Issue.

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 Equity Shareholders, subject to compliance with applicable law.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

<b>Suraj Zanwar</b> <i>(Managing Director)</i>	<b>Sd/-</b>
<b>Pankaj Zanwar</b> <i>(Non-Executive Director)</i>	<b>Sd/-</b>
<b>Riyaz Khan</b> <i>(Whole Time Director)</i>	<b>Sd/-</b>
<b>Balasubramaniam Padmanabhan</b> <i>(Independent Director)</i>	<b>Sd/-</b>
<b>Smita Khanna</b> <i>(Independent Director)</i>	<b>Sd/-</b>

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

<b>Chandra Prakash Singh</b>	<b>Sd/-</b>
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**Date: March 02, 2019**

**Place: Pune**