



## GREENSIGNAL BIO PHARMA LIMITED

(Our Company was incorporated as Green Signal Bio Pharma Private Limited at Chennai on November 21, 2005 under the provisions of the Companies Act, 1956. Name of our Company was changed to GreenSignal Bio Pharma Private Limited with effect from April 21, 2016. Subsequently, our Company was converted into a public limited company with effect from May 12, 2016 under the provisions of Companies Act, 2013 and its name was changed to GreenSignal Bio Pharma Limited. For further details, please refer to “History and Certain Corporate Matters”) on page 106.

Corporate Identification Number of our Company is U24232TN2005PLC058068  
**Registered and Corporate Office:** Old No. 5, New No. 13/A-3 Sai Niketan Circular Road, United India Colony Kodambakkam, Chennai 600 024, Tamil Nadu, India,  
Tel: +91 44 2472 2244; **Facsimile:**+91 44 2472 2233; **Website:** http://www.gsbpl.com; **Company Secretary and Compliance Officer:** Ms. S. Rathna Prabha  
Tel.: +91 44 2472 2244 Extn. 25; **Facsimile:** +91 44 2472 2233; **Email:** cs@gsbpl.com;

For further details in relation to the changes in our registered and corporate office, refer to section titled “History and Certain Corporate Matters” on page 106

### PROMOTERS OF THE COMPANY; MR. P. SUNDARAPARIPPOORANAN AND DR. P. MURALI

**PUBLIC OFFER OF 1,45,79,560 EQUITY SHARES OF A FACE VALUE OF ₹ 10 EACH (THE “EQUITY SHARES”) OF GREENSIGNAL BIO PHARMA LIMITED (THE “COMPANY”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] THROUGH AN OFFER FOR SALE BY THE SELLING SHAREHOLDERS (AS DEFINED IN THE SECTION “DEFINITIONS AND ABBREVIATIONS”) AGGREGATING UP TO ₹ [●] LACS (THE “OFFER”). THE OFFER WILL CONSTITUTE 38% OF THE FULLY DILUTED POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR THE DETAILS OF THE EQUITY SHARES OFFERED BY EACH SELLING SHAREHOLDER, PLEASE SEE THE SECTION “DEFINITIONS AND ABBREVIATIONS – OFFER RELATED TERMS – OFFER” ON PAGE 1.**

**THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND, THE MINIMUM BID LOT AND THE RUPEE AMOUNT OF THE RETAIL DISCOUNT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE GLOBAL CO-ORDINATOR AND BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE AVAILABLE ON THE WEBSITES OF THE BSE LIMITED (“BSE”) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”)**

**IN CASE OF ANY REVISIONS IN THE PRICE BAND, THE BID/OFFER PERIOD WILL BE EXTENDED BY AT LEAST THREE ADDITIONAL WORKING DAYS AFTER SUCH REVISION OF THE PRICE BAND, SUBJECT TO THE BID/OFFER PERIOD NOT EXCEEDING 10 WORKING DAYS. ANY REVISION IN THE PRICE BAND AND THE REVISED BID/OFFER PERIOD, IF APPLICABLE, WILL BE WIDELY DISSEMINATED BY NOTIFICATION TO THE BSE AND THE NSE, BY ISSUING A PRESS RELEASE, AND ALSO BY INDICATING THE CHANGE ON THE WEBSITES OF THE GLOBAL CO-ORDINATOR AND BRLM, REGISTRAR AND SHARE TRANSFER AGENT TO THE OFFER AND DEPOSITORY PARTICIPANTS, AND AT THE TERMINALS OF THE SYNDICATE MEMBERS.**

**In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”), this is an Offer for at least 25 % of the post-Offer capital. The Offer is being made through the Book Building Process wherein not less than 75% of the Offer shall be allotted on a proportionate basis to Qualified Institutional Buyers (“QIBs”), provided that our Company and the Selling Shareholders may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If 75% of the Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “SEBI ICDR Regulations”), subject to valid Bids being received at or above the Offer Price. For details in relation to allocation to Retail Individual Bidders, specific attention of the investors is invited to the section “Offer Procedure – Basis of Allotment” on page 226. All potential investors, other than Anchor Investors, shall participate in this Offer through an Application Supported by Blocked Amount (“ASBA”) process providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”). For details, see the section ‘Offer Procedure’ on page 193.**

### RISK IN RELATION TO FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times of the face value. The Offer Price (determined and justified by our Company and the Selling Shareholders, in consultation with the Global Co-ordinator and BRLM, as stated under the section “Basis for Offer Price” on page 58 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS



Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer 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 “Risk Factors” on page 14

### COMPANY’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make 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. The Selling Shareholders accept responsibility that this Draft Red Herring Prospectus contains all information about them as Selling Shareholders in the context of the Offer and each Selling Shareholder assumes responsibility for statements in relation to such Selling Shareholder included in this Draft Red Herring Prospectus.

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received an ‘in-principle’ approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to the letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be the [●].

GLOBAL CO-ORDINATOR AND BOOK RUNNING LEAD MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <b>Indian Overseas Bank</b>	 <b>BIGSHARE SERVICES PVT. LTD.</b> Attentive. Able. Adaptive
<b>INDIAN OVERSEAS BANK</b> Merchant Banking Division, 763, Anna Salai, Chennai-600 002 Tel.: + 91 44 2851 9548/ 2888 9367; Email: mbd@iobnet.co.in Investor Grievance Email: mbdregu@iobnet.co.in Website: www.iob.in Contact Person: (i) Mrs. B. Gomathy/Mrs.S.Chandra, Merchant Banking Division, Chennai (ii) Mr.Muralidharan, Capital Market Services Branch, Mumbai, Tel: + 91 22 226 22017/2262 2018 Compliance Officer: Mrs. B. Gomathy SEBI Registration No: INM000001386	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka Andheri East, Mumbai – 400 072 Tel: + 91 22 4043 0200; Facsimile: + 91 22 2847 5207 Email: ipo@bigshareonline.com; Investor Grievance Email: investor@bigshareonline.com Website: bigshareonline.com Contact Person: Mr. Ashok Shetty SEBI Registration No.: INR000001385
BID/OFFER PROGRAM*	
<b>BID OPENS ON: [●]</b>	<b>BID CLOSES ON: [●]</b>

\* Our Company and the Selling Shareholders may, in consultation with the Global Co-ordinator and BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

## TABLE OF CONTENTS

<b>SECTION I : GENERAL</b> .....	<b>1</b>
1. Definitions and Abbreviations.....	1
2. Certain Conventions, Presentation of Financial, Industrial and Market Data .....	11
3. Forward Looking Statements .....	13
<b>SECTION II : RISK FACTORS</b> .....	<b>14</b>
<b>SECTION III : INTRODUCTION</b> .....	<b>35</b>
4. Summary of the Industry .....	35
5. Summary of Business.....	36
6. Summary of Financial Information .....	37
7. The Offer .....	40
8. General Information .....	41
9. Capital Structure.....	48
10. Objects of the Offer .....	57
11. Basis of the Offer Price .....	58
12. Statement of Tax Benefits .....	60
<b>SECTION IV : ABOUT THE COMPANY</b> .....	<b>64</b>
13. Industry Overview.....	64
14. Our Business .....	82
15. Regulations and Policies .....	92
16. History and Certain Corporate Matters .....	106
17. Our Management.....	109
18. Our Promoter and Promoter Group .....	120
19. Related Party Transactions .....	122
20. Dividend Policy.....	123
<b>SECTION V: FINANCIAL INFORMATION</b> .....	<b>124</b>
21. Financial Statements .....	124
22. Management’s Discussion and Analysis of Financial Condition and Results of Operations .....	149
23. Financial Indebtedness .....	166
<b>SECTION VI: LEGAL AND OTHER INFORMATION</b> .....	<b>167</b>
24. Outstanding Litigations and Material Developments .....	167
25. Government and Other Approvals.....	172
26. Other Regulatory and Statutory Disclosures .....	175
<b>SECTION VII : OFFER INFORMATION</b> .....	<b>185</b>
27. Terms Of The Offer.....	185
28. Offer Structure.....	190
29. Offer Procedure .....	193
30. Restriction on foreign ownership of Indian Securities .....	236
<b>SECTION VIII : MAIN PROVISIONS OF ARTICLE OF ASSOCIATIONS</b> .....	<b>237</b>
<b>SECTION IX: OTHER INFORMATION</b> .....	<b>256</b>
31. Material Contracts and documents for inspection .....	256
32. Declaration .....	257

## SECTION I- GENERAL

### DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context indicates or implies otherwise, have the meaning as provided below. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

### COMPANY RELATED TERMS

Term	Description
Articles/Articles of Association/our Articles	The articles of association of our Company, as amended.
Auditors/ Statutory Auditors	The statutory auditor of our Company, being M/s. RAJ AND RAVI, Chartered Accountants
Board/Board of Directors/our Board	The board of directors of our Company.
Company/GSBL/our Company/the Company/the Corporation/we/us/ our	GreenSignal Bio Pharma Limited, a company incorporated under the provisions of Companies Act, 1956 as a private company and subsequently converted to a public company under the provisions of Companies Act, 2013
Director(s)	The director(s) on our Board.
Memorandum/ Memorandum of Association/our Memorandum/MoA	The memorandum of association of our Company, as amended from time to time.
Registered and Corporate Office	Old No. 5, New No. 13/A-3 Sai Niketan Circular Road, United India Colony Kodambakkam, Chennai 600024 , Tamil Nadu, India
Promoters of the Company	Mr. P. Sundarapariipooranan and Dr. P. Murali
Promoter Group	Mrs. Mallika Murali
RoC	Registrar of Companies, Chennai, Tamil Nadu

### OFFER RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/ Applicants
Allottee	An Bidder/ Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/ Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Allocation Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLM
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by the Company and the Selling Shareholders in consultation with the Book Running Lead Manager, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being

Term	Description
	received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Anchor Investor Bid/ Offer Period	One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed.
ASBA Bidders	Bidders (other than Anchor Investors) in the Offer who intend to submit the Bid
Application Supported by Blocked Amount/ (ASBA)/ ASBA	An application, whether physical or electronic, used by Bidders/ Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/ Applicant
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to purchase the Equity Shares from the Selling Shareholders at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations
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
ASBA Bidder/ Applicant	Prospective Bidders/ Applicants in the Offer who Bid/ apply through ASBA
Banker(s) to the Offer/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Company
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Offer and which is described in the section entitled " <i>Offer Procedure</i> " on page 193.
Bid/Offer Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Company is situated, each with wide circulation. Applicants/ bidders may refer to the RHP/ Prospectus for the Bid/ Offer Closing Date
Bid/Offer Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Company is situated, each with wide circulation. Applicants/ bidders may refer to the RHP/ Prospectus for the Bid/ Offer Opening Date
Bid Offer Period/Offer Period	Except in relation to any Bids received from Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/ Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/ Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bid Lot	[•]
Book Built Process/ Book Building Process/Book	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made

Term	Description
Building Method	
BRLM/ Book Running Lead Manager	Global Co-ordinator and Book Running Lead Manager in this case being Indian Overseas Bank
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/ Applicants can submit the Bid cum Application Forms/ Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Running Lead Manager	The Book Running Lead Manager to the Offer shall mean Indian Overseas Bank, Merchant Banking Division
CAN/ Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/ Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	Higher end of the Price Band, in this case being ₹ [●] per Equity Share, above which the Offer Price will not be finalized and above which no Bids will be accepted
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Offer Price, finalized by our Company and the Selling Shareholders in consultation with BRLM.  Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demat Escrow Agent	The escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/ Applicants including the Bidder/ Applicant's address, name of the Applicant's father/ husband, investor status, occupation and bank account details
Designated Intermediaries	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> or at such other website as may be prescribed by SEBI from time to time
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 or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/ Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated CDP	Such locations of the CDPs where Bidders can submit the Bid cum Application

Term	Description
Locations	Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated RTA Location	Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/ Prospectus of the Company
Discount	Discount to the Offer Price that may be provided to Bidders/ Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Red Herring Prospectus	This Draft Red Herring Prospectus dated July 4, 2016 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be transferred and the size of the Offer, including any addendum or corrigendum thereto.
Engagement Letter	Engagement letter dated January 1, 2016 issued by Company to BRLM,
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
Eligible NRIs	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 Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares
Escrow Account	Account to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will issue cheques or drafts or transfer funds in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The agreement to be entered into by our Company, the Selling Shareholders, the Registrar and Share Transfer Agent to the Offer, the BRLM, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof
Employees	Employees of a Company as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/ Applicant may refer to the RHP/ Prospectus
Equity Shares	Equity shares of the Company
FCNR Account	Foreign Currency Non-Resident Account
FIIIs	Foreign institutional investors as defined under the SEBI FPI Regulations
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014

Term	Description
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
General Information Document/ GID	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in “ <i>Offer Procedure</i> ” on page 193
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/ Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRIs	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion, if any.
Non-Institutional Investors or NIIs	All Bidders, including, sub accounts of FIIs which are foreign corporate or foreign individuals and Category III foreign portfolio investors that are not QIBs or Retail Individual Bidders and who have Bid for the Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/ Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FIIs, FPIs and FVCIs
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer/Offer for Sale	The offer for sale of up to 1,45,79,560 Equity Shares comprising an offer for sale of: (i) up to 8,169,430 Equity Shares offered by P. Sundaraparipooran; (ii) up to 3,391,980 Equity Shares offered by Dr. P. Murali (iii) up to 23,75,000 Equity Shares offered by Avon Cycles Limited;, (iv) up to 19,000 Equity Shares offered by R. Srinivasan , and (v) up to 624,150 Equity Shares offered by Mallika Murali for cash at a price of ₹ 10 per Equity Share aggregating to ₹ 14,57,95,600 lacs, in terms of the Red Herring Prospectus
Offer Agreement	Agreement dated June 16, 2016 entered into between Company, Selling Shareholders and the BRLM and Amendment to said Agreement dated June 29, 2016
Offer Price	The final price at which the Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at or above the Offer Price. The Offer Price will be decided by our Company, in consultation with the Selling Shareholders and the on the Pricing Date
Offer Proceeds	Proceeds of the Offer. For details please refer to Section “ <i>Objects of the Offer</i> ” on

Term	Description
	page no. 57.
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Company and the Selling Shareholders in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Offer Opening Date, in an English national daily, Hindi national daily and regional language at the place where the registered office of the Company is situated, newspaper each with wide circulation
Pricing Date	The date on which the Company and the Selling Shareholders in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with section 26 and 32 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information
Public Offer Account	Account opened with the Bankers to the Offer to receive monies from the Escrow Account(s) and from the ASBA Accounts on the Designated Date
QIB Portion	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs in terms of SEBI ICDR Regulations
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009 except FIIs, FPIs or any other foreign investor covered in the definition of the same
RTGS	Real Time Gross Settlement
Regulation S	Regulation S under the U.S. Securities Act
Red Herring Prospectus/ RHP	<p>The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price at which the Equity Shares will be offered and the size of the Offer.</p> <p>The Red Herring Prospectus will be registered with the Registrar of Companies at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the Registrar of Companies after the Pricing Date</p>
Refund Account(s)	Account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Company
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
RTA Agreement	Agreement dated May 27, 2016 between Company, Selling Shareholders, and Registrar to the Offer and Amendment to said Agreement dated June 29, 2016
Registrar and Share Transfer Agents/ RTA	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer/ RTO	Bigshare Services Private Limited
Reserved Category/ Categories	Categories of persons eligible for making application/ bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for category of eligible Bidders/ Applicants as



Term	Description
	provided under the SEBI ICDR Regulations, 2009, if any.
Retail Individual Investors (RIIs)	Individual Bidders who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Individual Shareholders	Shareholders of a listed company who applies or bids for a value of not more than ₹ 2,00,000
Retail Portion	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	Form used by the Bidders, including ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision form(s).  QIB Bidders and Non-Institutional Bidders are not allowed to lower their Bids (in terms of quantity and of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders cannot revise their Bids after the Bid/Offer Closing Date
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
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, repealed pursuant to the SEBI FPI Regulations
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 Investor) Regulations, 2000
SEBI ICDR Regulations,	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Share Escrow Agreement	The agreement dated [•] to be entered into amongst the Selling Shareholders, our Company, the BRLMs and the Demat Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholders and credit of such Equity Shares to the demat accounts of the Allottees
Selling Shareholders	(i) P. Sundararipooranan; (ii) Dr. P. Murali (iii) Avon Cycles Limited (iv) R. Srinivasan and (v) Mallika Murali
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html</a>
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> and updated from time to time
Stock Exchanges	The stock exchanges as disclosed in the RHP/ Prospectus of the Company where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate member(s)
Syndicate Agreement	The agreement to be entered into among the Company, and the Syndicate in relation to collection of the Bids in this Offer (excluding Bids from ASBA Bidders/ Applicants)
Syndicate Member(s)/ SM	The Syndicate Member(s) as disclosed in the RHP/ Prospectus
TRS/Transaction	Slip or document issued by the Syndicate, or the Designated Intermediary (only

Term	Description
Registration Slip	on demand), as the case may be, to the Bidders as proof of registration of the Bid
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement dated [●] amongst the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai and Chennai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

### BUSINESS RELATED TERMS

Term	Description
BCG/BCG Vaccine/ vaccine/ BCG Vaccine (Freeze Dried) I.P/B.P/E.P/U.S.P	BCG or Bacillus Calmette Guerin is a vaccine used for prevention of Tuberculosis (TB) in humans since 1921. The BCG vaccine is prepared from a strain of attenuated, live tuberculosis bacilli' Mycobacterium Bovis that has lost its virulence in humans by being specially cultured in an artificial medium for years.
BCG ONCO for Immunotherapy	BCG ONCO for immunotherapy is a live freeze-dried preparation made from Bacillus Calmette-Guerin strain, which is an attenuated strain of Mycobacterium bovis.
GAVI	The Global Alliance for Vaccines and Immunizations
GMP	Good Manufacturing Practice of WHO
IIBAT	International Institute of Bio Technology and Toxicology
MoH	Ministry of Health and Family Welfare
PAHO	Pan American Health Organization
UNICEF	United Nations Children's Emergency Fund
UROVAC	This is our registered trademark for BCG-ONCO-Immunotherapy
WHO	World Health Organization

### INDUSTRY RELATED TERMS

Term	Description
DCGI	Drug Controller General of India
DPCO	Drugs Price Control Order
ICGEB	International Centre for Genetic Engineering and Biotechnology
NIH	National Institute of Health,
NPPA	National Pharmaceutical Pricing Authority
PATH	Program for Appropriate Technology in Health
UCPMP	Uniform Code of Pharmaceutical Marketing Practices,
UNFPA	United Nation Population Fund

### CONVENTIONAL TERMS OR ABBREVIATIONS

Term	Description
AGM	Annual General Meeting
Alternative Investment Funds or AIFs	Alternative Investment Funds as defined in and registered under SEBI AIF Regulations
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India

Term	Description
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act, 2013	Companies Act, 2013
Companies Act, 1956	Companies Act, 1956
CSR	Corporate Social Responsibility
Depositories	The Depositories Act, 1996
DIN	Director Identification Number
DoT	Department of Telecommunication, Ministry of Communications and Information Technology, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings per share
ESIC	Employees' State Insurance Corporation
ESI Act	Employees' State Insurance Act, 1948
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI Policy issued vide Department of Industrial Policy and Promotion
FIR	First Information Report
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended time to time
FPO	Further Public Offering
GAAR	General Anti-Avoidance Rules
GID	General Information Document
GIR	General Index Register
GST	Goods and Services Tax
GoI/Government/Central Government	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IPC	Indian Penal Code, 1860
IFSC	Indian Financial System Code
IEC	Importer-Exporter Code
IFRS	International Financial Reporting Standards
IPC	Indian Penal Code, 1860
Income Tax Act	The Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
ISIN	International Securities Identification Number
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MCX	Multi Commodity Exchange of India Limited

Term	Description
MICR	Magnetic Ink Character Recognition
National Investment Fund	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India
NAV	Net Asset Value
NCT	National Capital Territory
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
p.a.	Per Annum
P/E Ratio	Price/Earnings ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	Reserve Bank of India
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act, 1933
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations as the case may be
Year/ Calendar Year	Unless context otherwise requires, shall refer to the twelve month period ending December 31

## CERTAIN CONVENTIONS, 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 the context provides otherwise or it is stated otherwise, financial data included in this Draft Red Herring Prospectus is derived from our Restated Financial Statements.

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 in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Company’s Financial Year or Fiscal commences on April 1 and ends on March 31 of the next year, so all references to particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

The degree to which the Indian GAAP 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. 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.

### Currency and Unit of Presentation

In this Draft Red Herring Prospectus, references to “₹”, “Rs.”, “Indian Rupees”, “INR” and “Rupees” are to the legal currency of India and references to “US\$”, “USD”, and “U.S. dollars” are to the legal currency of the United States of America,. For the purposes of this Draft Red Herring Prospectus data pertaining to the Company will be given in ₹ in lacs. In this Draft Red Herring Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

### Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD:

Currency	As on June 30, 2016	Fiscal Year ended				
		2016	2015	2014*	2013*	2012*
1 USD	67.6166	66.3329	62.5908	60.0998	54.3893	51.1565

(Source: RBI Website)

\*last working day of the fiscal year

## INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as various industry publications and sources. Unless otherwise stated, industry information has been included from the report titled “PHARMACEUTICAL VACCINE INDUSTRY” dated June 14, 2016 issued by IRR Advisory Services Private Limited (the “**IRR Report**”). For details, please see the section entitled “**Industry Overview**” on page 64. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders or the BRLM 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 the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, “seek to” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans, prospects or goals are also forward-looking statements. Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which is in turn based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based to be 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, BRLM nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Moreover, all forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with respect to, but not limited to, regulatory changes pertaining to the industry in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our Company’s 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 or deflation, unanticipated turbulence in any or all of interest rates or foreign exchange rates or both, equity prices and other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in the competitive environment.

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

- limited number of our products;
- negative publicity or other harm to our reputation;
- disruption in operations of any our plant; and
- failure to win bids by governments

For further discussion on factors that could cause the actual results to differ from the expectations, please see sections entitled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 14, 82 and 149, respectively.

We cannot assure the Bidders that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

In accordance with the SEBI ICDR Regulations, our Company and the BRLM will ensure that Bidders in India are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

## SECTION II – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any or some combination of the following risks actually occur, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in the Equity Shares should pay particular attention to the fact that we are subject to an extensive regulatory environment that may differ significantly from one jurisdiction to other. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Offer including the merits and the risks involved. To obtain a complete understanding of our business, you should read the sections “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Result of Operations**” on pages 82 and 149, respectively. If our business, result of operations or financial condition suffers, the price of the Equity Shares and the value of your investments in the Equity Shares could decline.*

*This Draft Red Herring Prospectus also contains forward looking statements, which refers to future events that produce known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward looking statements. Please refer to the chapter “**Forward Looking Statements**” on page 13.*

*In this section, unless the context otherwise requires, a reference to our “Company”, “we”, “us” and “our” refers to GreenSignal Bio Pharma Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information, as applicable.*

### **INTERNAL RISK FACTORS:**

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

- 1. We have only two products and if our production of the BCG vaccine, which is the major source of our revenue is stalled or stopped or if there is any impediment in its domestic or overseas sales and distribution it will materially adversely affect our business and profits.***

We currently have two products, namely the BCG vaccine for preventing tuberculosis and the BCG-ONCO for Immunotherapy which is used in the treatment of urinary bladder cancer. The major contributor to our revenues is the BCG vaccine which contributes 82.73% of our revenues for the period ended March 31, 2016. Vaccine production is a highly regulated sector and in the event we suffer any regulatory drawback which impedes production of this vaccine or even stalls production for a temporary period then we will materially adversely suffer from such an event. Secondly, it is pertinent that our material agreements such as the UNICEF Long Term Arrangement to undergo renewal, for us to sustain the revenue derived from the export of the BCG vaccine. If any material contract for marketing, sale, distribution of the BCG vaccine either in India or globally ceases then the decline in revenue will materially adversely affect our business and operations. Because we have only two products out of which the BCG vaccine is the mainstay of our business and any adverse price control legislation or export control legislation will materially adversely affect our business.

- 2. Currently, we are producing only two products. BCG Vaccine and BCG – ONCO for Immunotherapy, an immuno therapeutic drug for Urinary Bladder Cancer. Our business, prospects, results of operations and financial condition may be adversely affected if any of these two products in our portfolio do not perform as expected or if competing products become available and gain wider market acceptance.***

We are heavily dependent on our two products – BCG Vaccine and BCG – ONCO for Immunotherapy. In addition we generate a significant portion of our revenues in India.

Our revenues from these products may decline as a result of increased competition, regulatory action, pricing pressures or fluctuations in the demand for or supply of our products. Similarly, in the event of any breakthrough in the development of alternative drugs for these products, our products may become obsolete or be substituted by such alternatives. Our failure to effectively react to these situations or to



successfully introduce new products in these areas, could adversely affect our business, prospects, results of operations and financial condition.

3. ***In India, our price is regulated for the BCG vaccine and hence it is imperative for us to solicit markets overseas. Though we are in the process of procuring contracts from various governments and countries there is a high risk that the eventual business may not materialize and we are not able to procure newer overseas markets. In the event we are unable to do so it will materially adversely affect our business.***

The ceiling price of the BCG vaccine for each dose in India is ₹ 5.58 as per notification dated September 15, 2014. There is no regulatory price ceiling for our other product BCG-ONCO for Immunotherapy. We supply the BCG vaccine to the MoH, Government of India pursuant to the tendering process, in which we have placed successful bids for the past 7 years except the years 2013-14 and 2014-15. Given the price ceiling for BCG vaccine in India it is imperative that we solicit and ensure overseas markets. Our revenue from exports has commenced from the year 2014-15. Prior to this there was no export market or revenue. Addition of newer overseas markets for the BCG vaccine is essential to make gains in light of price control restriction in the domestic Indian territory. In the event we are unable to do so it will materially adversely affect our business and profits. Though we are exploring opportunities with various overseas jurisdictions and governments there is a high risk that the eventual business may not materialise and we are not able to procure newer overseas markets. For more details please refer section “***Our Business***” on page 82.

4. ***Our Company is involved in certain litigation relating to trademark, any adverse decision in the said proceedings may impact our Company.***

Our Company is involved in a litigation pertaining to trademark of our product BCG ONCO for Immunotherapy. In the said case M/s. Serum Institute of India Ltd. has objected to use of the name BCG ONCO BP. If the said case is decided against us it may impact our Company. For details of the said case, please refer to “***Outstanding Litigation and Material Developments***” Also, CBI has also initiated certain proceedings against our company under Section 420 of the IPC, the said proceedings were quashed by the High Court of Chennai vide its order dated April 30, 2009 Cr. OP number 4389 of 2009. Against the said order of Hon’ble High Court of Chennai, CBI filed a special leave petition 8555/2009 before Hon’ble Supreme Court, which was dismissed by Hon’ble Supreme Court vide its order dated February 22, 2016. We cannot assure you that such proceeding will not be initiated against our Company in the future. Also in the past CBI has also filed case against our Company under Section 420 of IPC read with section 120B of IPC, proceedings in the said case were quashed by High Court. Also, we cannot assure you that more legal proceedings will not be initiated against our Company in the future. Any adverse decision against our company in such legal proceedings may impact operations and financial position of our Company. A brief summary of the pending litigation is provided below for ease.

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax proceedings	Labour disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (₹ In lacs)
<b>Company</b>							
By the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	1	Nil	Nil	Nil	Nil	N.A.
<b>Promoters</b>							
By the promoters	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the promoters	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Group companies</b>							
By Group Companies	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against Group Companies	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Directors other than promoters</b>							
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>							
By the Subsidiary	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against the Subsidiary	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

For further details on the litigation please refer to chapter titled as “*Outstanding Litigations and Material Developments*” on page 167.

**5. *Our main contract for overseas sales and distribution is with UNICEF which is valid till 2018 and there is no assurance that the same will be renewed.***

We are one of the four companies worldwide who have been WHO-prequalified to supply the BCG vaccine to UNICEF. And we have secured a long term arrangement dated November 23, 2015 with UNICEF to supply the BCG vaccine to UNICEF subject to the purchase orders placed with our company. We also supply the BCG vaccine to Indonesia and Nepal which are countries outside the UNICEF ambit. The sales under the UNICEF contract of BCG vaccine account for 8.40% of our revenue for the year ended 2015-16. Thus it is clear that the long term arrangement is vital for growth and sustenance of the company as well as profits. The UNICEF contract expires as on November 2018. And there is no guarantee that it will be renewed on more favourable terms or on the same terms or at all. In the event it is not renewed then we will need to find other jurisdictions and suppliers to secure sales of the BCG vaccine. We are heavily dependent on this one major contract for the major source of our revenue and in the event we are unable to secure renewal of the same our business and operations will be materially affected.

**6. *For our immunotherapy drug, BCG –ONCO, in India our tie up is with Cadila Healthcare Ltd. and this contract is expiring on June 29, 2016 there is no assurance that we will be able to distribute this vaccine effectively under any new arrangement or by ourselves.***

Our Company produces this drug under the registered name of ‘Urovac’ however there are other manufacturers such as Cadila Healthcare Ltd. who manufacture the same immunotherapy drug under the brand name Oncovac. This product is marketed through a partnership with Cadila Healthcare Ltd. We have entered into a sales and distribution agreement with Cadila Healthcare Ltd. for five years and the same is expiring in June 2016. Under this contract, Cadila Healthcare Ltd. shall market our product BCG-ONCO for Immunotherapy under its own brand name namely ‘Oncovac’ in the domestic Indian market on an exclusive basis. We have not taken any active steps for renewal of this contract and upon expiry of this exclusive sale and distribution agreement the challenge will be to market our product under our own registered brand name ‘Urovac’ in India. There is no assurance that we will be able to distribute this vaccine effectively under any new arrangement or by ourselves. In the event we are unable to do so this will adversely affect our profits and growth.

**7. *We have only one facility, which is on lease, and this exposes us to higher risks of disasters and structural failures, further, this may hamper production of various other vaccines due to regulatory controls for isolation such as those required for the BCG vaccine.***

Our manufacturing facility is located at No.49, Pappankuppam Village, Gummidipoondi, Tiruvalluvar Dist - 601 201. Apart from the Vaccine Manufacturing Facility, the campus also houses our Research & Development Center. Our R&D Center is approved by Department of Scientific and Industrial Research, Government of India. The land on which this facility is situated has been leased from Mr. P. Sundaraparipooranan, Promoter of our company for a term of ten years commencing from February 23, 2016. Prior to this the said land was leased from Mr. P. Sundaraparipooranan as well as Ms. B. Dakshayani, (former Director of the Company) whose 30% share in the land was subsequently acquired by P. Sundaraparipooranan so as to become 100% owner of the same. Being the only facility for production on our main product, the BCG vaccine, we have to exercise strict controls for production of BCG vaccine and no other vaccine can be produced in the same facility as recommended by WHO guidelines. If we are not able to maintain and exercise stringent production controls we may be not be able to expand and develop into more vaccines. Further being only one facility it exposes us more to any bio-hazardous breakdown, major structural damages and breakdown of plant and machinery. If any of these events happen it will materially adversely affect our business and operations. Further as the land appurtenant to our facility has been leased to us by our promoter Mr. P. Sundaraparipooranan, there is always a risk that we may not be able to renew the lease for the same. Any non-renewal of the lease in our favour will materially adversely affect our operations and profits. There is also the risk that of the promoter in future disassociates from the Company his resources, namely the lease of land will be unavailable for the Company. In this event our business and operations will be materially and adversely affected.

8. ***For countries outside the UNICEF ambit we have to liaise with governments and agencies and procure registrations and clearances which is a time consuming procedure and there is a risk that such clearances and registrations may not even be obtained.***

We are trying to expand supply of both our products overseas. For the BCG vaccine, in addition to countries in the UNICEF fold we supply our vaccine to Indonesia and Nepal. For this we have to liaise with governments and agencies and procure registrations and clearances which have a time consuming procedure and there is a risk that such clearances and registrations may not even be obtained. Inordinate delays in obtaining registrations coupled with an absence of assurance that they will be obtained at all will deplete our resources and materially adversely affect our business.

9. ***Our Business is subject to extensive regulation. If we fail to comply with applicable regulations prescribed by Governments and Regulatory Agencies, our Business, results of operations and financial condition could be adversely affected.***

We operate in a highly regulated industry and our operations are subject to extensive regulation in each market in which we do business. Regulatory authorities in each of these markets must approve our products before we or our distribution agents can market them. Applicable regulations have become increasingly stringent, a trend which may continue in the future. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business licence, imposition of fines and criminal sanctions in those jurisdictions.

Regulatory agencies may at any time inspect our manufacturing facilities or the quality of our products based on newly developed scientific knowledge and/or tools. If any inspection or quality assessment results in observations/ alerts or sanctions, the relevant regulator may amend or withdraw our existing approvals to manufacture and market our products in such jurisdiction, which could adversely affect our business, financial condition and results of operations.

If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for the manufacturing and marketing new vaccines and drugs. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products or impose fines upon us. In Indonesia, Nepal, India, and many of the international markets in which we sell our products, the approval process for a new product is complex, lengthy and expensive. The time taken to obtain approvals varies by country, but generally takes between six to eighteen months from the date of application. If we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations and financial condition could be adversely affected.

We are also subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties for non-compliance. Complying with, and changes in, these laws and regulations may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition. Furthermore, non-compliance with the limits prescribed by the relevant laws and regulations may lead to the suspension of our manufacturing licences, which will halt production and adversely affect our business operations.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits.

10. ***Our domestic revenues from BCG vaccine as well as BCG-ONCO for Immunotherapy showed a steep decline in the years 2013-14 and 2014-15 due to us not obtaining the MoH tender for BCG and reduced demand under the Cadila Healthcare marketing and distribution agreement. If such events repeat themselves then it will reduce our revenues considerably and materially adversely affect business operations and profit.***

The years 2014 and 2015 saw a deep decline in our domestic sales of both BCG vaccine and BCG-ONCO for Immunotherapy. The decline in the revenues for the BCG Vaccine was due to us not being the lowest bidder in MoH tenders. The decline in the revenues from BCG ONCO for Immunotherapy was due to price increase under the arrangement with Cadila Healthcare Limited and corresponding lower quantity ordered by Cadila Healthcare Limited. Subsequently in fiscal 2016, our domestic

revenue increased to more stable numbers and this was mainly due to us getting the tenders from MoH. In the event we do not obtain MoH tenders it will adversely affect our domestic revenues and profits. In the event we are unable to market our brand Urovac that will also materially adversely affect our revenues and profits from business.

11. ***Our Company has made a Net loss for the preceding four out of five financial years and has made profits only in the year ended March 31, 2016 (out of the past five years). Continual losses will adversely affect our sustainability and business operations.***

For the past five years, although our company has been earning positive profits on the operational front owing to the fixed costs of finance and depreciation and the tax charges, the company has eventually incurred losses as follows: For the year ended March 31, 2015 our loss was ₹ 21.33 lacs, for the year ended March 31, 2014 our loss was ₹ 129.71 lacs, for the year ended March 31, 2013 our loss was ₹ 50.01 lacs and for the year ended March 31, 2012 our loss was ₹ 48.11 lacs.

However, on account of the widening of the export market over the last two years, the profitability of the company has improved over the earlier years. The Company registered a profit figure in the last financial year 2015-16 of ₹ 530.95 lacs. There is no assurance that we will be able to secure sufficient overseas markets in a timely manner or even assure renewal of the UNICEF long term agreement in order to sustain the profits shown year ended March 31, 2016. In the event we are unable to do so it will materially adversely affect our operations and business.

12. ***Our Company had negative cash flow in two out of last five financial years. We cannot assure that our company will not have such negative cash flows again in the future.***

Our cash flows were negative for financial year ended Financial Year ended 2014 and 2013 respectively and stood at ₹ (0.61 lacs) and ₹ (3.10 lacs) respectively due to increased capital expenditure. Though, our cash flow again turned positive since Financial Year 2015 and 2016. Also, for period ended June 30, 2016 cash flow was negative and stood at ₹ (117.81 lacs) predominantly due to reduction in working capital outstanding and increase in sundry debtors.

However, we cannot assure you that we will not have negative cash flows in future. Negative cash flows may hamper our business and operations.

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

In many countries in which we currently operate, including India, pharmaceutical prices are subject to regulation. The existence of price controls can limit the revenues we earn from our products. India enacted the National Pharmaceuticals Pricing Policy in 2012. As a result, a number of drug formulations were identified as essential drugs and were added to India's National List of Essential Medicines and these drugs are subjected to price controls in India. On May 15, 2013, the Department of Pharmaceuticals released the revised DPCO 2013 (which replaced the earlier Drugs (Prices Control) Order, 1995). The Drugs (Price Control Order) 2013 ("hereinafter referred as "The DPCO 2013" governs the price control mechanism for 509 formulations listed in the National List of Essential Medicines. As per this order, the prices of each of the formulations are determined based on the average of all drugs having an Indian market share of more than 1% by value. The individual drug price notifications for a majority of the products have been released by the National Pharmaceutical Pricing Authority. The DPCO 2013 also regulates the margin that can be offered to the trade channels including the retailers. Ceiling Price for BCG Vaccine for each dose is ₹ 5.58 as per notification dated September 15, 2014. For details please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 149.

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

14. ***We are susceptible to product liability claims that may not be covered by insurance which may require substantial expenditure and may adversely affect our reputation and if successful, could require us to pay substantial sums.***

We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products. For example, our distributors may continue to sell our products beyond their expiry date or product recall. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert management's time, adversely affect our goodwill and impair the marketability of our products. Moreover, a deterioration in our quality controls could also result in product liability claims against us. The risk of product liability suits is also likely to increase if we develop our own new patented products in addition to making generic versions of drugs that have been in the market for some time.

We do not have any product liability insurance and hence our exposure to such liability is high. Further, we may not have taken insurance or may not have vendor extension covers from our partners' insurance policies in the countries into which we export our products. A successful product liability claim that is may require us to pay substantial sums and may adversely affect our financial position and results of operations. In addition, insurance coverage for product liability may become prohibitively expensive in the future, though even at this stage we do not have the same. From time to time, the pharmaceutical industry has experienced difficulty in obtaining desired product liability insurance coverage. If any product liability claim is not covered by insurance or exceeding the policy limits were sustained against us, it could adversely affect our business, financial condition and results of operations. In any case in the absence of any product liability insurance as on date if we are found liable under a claim that we are unable to meet, it will materially adversely affect our business and operations.

15. ***If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.***

We benefit from certain tax regulations and incentives that accord favourable treatment to certain of our manufacturing facilities as well as for our research and development activities. For details regarding income tax deductions, please refer to the chapter "***Statement of Tax Benefits***" on page 60.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and adversely affect our business, prospects, results of operations and financial condition.

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

Pharmaceutical manufacturers are subject to significant regulatory scrutiny. Our Manufacturing Facility at Pappankulam Village, Gummidipoondi District must manufacture products in accordance with Good Manufacturing Practices stipulated by WHO, state level food and drug administrations, the DCGI and other regulatory agencies.

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

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

We also face the risk of loss resulting from, and the adverse publicity associated with, manufacturing or quality problems. Such adverse publicity harms the brand image of our Company and products. We may be subject to claims resulting from manufacturing defects or negligence in storage and handling of our products.

Any loss of our reputation or brand image, for whatsoever reason may lead to a loss of existing business contracts and adversely affect our ability to enter into additional business contracts in the future.

17. ***The land and premises on which our Manufacturing Facility and Registered Office are located are held by us on a leasehold and rental basis, and has been taken on lease from our Promoter which subjects us to certain risks.***

All of the land and premises on which the Manufacturing Facility is located are held by us on a leasehold basis for a period of 10 years. The land on which the Manufacturing Facility is located is in the name of our Promoter Mr. P. Sundarapariipooran. The Company is paying a rent of ₹. 1,00,000 per month. Further, the rent agreement for the property on which our registered office is situated has been also entered into with Mr. P. Sundarapariipooran. Company is paying a rent of ₹. 14,000 per month to the promoter for said property.

We cannot assure you that we will own, or have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of these premises, which may impair our operations and adversely affect our financial condition. If any of the property arrangements are terminated, we may be unable to procure premises similar to the ones on which we currently operate and may suffer a disruption in our operations or be required to pay increased rental rates, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. In the event that we are required to change the locations of our laboratories or other business premises, we may be unable to recover the costs of moving. If we are forced to move, we may also be required to obtain fresh regulatory licenses and approvals. Until we receive such approvals and licenses, we may suffer disruptions in our operations and our business which may adversely affect our financial condition and results of operations.

In the event of default on behalf of the lessor/licensor, we may be unable to enforce our leases/licenses if they are not duly registered provided that in case of licenses, registration is required depending on the state law. For lease/license agreements that are deemed as insufficiently stamped, we may be required to pay additional stamp duty or make similar payments, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

18. ***Our lease agreement with our promoter, Mr. P. Sundarapariipooran, for lease of land in relation to our facility for a period of ten years has not been registered. This exposes us to certain risks which will materially adversely affect our business.***

Title to the land, we have leased from our Promoter Mr P. Sundarapariipooran may be affected by being unregistered. Currently the said document is not registered. In the event it is insufficiently stamped then in addition to title uncertainties, there may be other irregularities, defects, noncompliance, or unsettled claims in relation to the properties that we lease or hold on a lease and license basis from time to time, including issues that we may not be aware of. For example, our properties may be subject to restrictions under our lease or license agreements or under municipal zoning or other property related laws and regulations. Our properties could also be subject to legal proceedings regarding the restrictions on use that involve local municipal councils or regulatory authorities.

Any of the above factors may affect uninterrupted possession and use of the properties we occupy, cause us to incur significant additional compliance costs or rental expenses, or may curtail our future expansion, which may adversely affect our business, financial condition, results of operations and prospects.

19. ***Our business depends substantially on the continued efforts of our Promoters Dr. P. Murali, and Mr. P. Sundarapariipooran, our business may be severely disrupted if we lose their services.***

Our success is dependent largely on the efforts of Mr. P. Sundarapariipooran and Dr. P. Murali our Promoters and Managing Director. We do not have insurance related to the continued employment of

our key employees, and therefore do not have any insurance that would help compensate any losses incurred as a result of the loss of Dr. P. Murali or Mr. P. Sundarapariipooran. If we were to lose the services of Dr. P. Murali or Mr. P. Sundarapariipooran for any reason, or if their other business interests compete for their time and services, we may not be able to replace their services effectively, which could have an adverse effect on our business, results of operations and financial condition.

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

The success of our manufacturing activities depends on, among other things, the productivity of our workforce, compliance with regulatory requirements and the continued functioning of our manufacturing processes and machinery. Disruptions in our manufacturing activities could delay production or require us to shut down the affected manufacturing facility.

We may also be subject to manufacturing disruptions due to delays in receiving regulatory approvals, which may require our manufacturing facilities to cease or limit production until the required approvals are received, or disputes concerning these approvals are resolved. Moreover, as regulatory approvals for manufacturing drugs are site specific, production cannot be transferred to another location which could adversely affect our business, results of operations and financial condition.

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

**21. *We participate in a competitive tender process for supply to various government agencies and institutions. We may face an inability to successfully obtain tenders in future, which would impact our revenues and profitability and the tenders we have successfully obtained may be withdrawn in the future.***


We participate in a competitive tender process for supply to various government agencies, private entities and institutions. If we are unable to successfully win tenders, our future revenues and profitability may suffer. Additionally, for any reason, if we are disqualified from the tender process by a government agency, we may automatically be disqualified by other central and state government agencies.

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

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

The UCPMP amongst other things provides detailed guidelines about promotional materials, conduct of medical representatives, physician samples, gifts and relationships with healthcare professionals. For example, under the UCPMP, pharmaceutical companies may not supply or offer any gifts, pecuniary advantages or benefits in kind to persons qualified to prescribe or supply drugs. Further, the Managing Director or the chief executive officer of the company is responsible for ensuring adherence to the UCPMP and a self-declaration is required to be submitted by the managing director or the chief executive officer within two months of the closure of every financial year to the industry association. Although these guidelines are voluntary in nature, they may be codified in the future and we may have to spend a considerable amount of time and resources to conform to the requirements of the UCPMP.

**23. *We have not yet registered our corporate logo and other intellectual property rights. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.***

We have not applied for the registration of our corporate logo  and other trademarks, including words and logos in connection with our business except the 'UROVAC'. Consequently, we do not enjoy the statutory protection accorded to a registered trademark. Though our vaccine and drugs

are generic in nature and do not require to be patented. Further, if we do apply, our applications may or may not be allowed by the Registrar of Trademarks for our corporate name and logo, and our competitors could challenge the validity or scope of the applications or these trademarks. If we fail to successfully obtain or enforce these trademarks, we may need to change our corporate logo. Any such change could adversely affect our branding and may have an adverse effect on our business, reputation and, consequently, on our results of operation, cash flows and financial condition.

There can be no assurance that third parties will not infringe on our intellectual property, causing damage to our business prospects, reputation and goodwill. We may need to litigate to protect our intellectual property or to defend against third party infringement. Additionally, we may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property. Serum Institute India Limited has already filed a suit in relation to use of words BCG ONCO BP. For details of the said case please refer to “*Outstanding Litigations and Material Developments*” on page 167. Any failure to obtain registrations for our intellectual property rights or any inability to use or protect our intellectual property could affect our relationships with our customers and our ability to market our business, which could materially and adversely affect our business, cash flows, results of operations and financial condition.

**24. *Our Company has a limited operating history that may not provide an adequate basis on which to judge its future prospects and results of operations.***

Our Company was incorporated in 2005 and commenced commercial production in the year 2009. We got WHO Pre-Qualification during the year 2015 only and subsequently acquired the UNICEF Long Term Arrangement which has enabled export of the BCG vaccine to UNICEF. As our operating history is limited, it may not provide a meaningful basis for you to evaluate our business, financial performance and prospects. Accordingly, you should not rely on our results of operations for any prior periods as an indication of our future performance. You should consider our business and prospects in light of the risks, uncertainties, expenses and challenges that we will face as an early-stage company operating in a growing market. Going forward, we may not be successful in addressing the risks and uncertainties we will confront, which may materially and adversely affect our company’s results of operations, financial condition and business prospects.

**25. *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.***

We compete with local companies in India, multi-national corporations and companies in the countries in which we operate.

Whilst we are among a few vaccine companies in India, we intend to expand internationally. Some 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.

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

Our industry is continually changing due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products and significant price competition. If our pharmaceutical technologies become obsolete our business and results of operations could be adversely affected. Although we strive to maintain and upgrade our technologies, facilities and machinery consistent with current national and international standards, the technologies, facilities and machinery we currently use may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities could be significant, which could adversely affect our business, results of operations and financial condition.

**27. *Changes in policy and cuts in government spending on research development and national health care policy will adversely affect our business.***

A major challenge in vaccine production in India is sub-optimal investment by public sector for vaccine research. The vaccine manufacturing units set in India are still producing some of the



traditional vaccines and there appears to be a need for more funding and research on newer antigens. Indian manufacturers are participating in the development and clinical trials of a number of other candidate vaccines which would ensure that these vaccines are accessible to Indian population, as and when these become available. The national vaccine policy of India has suggested that linkages need to be explored between academia, industry and international institutions such as National Institute of Health Gates Foundation, the GAVI Alliance, PATH), World Health Organization and the IICGEB etc.

Public health consciousness and economic perspectives have automatically enhanced the importance of vaccines world over. While vaccines have proven to be the single most cost effective means of controlling the spread of infectious diseases, there is a need for effective, affordable vaccines for a wide variety of potentially preventable infections. This is especially true for diseases such as HIV/AIDS, tuberculosis, malaria, and dengue fever that disproportionately affect the resource poor countries. Existing vaccines that have dramatically reduced the burden of infectious diseases in wealthy countries are often not accessible in the developing world because of the costs associated with manufacturing, delivering and administering these vaccines. India has made significant strides in vaccines and has been one of the major players in affordable vaccine development and a resource for the global market. However, market study suggests that it hasn't hit its peak still due to some regulatory and supply chain issues, including cold storage. Government support to vaccine firms on these crucial aspects could facilitate their further growth.

The low budget for research and development of new vaccines is a hindrance to promote R&D; infact, the immunisation budget as a whole has declined from a little over 9 percent of the total healthcare budget in 2007-08 to around 3 percent in FY16. If this trend of reduced investment and spending continues it will materially and adversely affect our business.

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

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

**29. *If our research and development efforts do not succeed, this may hinder the introduction of new vaccine products which could adversely affect our business and results of operations.***

In order to remain competitive, we must develop, test and manufacture new vaccine products, which must meet regulatory standards and receive requisite regulatory approvals. To accomplish this, we commit substantial effort, funds and other resources towards research and development. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage and therefore not reach the market could adversely affect our goodwill and affect our operating results. We may or may not be able to take our research and development innovations through the different testing stages without repeating our research and development efforts or incurring additional amounts towards such research. Additionally, our competitors may commercialize similar products before us.

**30. *Our success depends on our ability to retain and attract key qualified personnel and, if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop our business.***

Our business and operations are led by a qualified, experienced and capable management team, comprising scientists, engineers and management school graduates, the loss of whose services might significantly delay or prevent the achievement of our business or scientific objectives. Competition among pharmaceutical companies for qualified employees is intense, and the ability to retain and attract qualified individuals is critical to our success.

Further, the members of our management team and other key personnel are employed pursuant to customary employment agreements, which may not provide adequate incentive for them to remain with

us or adequately protect us in the event of their departure or otherwise. If we lose the services of any of the management team or key personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Furthermore, as we continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management and key research and development personnel.

**31. *Our Performance may be affected if we are not successful in assessing demand for our products and managing our inventory***

We evaluate our production requirements based on anticipated demand based on forecasted customer order activity for our products. Our inventory balances of materials is influenced by our production requirements, shelf life of the raw materials and expected sourcing.

It is important for us to anticipate demand for our products and any failure to anticipate, identify, interpret and react on the basis of anticipated/ desired demand or our failure to generate consumer acceptance or recognition of our new products, could lead to, among others, reduced demand for our products, which can adversely affect our results of operations.

Efficient inventory management is also a key component of the success of our business, results of operations and profitability. To be successful, we must maintain sufficient inventory levels to meet demand for our products, without allowing those levels to increase to such an extent that the costs associated with storing and holding the inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels or our expectations about demand for our products are inaccurate, we may either not be able to manufacture products to service the demands, resulting in us having to cede market share to competitors or would have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. For more information please refer to the chapter “*Management’s Discussion and Analysis of Financial Condition and Result of Operations*” on page 149.

**32. *If any third parties on whom we may rely for clinical trials do not perform their obligations as contractually required or as we expect, and do not comply with Good Laboratory Practice (“GLP”) we may not be able to obtain regulatory approval for commercialize our products.***

We depend on independent clinical investigators, contract research organizations and other third-party service providers to conduct clinical trials and pre-clinical investigations of our new products and expect to continue to do so. We rely on such parties for the successful execution of our clinical trials, but we do not control many aspects of their activities. Third parties may also not complete activities on schedule or may not conduct our studies in accordance with applicable trial, plans and protocols. Nonetheless, we would be responsible for confirming that each of our clinical trials is conducted in accordance with its general investigational plan and protocol. If third parties fail to carry out their obligations, product development, approval and commercialization could be delayed or prevented or an enforcement action could be brought against us.

Our reliance on these third parties does not relieve us of our responsibility to comply with the regulations and standards of in India and abroad related to good clinical practices. In particular, these third party manufacturers and service providers must comply with GLP and their failure to do so could result in warning or deficiency letters from regulatory authorities, which could interfere with or disrupt their ability to complete our studies on time, thereby affecting our product approval process or even forcing a withdrawal of our product which may adversely affect our business, financial condition and results of operations.

**33. *Timely and successful implementation of our contracts, including our business arrangements, depends on our performance and co-operation from our vendors. Delay or failure in the implementation of our contracts, may adversely affect our business, financial condition and results of operations. Further, increased costs will reduce our margins and profitability.***

Our contracts with our partners require us to supply our products, or require our partners to supply us their products, in compliance with specific delivery schedules. Our, or their, failure to adhere to contractually agreed timelines may have the following consequences:

- Delayed payment to our products;

- Claims may be brought against us for losses suffered as a result of our non-performance;
- Our clients may terminate our contracts;
- Disruption in manufacturing schedule;
- Increase in cost; and
- Damage to our reputation.

Our failure to deliver or receive our products on a timely basis or at all could adversely affect our business, financial condition and results of operations. Our licensing and supply agreements with our vendors for supply of packaging materials are crucial. Any interruption in the supply by third party suppliers of raw materials, or any disruptions in production at our manufacturing facilities, could adversely affect our ability to supply certain quantities of our products and result in a breach of our contractual obligations.

Delay or failure on the part of a vendor to deliver, for any reason, could also result in one or a number of the above listed consequences.

Presently the cost of our packaging material as a percentage to our product cost is 14.67%. In the event our vendors increase their price such increase will amount to an added cost for us and will affect the price of our product, which is already under a regulatory ceiling, this will in turn reduce our profit margins.

Further, the cost of transporting our products as a percentage to our product cost is 3.76%. In the event there is an increase in such cost then such increase will amount to an added cost for us and will affect the price of our product (BCG Vaccine), which is already under a regulatory ceiling, which will in turn reduce our profit margins.

**34. *Our results of operations are subject to risk arising from exchange rate fluctuations.***

UNICEF is our major client and all our tenders are quoted in US\$ and payments are also received in USD. Revenues attributable to sales from outside India is ₹941.96 Lacs, forming 46.20% of our total revenue for the fiscal year ended March 31, 2016. For the period ended June 30, 2016 sale attributable to exports was ₹667.58 Lacs forming 65.79 of our total revenues.

We are thus exposed to exchange rate fluctuations due to the revenue that we receive that are denominated in currencies other than the Indian Rupee. Further, we are engaged with Indian clients and companies and the transactions are in Indian Rupees, we have and may enter into agreements, including financing agreements and agreements to acquire components and capital equipment, which are denominated in foreign currencies. Accordingly, any fluctuation in the value of the Rupee against these currencies has and will affect the cost of servicing and repaying any obligations we may incur that expose us to exchange rate risk.

**35. *Our insurance coverage is limited and may not adequately protect us against all material hazards.***

Our insurance coverage is limited. We have insurance policies covering our vehicles, fire and special perils insurance for our Manufacturing Facility, equipment contained therein. While the policies that we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would have to be borne by us, and, as a result, our business, financial condition and results of operations could be adversely affected.

As of the date of this Draft Red Herring Prospectus, we do not have key-man insurance policies for any of our Promoters and key managerial personnel and therefore, do not have any insurance that would help compensate any losses as a result of loss of their services. Further we do not have any product liability insurance either and may be adversely exposed to claims.

**36. *We have not declared any dividends since incorporation. Further, we cannot assure payment of dividends in the future.***

Our Company has not declared any dividend since incorporation. The decision to pay dividends and the amount of such dividends, if declared, depends on a number of factors, including our future earnings,

financial condition, cash flows, working capital requirements, capital expenditures and any other factors that our Board and Shareholders deem to be relevant. While our Board had adopted a dividend policy, if we decide to retain our earnings to finance the development and expansion of our business, we may not declare dividends on the Equity Shares. Therefore, there can be no assurance that we will be able to pay dividends at any point the future.

- 37. *We may require additional financing for our business operations, and the failure to obtain the same on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability. Further, fluctuations in interest rates could adversely affect our results of operations.***

We may require additional capital for our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company, and could adversely impact our Equity Share price.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, security, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our capital expenditure, our business, results of operations and financial condition.

Further, an increase in the interest rates on our existing or future debt will increase the cost of servicing such debt. We have entered into certain interest rate hedging transactions in connection with such debt and we may continue to enter into interest hedging contracts or other financial arrangements in the future to minimize our exposure to interest rate fluctuations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or that any such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest expense may have an adverse effect on our business prospects, financial condition and results of operations.

- 38. *Our lenders may impose certain restrictive conditions on us under our financing arrangements, which may limit our ability to expand our business and our flexibility in planning for, or reacting to, changes in our business and industry.***

We have entered into agreement for working capital loan with Union Bank of India. In future we may require additional financial requirements and may enter into financial agreements for same. This agreement contain requirements to maintain certain security margins, financial ratios and inter alia contain restrictive covenants.

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 the consents necessary to proceed with the actions which we believe are necessary to operate and grow our business, which may in turn have a material adverse effect on our business and operations. We cannot provide any assurance that our lenders will not enforce their rights relating to our breach of financial covenants, or grant us waivers with respect to any such breaches. In the event that any lender seeks the accelerated repayment of any such loan or seeks to enforce any other rights against us, it may have a material adverse effect on the business, cash flows and financial condition of the entity against which repayment is sought.

- 39. *We rely extensively on our standard operating procedures and information technology systems in areas such as financial reporting, compliance and products processing/quality assurance and non-compliance with such procedures or systems or their failure could adversely affect our operations.***

We rely on standard operating procedures and information technology systems in certain key areas of our business, such as accounting or book keeping, financial reporting and compliance with laws. We rely extensively on the capacity and reliability of such standard operating procedures, information technology systems, processing and quality assurance systems supporting our operations. Any failures

in these systems or in following/implementing standard operating procedures could have a material adverse effect on our business, financial reporting, financial condition and results of operations.

**40. *Our Promoters will be able to exercise significant influence and control over us after the Offer and may have interests that are different from those of our other shareholders.***

After completing the Offer, our Promoters and Promoter Group, will hold a majority of the issued and outstanding Equity Shares of our Company i.e. 51.79% (assuming the Offer gets fully subscribed). By virtue of their shareholding, our Promoters will have the ability to exercise significant control and influence over our Company and our affairs and business, including the election of directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders.

The interests of our Promoters may be different from or conflict with the interests of our other shareholders and their influence may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to our other shareholders.

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

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company and the Selling Shareholders, in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters “*Prominent Notes*” and “*Capital Structure*” beginning on pages 34 and 48, respectively.

**42. *We will not receive any proceeds from this Offer.***

As this Offer is an offer for sale of Equity Shares by the Selling Shareholders, the proceeds from this Offer will be remitted to the Selling Shareholders and our Company will not benefit from such proceeds. For further details, please refer to “*Objects of the Offer*” on page 57

**43. *The statistical and market information contained in this Draft Red Herring Prospectus relating to India, the Indian Economy and the Vaccine Manufacturing Sector has been derived or extracted from the IRR Report commissioned by us and from various government and other publicly available publications.***

The statistical and market information contained in this Draft Red Herring Prospectus relating to India, the Indian economy and the diagnostic testing sector have been derived or extracted from the IRR Report commissioned by us, and from government publications and reports from other publicly-available publications that we believe are reliable. These statistics and market information include the data and statistics included in the section “*Industry Overview*” on page 64. Investors should note that IRR was engaged to prepare the IRR Report for use in this Draft Red Herring Prospectus.

IRR has advised that the statistical and other market information contained in the IRR Report and reproduced in this Draft Red Herring Prospectus is drawn from sources that it considers reliable. As this Draft Red Herring Prospectus contains information from an external industry report we do not guarantee the accuracy, adequacy or completeness of the information and disclaim responsibility for any errors or omissions in the information or for the results obtained from the use of the information.

Investors should also note that no independent verification has been carried out on any facts or statistics that are directly or indirectly derived from official government publications, other publications, as well as the IRR Report. We believe that the sources of the information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We and our affiliates or advisors or any other party involved in the Offer, other than IRR with respect to the information contained in the IRR Report, make no representation as to the accuracy or completeness of such information. Such statistics and other market information may not be consistent or comparable to statistics compiled elsewhere and should not be unduly relied upon.

## **EXTERNAL RISK FACTORS**

**44. *Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.***

Our Company is incorporated in India, and our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India or its pharmaceutical sector.

High rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

**45. *Communal disturbances, riots, terrorist attacks and other acts of violence or war involving India and/or other countries could adversely affect India's economy and the financial markets, result in loss of client confidence, and adversely affect our business, financial condition, cash flows and results of operations.***

India has experienced communal disturbances, terrorist attacks and riots during recent years. Any major hostilities 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 and may adversely affect the Indian stock markets where our Equity Shares will trade as well as global equity markets generally. Such acts could negatively impact business sentiment and consumer confidence, which could adversely affect our business and profitability.

India and other countries may enter into armed conflict or war with other countries or extend pre-existing hostilities. For example, neighbour countries in West and South Asia have experienced instances of civil unrest and hostilities. Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This could adversely affect client confidence in India, which could have a negative impact on the economies of India and other countries, on the markets for our products and services and on our business. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

**46. *Health epidemics and natural calamities in Asia or elsewhere could adversely affect the Indian economy or our business and the price of our Equity Shares.***

Since 2003, outbreaks of Severe Acute Respiratory Syndrome in Asia, avian influenza across Asia and Europe, Ebola virus in Western Africa, and Influenza A (H1N1) across the world have adversely affected a number of countries and companies. Any future outbreak of infectious diseases or other serious public health epidemics may have a negative impact on the economies, financial markets and level of business activity in affected areas, which may adversely affect our Company's business. India has also experienced natural calamities such as earthquakes, floods, drought and a tsunami in the recent past. In recent years, Chennai also faced floods. The length and severity of these natural disasters determine the extent of their impact on the Indian economy. Prolonged spells of abnormal rainfall and

other natural calamities could have an adverse impact on the Indian economy. Any future outbreak of infectious disease among humans and/or animals or any other serious public health concerns or the occurrence of any natural calamities could materially and adversely affect our business, prospects, financial condition, cash flows and results of operations, and the price of our Equity Shares.

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter “**Government and Other Approvals**” on page 172 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in 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 implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. For instance, the Government has proposed a comprehensive national goods and services tax, regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. 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 such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

The Government has proposed major reforms in Indian tax laws, namely the goods and services tax, and provisions relating to the GAAR. GAAR is proposed to be effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. The goods and services tax would replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, surcharge and excise currently being collected by the central and state governments. The GAAR provisions intend to catch arrangements declared as “impermissible avoidance arrangements”, which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the Indian tax authorities have wide powers, including denial of tax benefit or benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on us cannot be determined at present and there can be no assurance that such effects would not adversely affect our business and future financial performance.

We have not determined the impact of such proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

**48. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act, 2002 (“Competition Act”) could adversely affect our business.***

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India (“CCI”) to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, distribution, shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011 (as amended) which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

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

In terms of the Consolidated FDI Policy, foreign direct investment in Indian companies carrying on brownfield investments (investments in existing companies) in the pharmaceuticals sector is permitted up to 100% subsequent to the approval of the Government and the satisfaction of certain conditions. Foreign investment in our Company under the foreign portfolio investment and portfolio investment scheme, as the case may be, cannot exceed 24%.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the Indian income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

**50. *Significant differences could exist between Indian GAAP, other accounting principles, such as US GAAP and IFRS, which may affect investors assessment of our Company's IND IFRS financial condition.***

We have not attempted to explain in a qualitative manner the impact of the IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. Indian GAAP differs from accounting principles with which prospective investors may be familiar in other countries. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI ICDR Regulations.

Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on your familiarity with Indian GAAP and the Companies Act, 2013. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

**51. *Our failure to successfully adopt new accounting standard when required under Indian law could have a material adverse effect on our stock price.***



Our Company may be required to prepare our annual and interim financial statements under new Indian accounting standards that the Ministry of Corporate Affairs has announced will be implemented in phases. Because there is significant lack of clarity on the adoption of and convergence with the new Indian accounting standards and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under the new Indian accounting standards than under current Indian GAAP. As we transition to reporting under the new Indian accounting standards, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is likely to be increasing competition for the small number of IFRS experienced accounting personnel as the new Indian accounting standards have been derived from IFRS. There can be no assurance that our adoption of new Indian accounting standards will not adversely affect our reported results of operations or financial condition. Any failure to successfully adopt new Indian accounting standards when required under Indian law could have a material adverse effect on our stock price.

**52. *After this Offer, the Equity Shares may experience price and volume fluctuations or an active trading market for the Equity Shares may not develop.***

The price of the Equity Shares may fluctuate after this Offer as a result of various factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, significant developments in India's economic fiscal, liberalization and deregulation policies, adverse media reports and changes in developments in, perceptions in the market about investments in or estimates by financial analysts of us and the Indian pharmaceutical industry.

There has been no public market for the Equity Shares prior to this Offer and an active trading market for the Equity Shares may not develop or be sustained after this Offer. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Offer.

**53. *Future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of the Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

**54. *You may not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Offer.***

Our Equity Shares will be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investor' book entry, or demat accounts, with depository participants in India are expected to be credited within two working days of the date on which Allotment is approved by the Board.

We cannot assure you that the Equity Shares will be credited to investors demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a

recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gain upon the sale of the Equity Shares.

56. ***A decline in India's foreign reserves may affect liquidity and interest rates in Indian economy, which could adversely affect us.***

A decline or future material decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition and future financial performance.

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

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

58. ***Investing in securities that carry emerging market risks can be affected generally by volatility in the emerging markets.***

The markets for securities bearing emerging market risks, such as risks relating to India, are influenced by economic and securities market conditions in other emerging market countries to varying degrees. Although economic conditions differ in each country, investors' reactions to developments in one country may affect securities of issuers in other countries, including India. Accordingly, the price and liquidity of our Equity Shares may be subject to significant fluctuations, which may not necessarily be directly or indirectly related to our financial performance.

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

Under the Companies Act, 2013 a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the preemptive rights have been waived by adoption of a special resolution by our company. However, if the laws of the jurisdiction in which the investors are located do not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

60. ***Indian law limits our ability to raise capital outside of India and may limit the ability of others to acquire us, which could prevent us from operating our business or entering into a transaction that is in the best interests of our shareholders.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our business and could therefore constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

**61. *Investors may have difficulty enforcing foreign judgments against us or our management.***

We are a limited liability company incorporated under the laws of India. Substantially all of our directors and executive officers are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India. Recognition and enforcement of foreign judgments is provided for under Section 13 of CPC on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. Such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Indian central government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees, which are dissimilar to amounts payable in respect of taxes, other charges of a like nature, a fine or other penalties.

United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters, other than arbitration awards. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

**62. *We cannot assure you that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all, which may restrict your ability to dispose of the Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares in this Issue have been allotted. Approval will require all other relevant documents authorizing the sale of the Equity Shares to be submitted. There could be failure or delays in listing the Equity Shares on the Indian Stock Exchanges.

The Equity Shares are proposed to be listed on the Indian Stock Exchanges. Further, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading can commence. Investors' "book entry", or "demat", accounts with Depository Participants are expected to be credited with in certain days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within 6 Working Days from Bid/Offer Closing Date.

We cannot assure you that the Equity Shares will be credited to the investors' demat account, or that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose of the Equity Shares.

## PROMINENT NOTES

1. Offer of 1,45,79,560 Equity Shares for cash at in price band of [•] to [•] by way of an Offer of Sale by the Selling Shareholders, aggregating upto [•]. The Offer shall constitute upto 38% of the fully diluted post-Offer paid up Equity Share Capital of the Company.
2. The Net Worth of the Company was ₹ 4,769.82 Lacs on restated basis as on June 30, 2016 and ₹ 4,476.73 Lacs on a restated basis as on and March 31, 2016. Further, the Net Worth was ₹ 2527.02 Lacs as on March 31,2015 and ₹ 2548.36 Lacs as on March 31, 2014.
3. The Net Asset Value Per Equity Share on a restated basis was ₹ 12.43 on June 30, 2016 and ₹ 29.17, ₹ 18.62 and ₹ 18.78 on March 31, 2016, March 31, 2015 and March 31, 2014.
4. The average cost of acquisition per Equity Share by our Promoter Mr. P. Sundarapariipooranan is: ₹ 25.64 before bonus and ₹ 12.44 after bonus. Dr. P. Murali has received all the shares through gift therefore cost of Acquisition for Dr. P. Murali is Nil. For details please refer to "**Capital Structure**" on page 48.

For further details, please refer to the chapter "**Capital Structure – Build Up of Promoters Shareholding, Promoters Contribution and Lock-in**" on page 50. The average cost of acquisition per Equity Share by our Promoters has been calculated by taking the average of amounts paid by each our Promoters to acquire Equity Shares.

5. During the period commencing from six months immediately preceding the date of filing of the Draft Red Herring Prospectus, till date, no financing arrangements existed pursuant to which our Promoters, Directors or their relatives have financed the purchase of Equity Shares by any other person.
6. The following are the changes to our name:

Our Company was incorporated as a Private Limited Company "Green Signal Bio Pharma Private Limited" on November 21, 2005 at Chennai under the Companies Act, 1956. Pursuant to our Company passing a resolution under section 13 (2), of the Companies Act 2013 on March 24, 2016, and upon the issuance of a fresh certificate of incorporation consequent to the name change, the name of our Company was changed to GreenSignal Bio Pharma Private Limited with effect from April 21, 2016. Further, the shareholders of our Company passed a resolution dated March 24, 2016 and the Company was changed to a Public Limited Company with effect from May 12, 2016

There have been no changes to the objects of our Company except as disclosed in this Draft Red Herring Prospectus.

7. Any clarification or information relating to the Offer shall be made available by the BRLM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLM who have submitted the due diligence certificate to SEBI for any complaints pertaining to the Offer.

### SECTION III: INTRODUCTION SUMMARY OF INDUSTRY

Vaccination is one of the most cost-effective public health tools to prevent infectious diseases. The last decade saw significant advances in developing, introducing and expanding the reach of vaccines globally. During the 20th century, the average human life span has increased by approximately 30 years, a significant portion of which has been attributed directly to vaccination. More people than ever before were vaccinated, resulting in significant achievements, including the near eradication of polio and significant reductions in deaths caused by vaccine-preventable diseases (diphtheria, measles, neonatal tetanus, pertussis). Around 2 million deaths among children under 5 years of age are prevented annually despite an increase in birth cohorts every year.

The Indian vaccine industry began as a work of state-owned manufacturers supplying basic childhood vaccines to the national immunization program. In recent decades, the number of privately owned firms active in the sector has grown rapidly. Their success in bringing low cost vaccine solutions to public vaccine markets is an important driver behind the emergence of the sector. The industry is now able to produce new and more complex vaccines such as the meningitis, Haemophilus influenzae type b, and pneumococcal conjugate vaccines, rotavirus vaccine and influenza A (H1N1) vaccines, aided by attractive investment environment, governmental support, international partnerships and the growing technical work force. The vaccine industry has also been supplying a large share of basic vaccines to a number of developing countries, and is now exporting more advanced vaccines as well. From a public health perspective, it is a significant contribution that our industry has made, by bringing down prices and keeping them low. Even though price will continue to play an important role, the industry is now in a translational phase, moving from a 'price-driven' to an 'innovation-driven' model.

Though vaccines have transformed public health throughout the world, for children in particular, the burden of vaccine-preventable diseases in India is still substantial and hence the usage of this powerful tool is still not optimal in our country. The Indian vaccines market has a lot of ground to cover in terms of the potential to substantially increase lives saved by improving access to the types of vaccines available and the depth of coverage of those vaccines across the country. So for individual players in the vaccines space, the Indian healthcare presents new vistas of growth, provided challenges in terms of policy barriers, lack of awareness and affordability issues are successfully tackled.

The Biotechnology sector is among one of the sectors which have highlighted the profile of the country in the last decade. At the beginning of the decade itself, this industry began to take shape with the sprouting of dozens of start-up innovation companies as well as the diversification of established Pharma players by setting up biotech divisions, to focus on this segment. Biotechnology is a highly interdisciplinary field that combines biological sciences with computational, chemical as well as engineering technologies to manipulate living organisms or their components to aid simplified and economical processes to produce products that advances healthcare, medicine, agriculture, food, pharmaceuticals and environment control.

Biotechnology can be classified into two broad categories: R&D and discovery of new services and new products in Biological Sciences and Industrial Processes. Being multidisciplinary in nature, the category biological sciences encompasses subjects ranging from computational biology to microbiology, cell biology, genetics, molecular biology, pharmaceuticals etc. for understanding the basic pathology of illness and treatment of diseases including new drug development, development of agriculture, food production, protection of the environment, waste disposal, and many more. The industrial processes aspect deals with the processes of production of drugs, vaccines, biofuels, pharmaceuticals, engineered industrial enzymes, biodegradable polymers, on an industrial scale using biochemical processes and techniques.

With numerous comparative advantages in terms of research and development (R&D) facilities, knowledge, skills, and cost effectiveness, the biotechnology industry in India has immense potential to emerge as a global key player. Some of the best innovations and developments that have come out of Biotechnology and allied fields include: genomic sequencing technology, better understanding of various pathologies, novel and improved diagnostic systems, production of new biopharmaceuticals, procedure to develop vaccine that are more effective, natural alternatives to pesticides, better yielding and resistant crops, production of biofuels, production of industrial enzymes that are engineered for better activity, biodegradable polymers, and developments in stem cells technology.

Growing at a CAGR of 20 percent, the Indian Biotechnology Industry has evolved rapidly over the last three decades. India's biotech sector is currently valued at over USD7bn, having grown at a CAGR of ~20% over the last decade. India is already ranked among the top 12 biotech destinations worldwide and third largest in the Asia Pacific region. Biotechnology in India has already made a significant impact in agricultural, industrial, pharmaceutical and medical sectors. The year-on-year growth of the biotech market is expected to accelerate driven by high demand for vaccines, bio pesticides, bio fertilizers, biodiesel, bio therapeutics and medical devices in India as well as at the global level.

## SUMMARY OF BUSINESS

The global vaccines market is expected to reach USD57bn by 2019 from USD33bn in 2014, growing at a CAGR of 11.8% from 2014 to 2019. Among various end users, the paediatrics segment is expected to account for the largest share of the market with highest CAGR growth during 2014 to 2019. On the back of strong focus of the Government on increasing the immunization activities across the country, increasing awareness, availability of affordable vaccines, the Indian vaccine industry is expected to continue to grow at a CAGR of 12-15% over the next five years.

India is one of the largest manufacturers and exporters of vaccines world-wide, with 12 major vaccine manufacturing facilities. These vaccines are used for the national and international markets (150 countries), which makes India a major vaccine supplier across the globe. UN agencies and partnerships such as UNICEF, UNFPA, UNITAID, the Global Fund and the GAVI Alliance facilitate the supply of life-saving quality assured medicines and vaccines to millions of patients in resource-limited countries across the world. These agencies only buy products that have been through the WHO Prequalification Scheme, which ensures that medicines, vaccines and diagnostics meet international standards of quality, safety and efficacy. India has about seven vaccine manufacturers producing 67 prequalified vaccines (dosage forms). Currently 16 vaccines are prequalified by WHO and exported through United Nations agencies. More than 70% of all measles vaccines used globally are produced in India. Nearly a third of prequalified vaccines, and over two thirds of medicines purchased through these international organizations are produced in India.

We are one of the four companies worldwide who have been WHO-prequalified to supply the BCG vaccine to UNICEF. And we have secured a long term arrangement dated November 23, 2015 with UNICEF to supply the BCG vaccine to UNICEF subject to the purchase orders placed with our company. We also supply the BCG vaccine to the Ministry of Health, India pursuant to the tendering process, in which we have placed successful bids since the year 2010 (except for years 2013-14 and 2014-15). We also supply the BCG vaccine to Indonesia, and Nepal which are countries outside the UNICEF ambit. Our BCG-ONCO for Immunotherapy drug is distributed throughout India vide commercial arrangements in India and we intend to market this immunotherapy drug in overseas jurisdictions as well. Presently, we have made several limited supplies to various countries such as Lebanon, Saudi Arabia, Turkey and Switzerland.

We are an Indian vaccine manufacturing company with global operations. As on date we produce two products:

1. BCG Vaccine for immunization against Tuberculosis
2. BCG-ONCO for Immunotherapy (Freeze Dried) BP for the treatment of Urinary Bladder Carcinoma and our brand name for the same is 'Urovac'.

As both vaccines produced by us are generic drugs we do not require any patents for the same, however we have procured a registered trademark for our BCG ONCO for Immunotherapy drug, name, 'Urovac'.

Our business is organized into domestic (i.e. Indian) and international operations, according to the geographies in which we operate. For fiscal year 2016, our domestic and international operations accounted for 53.80% and 46.20%, respectively, of our net revenues from operations. Our consolidated net revenues from operations grew at a CAGR of 210.70% in the period from fiscal year 2015 to fiscal year 2016.

We have a manufacturing facility located at Pappankuppam Village, Gummidipoondi, Tiruvallur District, Tamil Nadu equipped with advanced equipment dedicated for the manufacturing of live attenuated BCG Vaccine and the BCG-ONCO for immunotherapy.

## SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from:

The Restated Financial Statements of our Company, prepared in accordance with Indian GAAP and the Companies Act, 1956 and 2013 as applicable and restated in accordance with the SEBI ICDR Regulations as at for the period ended June 30, 2016 and for the fiscal year ended 31, 2016, 2015, 2014, 2013 and 2012.

The Restated Financial Statements referred to above are presented under the section “*Financial Information*” on page 124. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and the sections entitled “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 124 and 149, respectively.

### RESTATED STATEMENT OF ASSETS AND LIABILITIES

Particulars	As on June 30, 2016	2016	2015	2014	2013	2012
	₹ in Lacs					
<b>A</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1.0</b>	<b>Shareholders’ funds</b>					
	(a) Share capital	3,836.73	1,534.69	1,357.35	1,357.35	1,357.35
	(b) Reserves and surplus	2,129.33	4,138.28	2,365.91	2,221.01	2,400.73
		5,966.06	5,672.97	3,723.26	3,578.36	3,758.08
	<b>Share application money pending allotment</b>				762.19	698.23
<b>2.0</b>	<b>Non-current liabilities</b>					
	(a) Long-term borrowings			-	2.67	399.68
	(b) Deferred tax liabilities (net)	317.46	313.95	292.59	272.55	215.91
	Total of Non Current Liabilities	317.46	313.95	292.59	272.55	615.59
<b>3.0</b>	<b>Current liabilities</b>					
	(a) Short-term borrowings	387.61	558.07	392.32	398.45	657.96
	(b) Trade payables	107.22	89.46	33.76	25.57	32.27
	(c) Other current liabilities	321.45	299.72	1,425.05	1,419.57	76.31
	Total of Current Liabilities	816.28	947.25	1,851.13	1,843.59	646.18
	<b>TOTAL</b>	<b>7,099.80</b>	<b>6,934.17</b>	<b>5,866.98</b>	<b>5,694.50</b>	<b>5,387.48</b>
<b>B</b>	<b>ASSETS</b>					
<b>1.0</b>	<b>Non-current assets</b>					
	(a) Fixed assets					
	(i) Tangible assets	3,873.09	3,892.44	3,979.67	3,648.69	3,868.27
	(ii) Capital work-in-progress	1,146.79	1,146.79	1,159.67	1,124.16	849.81
	Total Non Current Assets	5,019.88	5,039.23	5,139.34	4,772.85	4,718.08
<b>2.0</b>	<b>Current assets</b>					
	(b) Inventories	693.29	738.50	529.70	491.75	617.87
	(c) Trade receivables	867.88	472.32	71.02	342.79	278.63
	(d) Cash and cash equivalents	286.34	404.15	65.26	(0.61)	11.78
	(e) Short-term loans and advances	232.41	279.97	61.66	87.72	91.72
	(f) Other current assets			-	-	-
	Total of Current Assets	2,079.92	1,894.94	727.64	921.65	1,000.00
	<b>TOTAL</b>	<b>7,099.80</b>	<b>6,934.17</b>	<b>5,866.98</b>	<b>5,694.50</b>	<b>5,387.48</b>

**RESTATED STATEMENT OF PROFIT AND LOSS**

	Particulars	For the period ended on June 30, 2016	2016	2015	2014	2013	2012
<b>A</b>	<b>CONTINUING OPERATIONS</b>						
<b>1</b>	Revenue from operations (gross)	1014.70	2,038.72	656.16	350.99	1,167.78	1,126.58
	Less: Excise duty	-	-	-	-	-	-
	Revenue from operations (net)	1014.70	2,038.72	656.16	350.99	1,167.78	1,126.58
<b>2</b>	Other income	5.85	10.53	4.13	1.81	2.02	-
<b>3</b>	<b>Total revenue (1+2)</b>	<b>1,020.55</b>	<b>2,049.25</b>	<b>660.29</b>	<b>352.80</b>	<b>1,169.80</b>	<b>1,126.58</b>
<b>4</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	135.73	573.90	160.05	77.27	265.66	348.38
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	162.43	(164.39)	25.25	(8.15)	138.91	77.57
	(c) Operations Cost	74.49	200.91	64.31	50.33	130.60	142.35
	(d) Employee benefits expense	88.81	172.00	106.42	61.82	219.10	127.67
	(e) Finance costs	12.36	66.41	71.15	116.07	158.13	210.89
	(f) Depreciation and amortisation expense	30.39	119.17	115.10	112.79	112.55	112.33
	(g) Other expenses	143.79	387.49	119.30	48.58	162.02	112.37
	<b>Total expenses</b>	<b>648.00</b>	<b>1,355.49</b>	<b>661.58</b>	<b>458.71</b>	<b>1,186.97</b>	<b>1,131.56</b>
<b>5</b>	<b>Restated Profit / Loss before exceptional and extraordinary items and tax (3 - 4)</b>	<b>372.55</b>	<b>693.76</b>	<b>(1.29)</b>	<b>(105.91)</b>	<b>(17.17)</b>	<b>(4.98)</b>
<b>6</b>	Exceptional items	-	-	-	-	-	-
<b>7</b>	<b>Restated Profit / Loss before extraordinary items and tax (5 + 6)</b>	<b>372.55</b>	<b>693.76</b>	<b>(1.29)</b>	<b>(105.91)</b>	<b>(17.17)</b>	<b>(4.98)</b>
<b>8</b>	Extraordinary items	-	-	-	-	-	-
<b>9</b>	<b>Restated Profit / Loss before tax (7 + 8)</b>	<b>372.55</b>	<b>693.76</b>	<b>(1.29)</b>	<b>(105.91)</b>	<b>(17.17)</b>	<b>(4.98)</b>
<b>10</b>	<b>Tax expense:</b>						
	(a) Current tax expense for current year	75.95	141.45	-	-	-	-
	(b) (Less): MAT credit (where applicable)	-	-	-	-	-	-
	(c) Current tax expense relating to prior years	-	-	-	-	-	-
	(d) Net current tax expense	75.95	141.45	-	-	-	-
	(e) Deferred tax	3.51	21.36	20.04	23.80	32.84	43.13
	<b>Total Tax Expense</b>	<b>79.46</b>	<b>162.81</b>	<b>20.04</b>	<b>23.80</b>	<b>32.84</b>	<b>43.13</b>
<b>11</b>	<b>Restated Profit / (Loss) from continuing operations (9 +10)</b>	<b>293.09</b>	<b>530.95</b>	<b>(21.33)</b>	<b>(129.71)</b>	<b>(50.01)</b>	<b>(48.11)</b>
<b>12</b>	<b>Restated Profit / (Loss) for the year</b>	<b>293.09</b>	<b>530.95</b>	<b>(21.33)</b>	<b>(129.71)</b>	<b>(50.01)</b>	<b>(48.11)</b>



**RESTATED STATEMENT OF CASH FLOW**

PARTICULARS	As on June 30, 2016	2016	2015	2014	2013	2012
	₹ in Laacs					
<b>A. Cash flow from Operating Activities</b>						
<b>Net profit as per Profit and loss account</b>	293.09	<b>530.95</b>	<b>(21.33)</b>	<b>(129.71)</b>	<b>(50.01)</b>	<b>(48.11)</b>
<b>ADJUSTMENTS FOR</b>						
Depreciation in books	30.39	119.17	115.10	112.79	112.55	112.33
Preliminary expenditure written off						
Deferred Tax	3.51	21.36	20.04	23.80	32.84	43.13
Share Issue Expenses written off						
Provision for Income tax & FBT	75.95	141.45	-	-	-	-
<b>Operating cash flows before adjusting for working capital changes</b>	402.94	<b>812.93</b>	<b>113.81</b>	<b>6.88</b>	<b>95.38</b>	<b>107.35</b>
<b>Adjustment for Working Capital changes</b>						
Decrease/(Increase) in Sundry debtors	(395.56)	(401.30)	271.77	(266.51)	202.35	(233.73)
Decrease/(Increase) In other Current assets	(92.77)	(427.11)	(11.88)	(27.28)	157.40	76.92
Increase / (Decrease) in Current liabilities and provisions	(206.92)	(1,045)	7.53	1,177.78	(100.73)	26.77
<b>Operating cash flow after Adjusting for working Capital changes</b>	(106.77)	<b>(1,060.81)</b>	<b>381.23</b>	<b>890.87</b>	<b>354.40</b>	<b>(22.69)</b>
<b>Net Cash Flow from operating activities – A</b>	(107.77)	<b>(1,060.81)</b>	<b>381.23</b>	<b>890.87</b>	<b>354.40</b>	<b>(22.69)</b>
<b>B. Cash Flow from Investing Activities</b>						
Purchase of Fixed Assets	(11.04)	(31.94)	(279.85)	-	(5.76)	(11.87)
Capital Work in Progress	-	12.88	(35.51)	(123.53)	(150.82)	(146.23)
<b>Net cash From Investing activities – B</b>	(11.04)	<b>(19.06)</b>	<b>(315.36)</b>	<b>(123.53)</b>	<b>(156.58)</b>	<b>(158.10)</b>
<b>C. Cash flow from Financing Activities</b>						
Proceeds from Bank Loans	-	-		(2.66)	(276.65)	(266.72)
Proceeds from issue of shares	-	1,418.76		(762.19)	63.95	443.30
<b>Net Cash Flow From Financing Activities – C</b>	-	<b>1,418.76</b>	<b>-</b>	<b>(764.85)</b>	<b>(212.70)</b>	<b>176.58</b>
<b>Net Increase in cash and Cash equivalents (A + B + C)</b>	(117.81)	<b>338.89</b>	<b>65.87</b>	<b>2.49</b>	<b>(14.88)</b>	<b>(4.21)</b>
Add: Cash and cash equivalents at the beginning of the year	404.15	65.26	(0.61)	(3.10)	11.78	15.99
<b>Cash and cash equivalents at the end of the year</b>	286.34	<b>404.15</b>	<b>65.26</b>	<b>(0.61)</b>	<b>(3.10)</b>	<b>11.78</b>
(a) Cash on hand	3.81	1.52	1.75	0.11	0.17	0.13
(c) Balances with banks						
(i) In current accounts	13.92	179.81	0.78	(0.72)	(3.27)	11.65
(i) In deposit accounts	256.83	221.67	62.73	-	-	-
Interest accrued thereon	11.78	1.15	-	-	-	-
<b>Total</b>	286.34	<b>404.15</b>	<b>65.26</b>	<b>(0.61)</b>	<b>(3.10)</b>	<b>11.78</b>

## THE OFFER

Offer for Sale of Equity Shares	Upto 1,45,79,560 Equity Shares aggregating to ₹ 14,57,95,600 lacs <sup>1</sup>
<b>Of which</b>	
Offer for sale by P Sundarapariipooranan	Upto 81,69,430 Equity Shares <sup>2</sup>
Offer for sale by P. Murali	Up to 33,91,980 Equity Shares <sup>3</sup>
Offer for sale by Avon Cycles Limited	Up to 23,75,000 Equity Shares <sup>4</sup>
Offer for sale by R. Srinivasan	Up to 19,000 Equity Shares <sup>5</sup>
Offer for sale by Mallika Murali	Upto 6,24,150 Equity Shares <sup>6</sup>
<i>The offer consist of</i>	
<b>A) QIB Portion</b>	1,09,34,670
Of which Anchor Portion	65,60,802
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	43,73,868
<i>Of which</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion, excluding the Anchor Investor Portion)	2,18,693
Balance of QIB Portion for all QIBs including Mutual Funds	41,55,175
<b>B) Non-Institutional Portion</b>	21,86,934
<b>C) Retail Portion</b>	14,57,956
<b>Pre-Offer and Post-Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer and after the Offer	38,36,72,750

1. Offer has been authorised by Board of Directors vide resolution dated May 23, 2016.
2. Offer for sale of up to 81,69,430 Equity Shares by P Sundarapariipooranan has been authorised through consent letter dated May 23, 2016.
3. Offer for sale of up to 33,91,980 Equity Shares by P. Murali has been authorised through consent letter dated May 23, 2016.
4. Offer for sale of up to 23,75,000 Equity Shares by Avon Cycle Limited has been authorised through Resolution of Board of Avon Cycle Limited dated May 23, 2016.
5. Offer for sale of up to 19,000 Equity Shares by R. Srinivasan has been authorised through consent letter dated May 23, 2016.
6. Offer for sale of up to 6,24,150 Equity Shares by Mallika Murali has been authorised through consent letter dated May 23, 2016.

Allocation to Bidders in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price.

*For details of the Offer procedure, including the grounds for rejection of Bids, please refer to “Offer Procedure” on page 193. For details of the terms of the Offer, please refer to “Terms of the Offer” on page 185.*

## GENERAL INFORMATION

Our Company was incorporated as a Private Limited Company “**Green Signal Bio Pharma Private Limited**” on November 21, 2005. Pursuant to our Company passing a resolution under Section 13 of the Companies Act, 2013 and Rule 29 of the Companies (Incorporation) Rules, 2014 on March 24, 2016 and upon the issuance of a fresh certificate of incorporation dated April 21, 2016 consequent to the name change, the name of our Company was changed to GreenSignal Bio Pharma Private Limited. Further, the shareholders of our Company passed a resolution dated March 24, 2016 under Section 18 of the Companies Act, 2013 Company was changed to a Public Limited Company with effect from May 12, 2016. For further details relating to incorporation, corporate structure, please refer chapter “**History and Certain other Corporate Matters**” on page 106. The CIN of our Company is U24232TN2005PLC058068.

### Registered Office

Old No.5, New No.13/A3,  
Sai Nikethan, Circular Road,  
United India Colony,  
Kodambakkam, Chennai 600 024.  
Tamil Nadu, India.  
Telephone No: +91 44 2472 2244  
Fax No: +91 44 2472 2233  
Website: www.gsbpl.com  
Registration Number: 58068  
Corporate Identity Number: U24232TN2005PLC58068

### Address of the RoC

Registrar of Companies, Chennai, Tamil Nadu  
Block No.6, “B” Wing,  
2<sup>nd</sup> Floor, 26 Shastri Bhawan,  
Chennai- 600 034.  
Tamil Nadu, India.

### Board of Directors

Our Board of Directors comprises of:

Name	Designation	DIN	Address
<b>Mr. N. Gopalaswami</b>	Chairman, Non Executive, Independent Director	02779229	Flat No.5, Leo Madhuram, 39 Giri Road, T Nagar, Chennai 600 017.
<b>Dr. P. Murali</b>	Managing Director	02277738	No.215, ICC 5 <sup>th</sup> Street, W Block, B Sector, Anna Nagar West Extn, Chennai 600 101.
<b>Mr. E. S. Chandrasekaran</b>	Executive Director	02377328	Flat No.3, Orchid Krish Aruna, No.7, 31 <sup>st</sup> Cross St, Besant Nagar, Chennai 600 090.
<b>Dr. P. Perumalsamy</b>	Non-Executive Independent Director	07497868	No.86, 2 <sup>nd</sup> Main Road, Mogappair West Garden, Nolambur, Chennai 600 037.
<b>Mrs. Lakshmi V Iyer</b>	Non-Executive Independent Director	07498857	No.29, Block I, Sindur Green Park, Jayachandran Nagar, Jalandanpet, Chennai 600 100.

For further details of our Board of Directors, please refer to the Chapter “**Our Management – Board of Directors**” on page 109.

### Chief Financial Officer

#### Mr. E. Mullaivalavan

Old No.5, New No.13/A3,  
Sai Nikethan, Circular Road,  
United India Colony,  
Kodambakkam, Chennai 600 024.  
Tamil Nadu, India.  
Telephone No: +91 44 2472 2244  
Fax No: + 91 44 24722233  
E Mail: mullaivalavan@gsbpl.com

## **Company Secretary and Compliance Officer**

### **Ms. S. Rathna Prabha**

Old No.5, New No.13/A3,  
Sai Nikethan, Circular Road,  
United India Colony,  
Kodambakkam, Chennai 600 024.  
Tamil Nadu, India.  
Telephone No: +91 44 2772 2244, Extn. 25  
Fax No: +91 44 2472 2233  
E Mail: cs@gsbpl.com

**Bidders can contact the Compliance Officer, the Registrar to the Offer or the BRLM, in case of any pre-Offer or post-Offer related problems, such as non-receipt of Allotment Advice, credit of allotted shares in the respective beneficiary account or refund orders, etc.**

Bidders may contact the Book Running Lead Managers for complaints, information or clarifications pertaining to the Offer.

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

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

All grievances of the Anchor Investors may be addressed to the Registrar and Share Transfer Agent to the offer, giving full details such as the name of the sole or first Bidder, Anchor Investor Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor. Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the Bidder shall also enclose the acknowledgement from the Registered Broker in addition to the document or information mentioned hereinabove.

## **Book Running Lead Manager to the Offer**

### **INDIAN OVERSEAS BANK**

Merchant Banking Division,  
763, Anna Salai,  
Chennai- 600 002  
Tel.: + 91 44 2851 9548/ 2888 9367;  
Email: mbd@iobnet.co.in  
Investor Grievance Email: mbdregu@iobnet.co.in  
Website: www.iob.in  
Contact Person: (i) Mrs. B. Gomathy/Mrs. S. Chandra, Merchant Banking Division, Chennai  
(ii) Mr. Muralidharan, Capital Market Services Branch, Mumbai  
Tel: + 91 22 226 22017/2262 2018

Compliance Officer: Mrs. B. Gomathy  
SEBI Registration No: INM000001386

## **Registrar to the Offer**

### **BIGSHARE SERVICES PRIVATE LIMITED**

E2 Ansa Industrial Estate, Sakivihar Road, Sakinaka  
Andheri East, Mumbai – 400 072  
Tel: + 91 22 4043 0200;  
Facsimile: + 91 22 2847 5207  
Email: ipo@bigshareonline.com;  
Investor Grievance Email: investor@bigshareonline.com  
Website: www.bigshareonline.com

Contact Person: Mr. Ashok Shetty  
SEBI Registration No.: INR000001385

**Auditor to the Company**

**M/s. RAJ AND RAVI, Chartered Accountants**  
New 7 A, Plot No.16, Ganesh Nagar 2<sup>nd</sup> Street,  
Adambakkam, Chennai 600 088.  
Firm Registration Number: 10935S

**Bankers to the Company**

**Union Bank of India**  
New No.42, Old No.51  
Thirumalai Road  
T. Nagar, Chennai 600017.  
Tel: + 91 44 2346 0811

**Kotak Mahindra Bank**  
Sri Sai Building, # 337  
Arcot Road, Kodambakkam  
Chennai – 600 024  
Tel : + 91 44 43587800/05

**Indian bank**

4/12, Trustpuram III cross  
Kodambakkam  
Chennai – 600 024  
Tel: +91 44 24843531

**Legal Counsel to the Offer**

**MVKini, Law Firm**  
Kini House, 261-263,  
Near Citi Bank  
D.N. Road. Fort,  
Mumbai-400 001

**Escrow Banker to the Offer**

[•]

**Refund Bank**

[•]

**Syndicate Members**

[•]

**Credit Rating**

As this Offer is an offer for sale of the Equity Shares, there is no credit rating for this Offer.

**Monitoring Agency**

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

**IPO Grading**

No credit rating agency registered with SEBI has been appointed for grading the Offer.

**Appraising Entity**

None of the objects for which the Offer Proceeds will be utilised have been appraised by any agency.

## Trustees

The Offer being an offer for sale of the Equity Shares, the appointment of trustees is not required.

## Experts

Except for the report of our Auditors on the restated standalone financial statements and the Statement Of Tax Benefits included in this Draft Red Herring Prospectus on pages 124 and 60, respectively, our Company has not obtained any expert opinion. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received consent from M/s. RAJ AND RAVI, Chartered Accountants, to include in the Draft Red Herring Prospectus, and report dated July 2, 2016 the statement of tax benefits available. For details, please refer to “*Statement of Tax Benefits*” on page 60.

## Statement of Responsibilities for the Offer

The following table sets forth the responsibilities of the BRLM in relation to this Offer.

S. No.	Activity
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus including memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities
3.	Drafting and approval of all statutory advertisement
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including media monitoring, corporate advertisement, brochure etc.
5.	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency and Bankers to the Offer
6.	International institutional marketing strategy <ul style="list-style-type: none"><li>• Preparation of road show presentation</li><li>• Finalize the list and division of investors for one to one meetings, in consultation with the Company, and</li><li>• Finalize the list and division of investors for one to one meetings, in consultation with the Company, and Finalizing the International road show schedule and investor meeting schedules</li></ul>
7.	Domestic institutions / banks / mutual funds marketing strategy <ul style="list-style-type: none"><li>• Finalize the list and division of investors for one to one meetings, institutional allocation in consultation with the Company.</li><li>• Finalizing the list and division of investors for one to one meetings, and</li><li>• Finalizing investor meeting schedules</li></ul>
8.	Non-Institutional and Retail marketing of the Offer, which will cover, inter alia, <ul style="list-style-type: none"><li>• Formulating marketing strategies, preparation of publicity</li><li>• budget</li><li>• Finalize Media and PR strategy</li><li>• Finalizing centres for holding conferences for press and brokers</li><li>• Finalising collection centres;</li><li>• Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material</li></ul>
9.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading.
10.	Coordination with Stock-Exchanges for payment of 1% security deposit through cash and bank guarantee
11.	Finalization of pricing, in consultation with the Company
12.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds

	and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks etc. Including responsibility for underwriting arrangements, as applicable.
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### **Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details of the Designated Branches which shall collect Bid cum Application Forms, please refer to the above-mentioned link.

### **Registered Brokers**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, as updated from time to time.

### **Registrar to Offer and Share Transfer Agents**

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of BSE and the NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of BSE and the NSE at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, as updated from time to time.

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

### **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 Red Herring Prospectus within the Price Band, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLM, and advertised at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLM after the Bid/Offer Closing Date.

Subject to valid Bids being received at or above the Offer Price pursuant to the Net Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made through the Book Building Process, wherein not less than 75% of the Net Offer will be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price to the Anchor Investor, on a discretionary basis subject to valid bids being received at Anchor Investor Offer Price. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price and not more than 10% of the Net Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Allotment of Equity Shares to each of the Retail Individual Investors shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Any unsubscribed portion in any reserved category shall be added to the Net Offer. In case of under-subscription, if any, in Non-Institutional and Retail Individual categories, the under subscription would be allowed to be met with spill over inter-se from any other categories, at the discretion of our Company and Selling Shareholders in consultation with the BRLM and subject to applicable provisions of SEBI ICDR Regulations. However, under-subscription in the Net QIB Portion would not be allowed to be met with spill-over from any other category.

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

**In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-institutional Bidders bidding in the Non-Institutional Portion 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/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis.**

For further details, see section entitled “*Offer Procedure*” on page 193

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI for this Offer. In this regard, our Company and the Selling Shareholders have appointed the BRLM to manage the Offer and procure purchases for the Offer.

The process of Book Building under the SEBI ICDR Regulations and the ASBA process 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 Offer.

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

*Investors should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, offer size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at bidding.

<b>Bid Quantity</b>	<b>Bid Price</b>	<b>Cumulative Quantity</b>	<b>Subscription (%)</b>
500	24	500	16.7
1,000	23	1,500	50.0
1,500	22	3,000	100.0
2,000	21	5,000	166.7
2,500	20	7,500	250.0

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

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

### **Underwriting Agreement**

After the determination of the Offer Price and allocation of the Equity Shares, but prior to filing of the Prospectus with the Registrar of Companies, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer.

It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of the Equity Shares:

*This portion has been intentionally left blank and will be filled in before filing of the Prospectus with Registrar of Companies.*

<b>Name, address, telephone number, fax number and e-mail of the Underwriters</b>	<b>Indicative Number of the Equity Shares to be Underwritten</b>	<b>Amount Underwritten (₹ In lacs)</b>
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[•]	[•]	[•]
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The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Offer and actual allocation and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on certificates provided by Underwriters), resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as stock brokers with the Stock Exchanges. The Board of Directors/ Committee of Directors, has accepted and entered into the Underwriting Agreement on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the BRLM and the Syndicate Members shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

## CAPITAL STRUCTURE

The Equity Share Capital of our Company as on the date of this Draft Red Herring Prospectus is set forth below:

Sl. No.	Particulars	Aggregate Value at Face Value of ₹ 10 each	Aggregate Value at Offer Price
A.	<b>Authorised Share Capital</b>		
	4,00,00,000 Equity Shares	40,00,00,000	
B.	<b>Issued, Subscribed and Paid Up Capital before the Offer</b>		
	3,83,67,275 Equity Shares	38,36,72,750	
C.	<b>Present Offer</b>		
	1,45,79,560 Equity Shares	14,57,95,600	[•]
D	<b>Issued, Subscribed and Paid Up Capital after the Offer</b>		
	3,83,67,275 Equity Shares	38,36,72,750	
E	<b>Share Premium Account</b>		
	Before the Offer	5,95,07,500	
	After the Offer	5,95,07,500	

The Equity Shares offered by the Selling Shareholders in the offer are eligible for being offered for sale in terms of Regulation 26(6) of the SEBI ICDR Regulations. The Offer for Sale has been authorised by the Selling Shareholders as follows:

Sl. No.	Name of the Selling Shareholder	Number of Equity Shares offered	Date of the consent letter and offer letter
1	P. Sundarapariipooranan	81,69,430	May 23, 2016
2	P. Murali	33,91,980	May 23, 2016
3	Avon Cycles Limited	23,75,000	May 23, 2016
4	R. Srinivasan	19,000	May 23, 2016
5	Mallika Murali	6,24,150	May 23, 2016
	<b>TOTAL</b>	<b>1,45,79,560</b>	

The offer has been authorised by the Board of Directors pursuant to the resolution dated May 23, 2016

### Changes in the Authorised Share Capital of our Company

The changes in the Equity Share Capital of our company are provided in the following table:

Date	No of Equity Shares increased	Cumulative No. Of Equity Shares	Authorised Share Capital (in ₹)	Face Value (in ₹)	Details of changes
November 21, 2005	50,000	50,000	5,00,000	10	Initial Authorised Share Capital out of which 10,000 shares were allotted
March 29, 2007	1,99,50,000	2,00,00,000	20,00,00,000	10	Increase in the Authorised Share Capital
May 02, 2016	2,00,00,000	4,00,00,000	40,00,00,000	10	Increase in the Authorised Share Capital

### Notes to Capital Structure

- Equity Share Capital History of our Company*

- a. The history of the equity share capital and share premium account of our Company is provided for in the following table:

Date of allotment	No. of Equity Shares Allotted	Face Value	Issue Price	Reason for Allotment	Consideration	Cumulative No. of Equity shares	Cumulative Paid up equity capital	Cumulative Securities Premium
November 21, 2005	10,000	10	10	Initial Subscription to MoA	Cash	1,00,000	1,00,000	-
March 28, 2008	6,17,000	10	50	Preferential Allotment <sup>(1)</sup>	Cash	62,70,000	62,70,000	2,46,80,000
	64,73,000	10	10	Preferential Allotment <sup>(2)</sup>	Cash	7,10,00,000	7,10,00,000	
January 30, 2010	29,23,460	10	10	Preferential Allotment <sup>(3)</sup>	Cash	10,02,34,600	10,02,34,600	4,08,80,000
	4,00,000	10	50	Conversion of loan <sup>(4)</sup>	Cash	10,42,34,600	10,42,34,600	
	5,000	10	50	Preferential Allotment <sup>(5)</sup>	Cash	10,42,84,600	10,42,84,600	
April 01, 2010	15,00,000	10	50	Conversion of loan <sup>(6)</sup>	Cash	11,92,84,600	11,92,84,600	9,97,69,650*
	1,45,000	10	50	Preferential Allotment <sup>(7)</sup>	Cash	12,07,34,600	12,07,34,600	10,55,69,650
March 01, 2011	15,00,000	10	50	Preferential Allotment <sup>(8)</sup>	Cash	13,57,34,600	13,57,34,600	16,55,69,650
March 26, 2016	17,73,450	10	80	Preferential Allotment <sup>(9)</sup>	Cash	15,34,69,100	15,34,69,100	28,97,11,150
May 2, 2016	2,30,20,365	10	NA	Bonus <sup>(10)</sup>	Bonus	38,36,72,750	38,36,72,750	5,95,07,500 <sup>#</sup>

\* After deduction for Preliminary Expenses of ₹11,10,350/- incurred before incorporation of the Company.

# After issue of Bonus Shares by capitalization of Reserves.

- (1) Preferential Allotment has been authorised by our shareholders through a resolution passed in the Board Meeting held on March 28, 2008.
- (2) Preferential Allotment has been authorised by our shareholders through a resolution passed in the Board Meeting on March 28, 2008.
- (3) Preferential Allotment has been authorised by our shareholders through a resolution passed in the Board Resolution held on January 30, 2010.
- (4) The company has allotted equity shares on conversion of a loan, as authorised by the Board through a resolution dated January 30, 2010.
- (5) Preferential Allotment has been authorised by our shareholders through a resolution passed in the Board Resolution held on January 30, 2010.
- (6) The company has allotted equity shares on conversion of a loan, as authorised by the Board through a resolution dated April 1, 2010.
- (7) Preferential Allotment has been authorised by our shareholders through a resolution passed in the Board Meeting held on April 1, 2010.
- (8) Preferential Allotment has been authorised by our shareholders through a resolution passed in the Board Resolution held on March 1, 2011.
- (9) Preferential Allotment has been authorised by our shareholders through a resolution passed in the Board resolution held on March 26, 2016.
- (10) Bonus issue in the ratio of 3:2 to the then existing Shareholders, authorised by our shareholders through a resolution passed at the AGM held on May 2, 2016.

- b. As on date of this Draft Red Herring Prospectus, our Company has not issued any Preference Shares.

**2. Our Company has not allotted any shares in terms of any scheme approved under sections 391-394 of the Companies Act, 1956.**

**3. Our Company has not revalued its assets, except as disclosed below:**

The Company has revalued the land held by it to an extent of 34.01 acres in Kunnavalam Village, Thiruvallur District during the financial year 2014-15. The land was revalued to ₹ 459.20 Lacs as per

the prevailing guideline value. The revaluation was done for administrative purposes and the same was reflected in the financial statements for the year ended March 31, 2015.

**4. Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price in the preceding one year from the date of the Draft Red Herring Prospectus**

**5. Details of shares allotted for consideration other than cash**

The company has allotted the following shares for a consideration other than cash:

Date of allotment	No. of Equity Shares Allotted	Face Value	Issue Price	Reason for Allotment
May 2, 2016	2,30,20,365	10	NA	Bonus <sup>(3)</sup>

(1) Bonus issue in the ratio of 3:2 to the then existing Shareholders, authorised by our shareholders through a resolution passed at the AGM held on May 2, 2016

**6. Build-up of Promoters Shareholding, Promoters Contribution and Lock-in**

As on date of this Draft Red Herring Prospectus, our Promoters hold 30363500 Equity shares, constituting 79.14% of the issued, subscribed and paid-up Equity Share Capital of our Company. The details regarding our Promoter's Shareholding in our Company is set below:

**A. Build-Up of Equity Shares held by our Promoters in our company**

**1. Mr. P. Sundarapariipooran**

Sl. No.	Date of allotment/ transfer	Nature of Transaction	Number of equity shares	Face Value	Issue Price per Equity Share	Details of Pledged Equity Shares
1	November 21, 2005	Cash	9,900	10	10.00	None
2	August 03, 2006	Gift <sup>(1)</sup>	(10)	10	No consideration	None
3	March 28, 2008	Preferential Allotment in Cash	59,63,100	10	10.00	None
4	January 30, 2010	Preferential Allotment in Cash	27,56,460	10	10.00	None
5	April 01, 2010	Preferential Allotment in Cash	15,00,000	10	40.00	None
6	April 01, 2010	Preferential Allotment in Cash	1,45,000	10	40.00	None
7	September 29, 2010	Gift <sup>(2)</sup>	(59,73,000)	10	No consideration	None
8	March 26, 2016	Gift <sup>(3)</sup>	24,00,000	10	No consideration	None
9	March 26, 2016	Purchase <sup>(4)</sup>	20,000	10	10.00	None
10	March 26, 2016	Preferential Allotment	17,73,450	10	80.00	None
11	May 2, 2016	Bonus issue in the ratio of 3:2	1,28,92,350	10	0.00	None

(1) Equity shares gifted to Mr. Ilayaraja.

(2) Equity Shares are gifted by Mr. P. Sundarapariipooran to his brother Dr. P. Murali.

(3) 24,00,000 Equity Shares gifted to Mr. P. Sundarapariipooran by his brother Dr. P. Murali.

(4) 20000 Equity Shares are purchased from Ms.B. Dhakshayani by Mr. P. Sundarapariipooran.

(5) The company has made a Preferential Allotment of 1,773,450 Equity Shares at the premium to Mr.P. Sundarapariipooran.

## 2. Dr. P. Murali

Sl. No.	Date of allotment/ transfer	Nature of Transaction	Number of equity shares	Face Value (₹)	Issue Price per Equity Share (₹)	Details of Pledged Equity Shares
1	September 29, 2010	Gift <sup>(1)</sup>	59,73,000	10	0.00	None
2	March 26, 2016	Gift <sup>(2)</sup>	(24,00,000)	10	0.00	None
3	March 26, 2016	Cash	(2,500)	10	80.00	None
4	May 23, 2016	Bonus issue in the ratio of 3:2	53,55,750	10	0.00	None

(1) Equity Shares are received by Dr. P. Murali as gift from Mr. P. Sundarapariipooran.

(2) 2400000 Equity shares gifted to Mr. P. Sundarapariipooran by Dr. P. Murali

**All the equity shares were fully paid-up at the time of allotment**

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

The table below presents the Shareholding Pattern of our Promoters and Promoter Group as on date of this Draft Red Herring Prospectus

Sl. No.	Name of the Shareholder	Pre-Offer		Post-Offer		No. Of Equity Shares Pledged
		No. Of Equity Share	% of holding	No. Of Equity Share	% of holding	
1	P. Sundarapariipooran	2,14,87,250	56.00	1,33,17,820	34.71	-
2	P. Murali	89,26,250	23.27	55,34,270	14.42	-
3	Mallika Murali	16,42,500	4.28	10,18,350	2.65	-
	<b>Total</b>	<b>32,0,56,000</b>	<b>83.55</b>	<b>1,98,70,440</b>	<b>51.79</b>	-

### C. Details of Equity Shares offered as Offer for Sale by the Selling Shareholders

The following Shareholders are offering for sale an aggregate of 1,45,79,560 Equity Shares in this Offer pursuant to the consent letters issued to our Board of Directors:

Sl. No.	Name of the Shareholder	Category	No. Of Equity Shares held as on date of this Draft Red Herring Prospectus	No. Of Equity Shares Offered	Date of the Consent Letter
1	P. Sundarapariipooran	Promoter	2,14,87,250	81,69,430	May 23, 2016
2	P. Murali	Promoter	89,26,250	33,91,980	May 23, 2016
3	Mallika Murali	Promoter Group	16,42,500	6,24,150	May 23, 2016
4	Avon Cycles Limited	Public	62,50,000	23,75,000	May 23, 2016
5	R Srinivasan	Public	50,000	19,000	May 23, 2016
	<b>Total</b>		<b>38,356,000</b>	<b>14,579,560</b>	

The Equity shares being offered in this Offer by the Selling Shareholders are eligible for being offered for sale in accordance with Regulation 26(6) of SEBI ICDR Regulations. The bonus share which are being offered for sale in the Offer (i) have been issued out of share premium existing in the books of accounts as at March 31, 2016 and (ii) have not been issued by utilization of revaluation reserves or unrealized profits of the Company.

### D. Details of Promoter's contribution locked-in for three years

Pursuant to the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be locked in as minimum Promoters' contribution for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year. The Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, our Company confirms the following:

- i) The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves, or unrealised profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- ii) The Company has not been formed by the conversion of a partnership firm into a company;
- iii) The Equity Shares offered towards Promoters' contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer except as stated below:
- iv) All the Equity Shares held by the Promoters are in dematerialized form and the Equity Shares being offered towards minimum Promoter's contribution are not subject to any pledge.
- v) Other Equity shares offered shall also be applicable to the one year lock in period.

The details of the Equity Shares which are eligible for lock-in towards minimum Promoter's contribution for a period of three years from the Date of Allotment are set out in the following table:

Sl. No.	Name of Promoter	No. Of Equity Shares	Face Value	% of	
				Pre Offer Capital	Post Offer Capital**
1	P. Sundarapariipooranan	72,67,820	10	18.94	14.31
2	P. Murali	55,34,270	10	14.43	5.69
	<b>Total</b>	<b>1,28,02,090</b>	<b>10</b>	<b>33.37</b>	<b>20.00</b>

\*\*subject to the finalization of the Basis of Allotment

Our Promoters have confirmed to our Company and the BRLM that all Equity Shares that have been allotted or acquired by our Promoters and eligible to be offered towards minimum Promoters' contribution have been financed from own funds of the Promoters and that no loans were availed for such purpose.

For details of the build-up of our Promoters shareholding, please refer to "**Build-Up of Equity Shares held by our Promoters**" on page 50 of this Draft Red Herring Prospectus.

Our Promoters have confirmed to our Company and the BRLM that all Equity Shares that have been allotted or acquired by our Promoters and eligible to be offered towards minimum Promoters' contribution have been financed from own funds of the Promoters and that no loans were availed for such purpose.

The minimum Promoters' contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as 'Promoter' under the SEBI ICDR Regulations. All Equity Shares offered as minimum Promoters' contribution were fully paid-up at the time of their Issue.

#### **E. Other Requirements in respect of Lock-in**

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for three years as specified above and except the Equity Shares offered by the Selling Shareholders in the Offer, the entire pre-Offer equity share capital of our Company, will be locked-in for a period of one year from the date of Allotment.

The Equity Shares held by our Promoters which are locked-in from the date of Allotment as mentioned above may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

The Equity Shares held by our Promoters which are locked-in may be transferred to and amongst the Promoter Group entities or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer 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.

Balance of the Equity Shares offered as part of the Offer and remaining unsold shall be locked-in for one year.

#### F. Lock-in of Equity Shares allotted to Anchor Investors

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

### 7. Shareholding Pattern of our Company

The table below represents the Shareholding Pattern of our Company as on 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 Receipt (VI)	Total nos shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of A+B+C )
1	2	3	4	5	6	7	8
A	Promoter & Promoter Group	3	3,20,56,000	0	0	3,20,56,000	83.55%
B	Public	5	63,11,275	0	0	63,11,275	16.45%
C	Non Promoter Non Public	0	0	0	0	0	0
C1	Shares underlying DRs	0	0	0	0	0	0
C2	Shares held by Employee Trusts	0	0	0	0	0	0
	<b>Total</b>	<b>8</b>	<b>3,83,67,275</b>			<b>3,83,67,275</b>	<b>100.00</b>

Number of Voting Rights held in each class of securities (IX)			No. of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares (XII)		Number of Shares Pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
No. of Voting Rights		Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
Class X	Class Y		Total	15					16	17
9	10	11	12	13	14	15	16	17	18	19
3,20,56,000	0	3,20,56,000	83.55%	0	83.55%	0	0	0	0	3,20,56,000
6311275	0	63,11,275	16.45%	0	16.45%	0	0	0	0	63,11,275
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0

0	0	0	0	0	0	0	0	0	0	0
38367275	0	3,83,67,275	100.00		100.00					3,83,67,275

The list of public shareholders holding more than 1% of the Pre-Offer paid-up capital of our Company is given below:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1	Avon Cycles Limited	62,50,000	16.29
	<b>Total</b>	62,50,000	16.29

## 8. Equity Shares held by Top Ten Shareholders

### a) On date of this Draft Red Herring Prospectus

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1	P. Sundaraparipooranan	2,14,87,250	56.00
2	P. Murali	89,26,250	23.27
3	Avon Cycles Limited	62,50,000	16.29
4	Mallika Murali	16,42,500	4.28
5	R. Srinivasan	50,000	0.13
6	Madhu Kataria	6,250	0.02
7	E. S. Chandrasekaran	5,000	0.01
8	Ilayaraja	25	0.00
	<b>Total</b>	<b>3,83,67,275</b>	<b>100.00</b>

### b) Ten days prior to the date of this Draft Red Herring Prospectus

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1	P. Sundaraparipooranan	2,14,87,250	56.00
2	P. Murali	89,26,250	23.27
3	Avon Cycles Limited	62,50,000	16.29
4	Mallika Murali	16,42,500	4.28
5	R. Srinivasan	50,000	0.13
6	Madhu Kataria	6,250	0.02
7	E. S. Chandrasekaran	5,000	0.01
8	Ilayaraja	25	0.00
	<b>Total</b>	<b>3,83,67,275</b>	<b>100.00</b>

### c) Two years prior to the date of this Draft Red Herring Prospectus

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1	P. Sundaraparipooranan	44,01,450	32.43
2	P. Murali	59,73,000	44.00
3	Avon Cycles Limited	25,00,000	18.42
4	Mallika Murali	6,57,000	4.84
5	B Dhakshayini	20,000	0.15
6	R. Srinivasan	20,000	0.15
7	Arjun Chandrasekaran	2,000	0.01
8	Ilayaraja	10	0.00
	<b>Total</b>	<b>1,35,73,460</b>	<b>100.00</b>



9. Our Company, Promoters, Promoter Group, our Directors and the BRLM have not entered into any buyback and/ or standby arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through this Offer.
10. Neither the members of our Promoter Group, nor our Promoters, nor our Directors and their relatives have sold or purchased or financed the purchase of Equity Shares by any other person, other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI. However our Promoters, Directors and their relatives have been involved in the following transfers in the six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI:

Sl. No.	Name of the Transferor	Date of Transfer	No. of Equity Shares transferred	Transfer Price per Equity Share	Transferee	Reasons for Transfer
1	P. Murali	March 26, 2016	24,00,000	0.00	P. Sundaraparipooranan	Gift
2	P. Murali	March 26, 2016	2,500	80.00	Madhu Kataria	Sale
3	E. S. Chandrasekaran	March 26, 2016	5,000	10.00	Arjun Chandrasekaran	Transfer

11. There has been no subscription to or sale or purchase/transfer of the Equity Shares, within three years preceding the date of filing of this Draft Red Herring Prospectus, by our Promoters or Directors or Promoter Group, which in aggregate equals to or is greater than 1% of the pre-Offer Equity Share capital of our Company except between Mr. P. Sundaraparipooranan and Dr. P. Murali. For details please refer to “*Capital Structure*” on page 48.
12. As on the date of this Draft Red Herring Prospectus there are no outstanding warrants, financial instruments or any rights, which would entitle the Promoters, Promoter Group or the shareholders or any other person any option to acquire/ receive any Equity Shares after the Offer.
13. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.
14. Our Company has not raised any bridge loans against the proceeds of the Offer as the same is not applicable since the Offer is a pure offer for sale.
15. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on date of this Draft Red Herring Prospectus. The Equity Shares allotted pursuant to this Offer shall be fully paid-up.
16. Our Company shall not make any further issue of Equity Shares and/ or any securities convertible into Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner, during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.
17. Our Company currently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or, further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus issue or on a rights basis or by way of further public issue of Equity Shares or qualified institutional placements or otherwise.
18. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
19. Except, for the sale of Equity Shares in the Offer, our Promoters will not participate in the Offer.
20. Our Company does not have any employee stock option plan.
21. Total numbers of shareholders of our Company as on the date of this Draft Red Herring Prospectus is 8.

22. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares of our Company are subject to pledge.
23. No person connected with the Offer, including, but not limited to, the BRLM, the members of the Syndicate, our Company, our Promoters, Promoter Group, the Selling Shareholders, the Directors, and the KMPs, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
24. Our Company has not issued any Equity Shares out of its revaluation reserves.
25. Our Company has not made any public issue of its Equity Shares or rights issue of any kind since its incorporation.
26. As on the date of this Draft Red Herring Prospectus, neither the BRLM nor their associates (in accordance with the definition of “associate company” as provided under section 2(6) of the Companies Act, 2013) hold any Equity Shares.
27. Save and except as stated below none of our Directors have any shareholding in our Company as on the date of this Draft Red Herring Prospectus:

Sl. No.	Name of the Director	Designation	No. of Equity Shares	Percentage (%)
1	P. Murali	Managing Director	89,26,250	23.27
2	E. S. Chandrasekaran	Executive Director	5,000	0.01

28. The Net Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made through the Book Building Process, wherein not less than 75% of the Net Offer will be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price to the Anchor Investor, on a discretionary basis subject to valid bids being received at Anchor Investor Offer Price. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price and not more than 10% of the Net Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Allotment of Equity Shares to each of the Retail Individual Investors shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Any unsubscribed portion in any reserved category shall be added to the Net Offer. In case of under-subscription, if any, in Non-Institutional and Retail Individual categories, the under subscription would be allowed to be met with spill over inter-se from any other categories, at the discretion of our Company and Selling Shareholders in consultation with the BRLM and subject to applicable provisions of SEBI ICDR Regulations. However, under-subscription in the Net QIB Portion would not be allowed to be met with spill-over from any other category.
29. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder. For further details, please refer to “*Offer Procedure – Who Can Bid?*” on page 194.
30. An oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
31. Our Company shall ensure that transactions in the Equity Shares by the Promoters between the date of Registering the Red Herring Prospectus with the RoC and the Bid/ Offer Closing Date, if any, shall be reported to the Stock Exchanges within 24 hours of such transaction.

## OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the BSE and the NSE and to carry out the sale of up to 14,579,560 Equity Shares by the Selling Shareholders. Further, our Company expects that the listing of the Equity Shares will enhance our visibility and brand image among our existing and potential customers and provide liquidity to the existing shareholders. The listing of the Equity Shares will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds of the Offer and all the proceeds will go to the Selling Shareholders.

### Offer Expenses

The total offer expenses of the Offer are estimated to be approximately ₹ [•] Lacs. The expenses of this Offer include, among others, listing fees, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, as applicable. The offer expenses except listing fees will be paid by Selling Shareholders, in case Company has to pay certain expenses same shall be reimbursed by the Selling Shareholders. The estimated Offer expenses are as follows:

Activity	Estimated Expenses*	As a % of the total estimated expenses**	As a % of the total Offer Size***
Book Running Lead Manager (including underwriting commission, brokerage and selling commission)	[•]	[•]	[•]
Commission And Processing Fee For SCSBs And Bankers to the Offer	[•]	[•]	[•]
Brokerage and Selling commission for Registered Brokers, RTA's and CDPs etc.	[•]	[•]	[•]
Fees to Registrar and Share Transfer Agent to the Offer	[•]	[•]	[•]
Other advisors to the Offer	[•]	[•]	[•]
Bankers to the Offer			
Other Expenditure – Listing Fees, Printing & Stationery expenses, Advertising, Marketing etc.	[•]	[•]	[•]
<b>TOTAL ESTIMATED OFFER EXPENSES</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

*\*To be completed after finalization of the Offer Price*

*\*\*The SCSBs would be entitled to a processing fees of ₹ [•] per Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to the SCSBs.*

*\*\*\*Registered Brokers, the RTAs and the CDPs will be entitled to a commission of ₹[•] per every valid Bid cum Application Form submitted to them*

### Monitoring of Utilization of Funds

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

## BASIS FOR THE OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 and the Offer Price is [•] times the face value at the lower end of the Price Band and [•] times the face value on the higher end of the Price Band.

Bidders should also refer to “*Risk Factors*”, “*Our Business*”, and “*Financial Statements*” on pages 14, 82 and 124 respectively, to have an informed view before making an investment decision.

### QUALITATIVE FACTORS

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

1. Niche Products
2. Strong Order Book
3. Impeccable Track Record in Research and Compliances
4. Strong Research and Development Capabilities
5. Fast Growing international operations
6. Experienced Founders and Professional Management Team

For further details, please refer to “*Our Business – Competitive Strengths*” on page 88.

### QUANTITATIVE FACTORS

Information presented in this chapter is derived from the Restated Financial Information of our Company.

#### 1. Basic and Diluted EPS

Fiscal Year Ended	Basic EPS (₹)*	Diluted EPS (₹)*	Weight
March 31,2016	3.90	3.90	3
March 31,2015	(0.16)	(0.16)	2
March 31,2014	(0.96)	(0.96)	1
Weighted Average <sup>#</sup>	1.74	1.74	6
Period ended June 30, 2016**	1.17	1.17	

\* Based on restated financial statements of our Company

<sup>#</sup> derived by multiplication of weight with their respective EPS dividend by sum of weights.

\*\*Not annualised

#### 2. P/E Ratio in relation to the floor price of ₹ [•] per Equity Share and a cap price of [•] per Equity Share

Particulars	Ratio
P/E Ratio based on basic EPS for Fiscal Year 2016 at the Floor Price	[•]
P/E Ratio based on diluted EPS for Fiscal Year 2016 at the Floor Price	[•]

Particulars	Ratio
P/E Ratio based on basic EPS for Fiscal Year 2016 at the Cap Price	[•]
P/E Ratio based on diluted EPS for Fiscal Year 2016 at the Cap Price	[•]

#### 3. RoNW

Fiscal Year Ended	RONW (%)	Weight
March 31,2016	11.86	3
March 31,2015	(0.84)	2
March 31,2014	(5.09)	1
Weighted Average <sup>#</sup>	4.80	6

Period ended June 30, 2016	6.14	
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<sup>#</sup> derived by multiplication of weight with their respective RoNW dividend by sum of weights.

#### 4. Net Asset Value per Equity Share (adjusted for Bonus issue)

Particulars	Restated
March 31,2016	29.17
March 31,2015	18.62
March 31,2014	18.78
Period ended June 30, 2016	12.43
Offer Price	[•]
After the Offer <sup>#</sup>	[•]

*Note: Net asset value per Equity Share represents Net Worth as per the Restated Financial Information as divided by the number of equity shares outstanding as at the end of fiscal year. The net asset value per equity share have been adjusted for the bonus issue.*

<sup>#</sup> There will be no change in NAV post the Offer as the Offer is by way of Offer for Sale by the Selling Shareholders.

#### 5. Comparison with Industry Peers

As such there is no company in India whose business portfolio is comparable with that of our business to be compared as a peer group companies, although Serum Institute India Limited is a company which is acting in the same field as we are. However it is an a unlisted company.

The Offer Price of [•] has been determined by our Company and Selling Shareholders, in consultation with the BRLM on the basis of the demand from investors for the Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with “*Risk Factors*” and “*Financial Statements*” on pages 14 and 124, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “*Risk Factors*” or any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF TAX BENEFITS

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO GREENSIGNAL BIO PHARMA LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

Date: July 2, 2016

The Board of Directors  
GreenSignal Bio Pharma Limited  
A-3, 13, Sai Niketan, Circular Road,  
United India Colony, Kodambakkam,  
Chennai- 600 024.

Dear Sirs,

**Subject: Statement of possible special tax benefits ('the Statement') available to GreenSignal Bio Pharma Limited ('the Company') and its shareholders prepared in accordance with the requirement in SCHEDULE VIII – CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ('the Regulations')**

We hereby report that the enclosed Annexure prepared by the Company, states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act, 2015 presently in force in India as on the signing date. 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 is based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfill.

Further, the preparation of the Statement and its contents is the responsibility of the Management. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We were 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 offer for sale.

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

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for 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.

This enclosed annexure is intended for your information and inclusion in the Draft Red Herring Prospectus in connection with the proposed offer for sale of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For **M/s. RAJ AND RAVI**  
ICAI firm registration number: 10935S  
Chartered Accountants

**RAJ VISVANATHAN**  
Partner  
Membership No.: 23211  
Place: Chennai  
Date: July 2, 2016

## **ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO GREENSIGNAL BIO PHARMA LIMITED AND ITS SHAREHOLDERS**

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

### **UNDER THE INCOME TAX ACT, 1961 (THE ACT)**

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

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

##### **i. Deduction under section 35(2AB):**

As per section 35(2AB), where a company engaged in the business of bio-technology or in any business of manufacture or production of any article or thing, incurs any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority, then, there shall be allowed a deduction of a sum equal to two times of the expenditure so incurred. Such weighted deduction under section 35(2AB) is available till assessment year 2017-18.

The Company is eligible to claim a weighted deduction of 200% on the expenditure incurred on clinical trial research, Research expenses, tangible and intangible assets (other than land and building) and other revenue expenditure specified for deduction under section 35(2AB) on in-house research and development facility as approved by the prescribed authority.

##### **ii. Deduction under section 35(1)(iv):**

As per section 35(1)(iv), expenditure of capital nature on scientific research related to the business carried on by the assessee, would be allowed as deduction in the year in which such capital expenditure is incurred.

The company is eligible to claim 100% deduction of expenditure incurred on the prescribed assets, which qualify as per section 35(1)(iv).

##### **iii. Business income**

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per the provisions of Section 32 of the Act. In case of any new plant and machinery (other than specified exclusions) acquired by the Company, the company is entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in Section 32 of the Act. Unabsorbed business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years. Unabsorbed depreciation if any, for an assessment year can be carried forward and set off against any sources of income (except salary) in the same assessment year or any subsequent assessment years as per the provisions of Section 32(2) read with section 72 of the Act.

As per the provisions of Section 35D of the Act, any specified preliminary expenditure incurred after 31 March 1998 by an Indian company before the commencement of its business or after commencement of its business, in connection with the extension of an undertaking or setting up a new unit, shall be allowed a deduction of an amount equivalent to one-fifth of such expenditure for each of the five successive financial years beginning with the financial year in which the extension of the undertaking is completed or the new unit commences production or operation. However, any expenditure in excess of 5% of the cost of the project or the capital employed in the business of the Company, shall be ignored for the purpose of computing the deduction allowable under section 35D of the Act.

As per the provisions of Section 35DD of the Act, any expenditure incurred by an Indian Company, on or after 1 April 1999, wholly and exclusively for the purpose of amalgamation or demerger of an

undertaking, shall be allowed a deduction of, an amount equal to one-fifth of such expenditure for each of five successive financial years beginning with the financial year in which the amalgamation or demerger takes place.

As per the provisions of Section 35DDA of the Act, if a Company incurs any expenditure in any financial year by way of payment of any sum to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, the Company would be eligible to claim a deduction of one-fifth of the amount so paid in computing the profits and gains of the business for that financial year, and the balance shall be deducted in equal instalments for each of the four immediately succeeding financial years.

As per the provisions of Section 35CCD of the Act, if a Company incurs any expenditure (not being in the nature of cost of any land or building) on any skill development project notified by the Central Board of Direct Taxes in this behalf in accordance with the guidelines as may be prescribed, then, the Company shall be allowed a deduction of sum equal to one and one-half times of such expenditure.

As per the newly inserted explanation to Section 37 of the Act, any expenditure incurred by the Company on the activities relating to Corporate Social Responsibility ('CSR') referred to in section 135 of the Companies Act, 2013 shall not be deemed to be an expenditure incurred by the Company for the purpose of the business or profession. However, CSR expenditure which is of the nature described in provisions of Sections 30 to 36 of the Act shall be allowed as deduction under the respective sections, subject to the fulfilment of conditions, if any, specified therein.

As per the provisions of Section 72A of the Act, pursuant to business reorganizations, such as amalgamation, demerger, etc., the successor company shall be allowed to carry forward any accumulated tax losses/ unabsorbed depreciation of the predecessor company subject to fulfilment of prescribed conditions.

**iv. MAT credit**

As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax (MAT) paid for any assessment year commencing on or after April 1, 2006. The amount of credit available shall be the difference between MAT paid under section 115JB of the Act and taxes payable on total income computed under other provisions of the Act. MAT credit shall be allowed to be set-off in the subsequent assessment years to the extent of difference between the tax payable as per the normal provisions of the Act and the taxes payable under Section 115JB of the Act for that assessment year.

MAT credit is eligible for carry forward and set-off for up to 10 years succeeding the assessment year in which the MAT credit arises.

**v. Special Tax Benefits available to the company**

We have been given to understand that the Company has not availed any specific tax benefits.

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

**i. Special Tax Benefits**

We have been given to understand that there are no specific benefits available to the shareholders

**ii. Dividends**

As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the members/ shareholders from the Company is exempt from tax. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities or units, where such securities or units are bought or acquired within a period of three months prior to the record date and such securities or units are sold or transferred within three or nine months respectively from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt.



**C. Benefits available to Venture Capital Companies/ Funds under the Act:**

In terms of section 10(23FB) of the Act, all venture capital companies/ fund registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on any income from investment in a venture capital undertaking. Further, the Finance Act, 2015 has inserted a proviso providing that nothing contained in this clause shall apply in respect of any income of a venture capital fund or venture capital company, being an “ investment fund” of the previous year relevant to the assessment year beginning on or after April 1, 2016.

“Investment fund” has been defined under in clause (a) of Explanation 1 to Section 115UB of the Act to mean any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992.

**D. Benefits available to Investment Funds under the Act:**

The Finance Act, 2015 has inserted Chapter XII-FB in the Act which provides for special taxation regime for Category I and Category II Alternative Investment Funds referred to as “ investment fund” as per clause (a) of Explanation 1 to Section 115UB of the Act. Further, the said Act has also inserted Section 10(23FBA) in terms of which income of any investment fund other than income chargeable under the head “Profits and gains of business or profession” shall be exempt from income tax.

**E. Benefits available to Mutual Funds under the Act:**

In terms of Section 10(23D) of the Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under the Securities and Exchange Board of India Act/ Regulations there under or Mutual Funds authorized by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including income from investment in the shares of the company. The Finance Act, 2015 has inserted clause (xviii) to Section 47 of the Act according to which an y transfer by a unit holder of a capital asset, being a unit or units, held by him in the consolidating scheme of a mutual fund, made in consideration of the allotment to him of a capital asset, being unit or units, in the consolidated scheme of the mutual fund shall not be considered as transfer for the purpose of Section 2(47) of the Act.

**Notes:**

- i) All the above benefits are as per the current tax laws and any change or amendment in the laws/ regulation, which when implemented would impact the same.
- ii) The possible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implication

Yours faithfully,

For M/s. **RAJ AND RAVI**  
Chartered Accountants  
ICAI firm registration number: 10935S

**RAJ VISVANATHAN**  
Partner  
Membership No.: 23211  
Place: Chennai  
Date: July 2, 2016

## SECTION IV: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

Vaccination is one of the most cost-effective public health tools to prevent infectious diseases. The last decade saw significant advances in developing, introducing and expanding the reach of vaccines globally. During the 20th century, the average human life span has increased by approximately 30 years, a significant portion of which has been attributed directly to vaccination. More people than ever before were vaccinated, resulting in significant achievements, including the near eradication of polio and significant reductions in deaths caused by vaccine-preventable diseases (diphtheria, measles, neonatal tetanus, pertussis). Around 2 million deaths among children under 5 years of age are prevented annually despite an increase in birth cohorts every year.

The Indian vaccine industry began as a work of state-owned manufacturers supplying basic childhood vaccines to the national immunization program. In recent decades, the number of privately owned firms active in the sector has grown rapidly. Their success in bringing low cost vaccine solutions to public vaccine markets is an important driver behind the emergence of the sector. The industry is now able to produce new and more complex vaccines such as the meningitis, Haemophilus influenzae type b, and pneumococcal conjugate vaccines, rotavirus vaccine and influenza A (H1N1) vaccines, aided by attractive investment environment, governmental support, international partnerships and the growing technical work force. The vaccine industry has also been supplying a large share of basic vaccines to a number of developing countries, and is now exporting more advanced vaccines as well. From a public health perspective, it is a significant contribution that our industry has made, by bringing down prices and keeping them low. Even though price will continue to play an important role, the industry is now in a translational phase, moving from a 'price-driven' to an 'innovation-driven' model.

Though vaccines have transformed public health throughout the world, for children in particular, the burden of vaccine-preventable diseases in India is still substantial and hence the usage of this powerful tool is still not optimal in our country. The Indian vaccines market has a lot of ground to cover in terms of the potential to substantially increase lives saved by improving access to the types of vaccines available and the depth of coverage of those vaccines across the country. So for individual players in the vaccines space, the Indian healthcare presents new vistas of growth, provided challenges in terms of policy barriers, lack of awareness and affordability issues are successfully tackled.

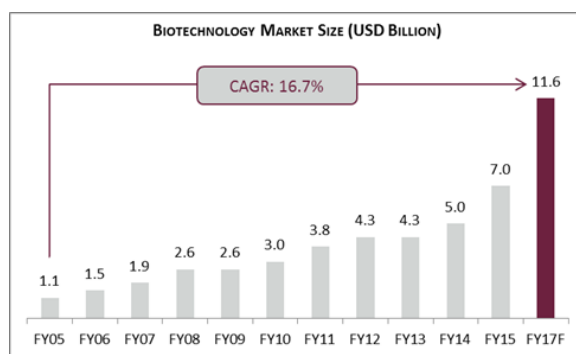
The Biotechnology sector is among one of the sectors which have highlighted the profile of the country in the last decade. At the beginning of the decade itself, this industry began to take shape with the sprouting of dozens of start-up innovation companies as well as the diversification of established Pharma players by setting up biotech divisions, to focus on this segment. Biotechnology is a highly interdisciplinary field that combines biological sciences with computational, chemical as well as engineering technologies to manipulate living organisms or their components to aid simplified and economical processes to produce products that advances healthcare, medicine, agriculture, food, pharmaceuticals and environment control.

Biotechnology can be classified into two broad categories: R&D and discovery of new services and new products in Biological Sciences and Industrial Processes. Being multidisciplinary in nature, the category biological sciences encompasses subjects ranging from computational biology to microbiology, cell biology, genetics, molecular biology, pharmaceuticals etc. for understanding the basic pathology of illness and treatment of diseases including new drug development, development of agriculture, food production, protection of the environment, waste disposal, and many more. The industrial processes aspect deals with the processes of production of drugs, vaccines, biofuels, pharmaceuticals, engineered industrial enzymes, biodegradable polymers, on an industrial scale using biochemical processes and techniques.

With numerous comparative advantages in terms of research and development (R&D) facilities, knowledge, skills, and cost effectiveness, the biotechnology industry in India has immense potential to emerge as a global key player. Some of the best innovations and developments that have come out of Biotechnology and allied fields include: genomic sequencing technology, better understanding of various pathologies, novel and improved diagnostic systems, production of new biopharmaceuticals, procedure to develop vaccine that are more effective, natural alternatives to pesticides, better yielding and resistant crops, production of biofuels, production of industrial enzymes that are engineered for better activity, biodegradable polymers, and developments in stem cells technology.

Growing at a CAGR of 20 percent, the Indian Biotechnology Industry has evolved rapidly over the last three decades. India's biotech sector is currently valued at over USD7bn, having grown at a CAGR of ~20% over the last decade. India is already ranked among the top 12 biotech destinations worldwide and third largest in the Asia Pacific region. Biotechnology in India has already made a significant impact in agricultural, industrial, pharmaceutical and medical sectors. The year-on-year growth of the biotech market is expected to accelerate driven by high demand for vaccines, bio pesticides, bio fertilizers, biodiesel, bio therapeutics and medical devices in India as well as at the global level.

## Biotechnology market in India



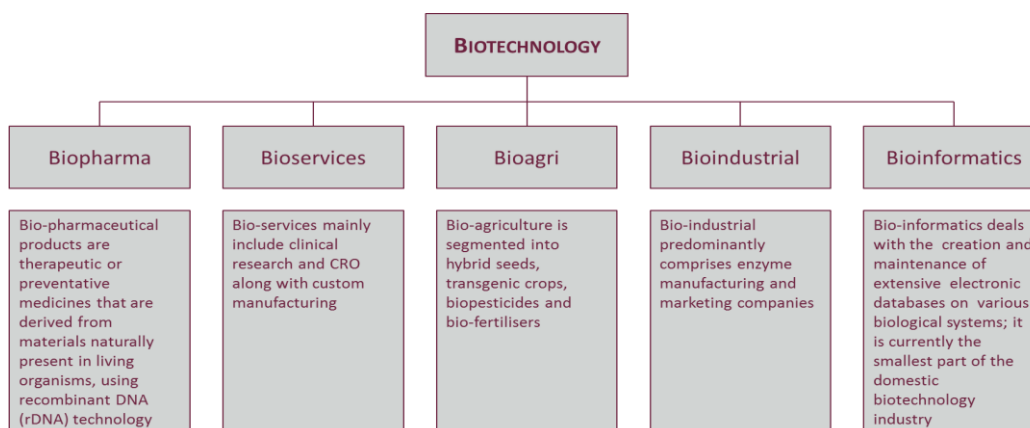
Source: India Brand Equity Foundation, IRR Advisory

The Indian Biotechnology sector comprises of the following segments:

1. Biopharma
2. Bio services
3. Bio agriculture
4. Bio industrial
5. Bioinformatics

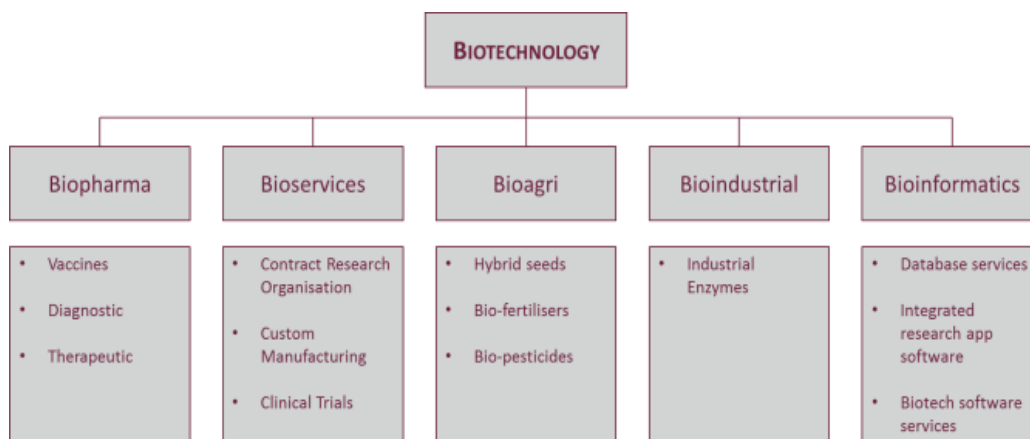
Composition of the Biotechnology industry in terms of the key segments along with the products/ services is indicated in the chart below:

### Key segments in the Indian biotechnology industry



Source: BioSpectrum, Association of Biotechnology Led Enterprises, IRR Advisory

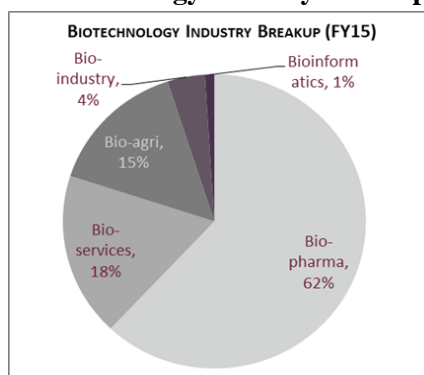
### Key products/services in the Indian biotechnology industry



Source: BioSpectrum, Association of Biotechnology Led Enterprises, IRR Advisory

The biopharmaceutical segment holds the largest market share in the biotech industry in India and continues to grab the highest share (~62%) of the entire sector, followed by bio services (18%) and bio agriculture (15%). Bio services includes services ranging from analytical services like molecular diagnostics, supply of vectors, etc. to manufacturing components including cell biological tools to other biotech companies and services provided by Contract Research and Innovation Service Provider (CRISP) companies; while the bio agriculture segment includes production of genetically modified high yielding or pest resistant crops, bio fertilizers, plant extracted library of molecules to bio pesticides.

### Biotechnology industry breakup



Source: India Brand Equity Foundation, IRR Advisory

Comprising primarily of biologics (biosimilar), vaccines, diagnostics, and stem cells; the biopharmaceutical industry has made great strides in the healthcare related challenges that India presently faces. The large majority of biopharmaceutical products are pharmaceuticals that are derived from life forms. Small molecule drugs are not typically regarded as biopharmaceutical in nature by the industry. The biopharma market comprise mainly of vaccines, diagnostics, therapeutic drugs, insulin, animal biologics and statins. Therapeutics, vaccines and diagnostics formed the backbone of the growth story, each contributing significantly to the revenue. Vaccines are the largest contributor to the biopharma segment (estimated at ~60%), followed by diagnostics (estimated at ~20%). India is a world leader in vaccines, producing nearly 60 percent of the world's supply.

### TYPES OF VACCINES

Vaccines are composed of either the entire disease-causing microorganism or some of its components. The key types include:

- From living microorganisms that have been weakened, usually from cultivation under sub-optimal conditions (also called attenuation), or from genetic modification, which has the effect of reducing their ability to cause disease;
- From whole microorganisms that have been inactivated by chemical, thermal, or other means;
- From components of the disease-causing microorganism, such as specific proteins and polysaccharides, or nucleic acids;
- From inactivated toxins of toxin-producing bacteria;
- From the linkage (conjugation) of polysaccharides to proteins (this increases the effectiveness of polysaccharide vaccines in young children).

Examples of each type of vaccine are indicated in the table below:

#### Types of vaccines

Type of vaccine	Examples
Live-attenuated	Measles, Mumps, Rubella, Varicella zoster
Inactivated	Hepatitis A, Influenza, Pneumococcal polysaccharide
Recombinant sub-unit	Hepatitis B
Toxoid	Tetanus, Diphtheria
Conjugate polysaccharide-protein	Pneumococcal, meningococcal, Haemophilus influenzae type b (Hib)

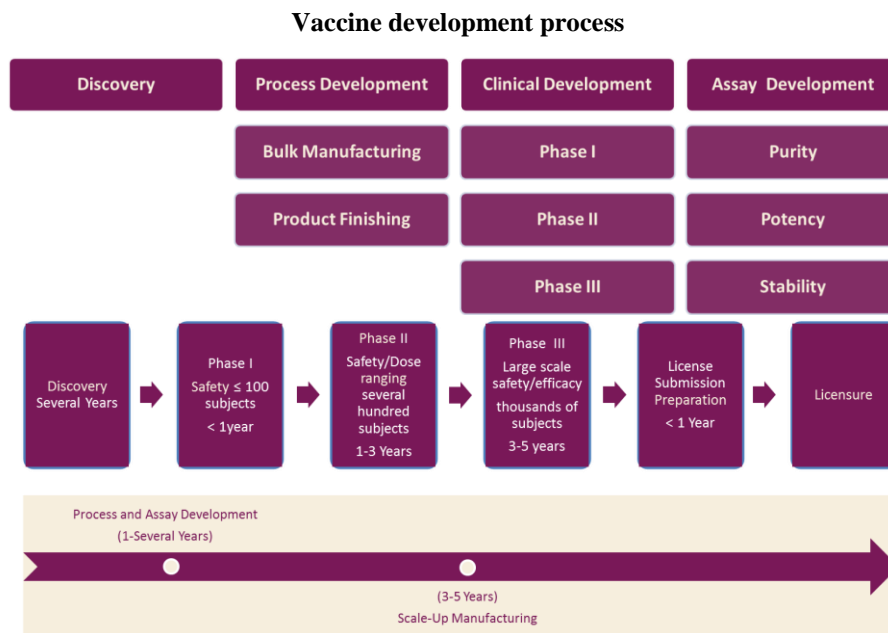
Source: Pharmaceutical Research and Manufacturers of America

They may be constructed in several ways as indicated in the chart below:

In addition to combining several serotypes of a disease-causing microorganism in a single vaccine (e.g. 13-valent

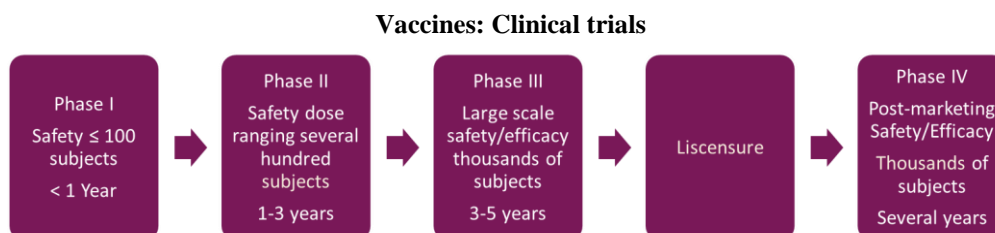
### VACCINE DEVELOPMENT

The development process for vaccines is unique. Vaccine development is highly capital intensive and risky. Given the importance of safety with biologics, the vaccine industry is highly regulated. Vaccine development proceeds in an iterative fashion. Less than one in 10 vaccine candidates achieve licensure. The high failure rate is due to the unpredictability of the biological micro organisms needed to produce vaccines, and to the uncertainty of how the human immune system will process and react to the vaccine antigen. Some vaccine candidates may produce appropriate levels of immune response, but induce important adverse reactions. Other vaccine candidates may be safe, but ineffective at preventing diseases. With the current tendency to combine several antigens into a single vaccine, the challenges associated with developing safe and effective vaccines are even greater. Research to discover new vaccine antigens and novel approaches to immunization usually takes several years, and costs tens of millions of dollars. Once a discovery is made, several developments must be undertaken to reach the licensing stage. Those developments include:



Source: Pharmaceutical Research and Manufacturers of America, IRR Advisory

After being thoroughly tested in an animal model, vaccine candidates that are found to be safe and induce immunity can advance to testing in humans. To license a vaccine, three phases of clinical testing must be completed in healthy subjects, as indicated in the chart below:



Source: Pharmaceutical Research and Manufacturers of America, IRR Advisory

### MANUFACTURING PROCESS

The manufacture of vaccines is achieved from the propagation of living microorganisms. Some of these may be dangerous human pathogens. Therefore, the manufacture of vaccines is conducted in a highly regulated and

controlled environment. Manufacturing is conducted in an aseptic environment and closely monitored by quality control measures. Vaccines also require a strict cold chain to maintain their stability. Under most circumstances vaccines are shipped and stored under refrigeration. The actual production processes vary somewhat for different types of vaccines. Some components of the manufacturing process are specific to either viral or bacterial vaccine production. In general, the production of vaccines entails four basic steps:

#### Manufacturing process



*Source: Pharmaceutical Research and Manufacturers of America, IRR Advisory*

- Propagation entails the multiplication (or amplification) of the living microorganism used in the vaccine;
- Isolation entails the separation of the living microorganism from the cells or growth media used in the propagation step;
- Purification removes all materials that may be adhering to the isolated microorganisms, or selectively separates the portion of the living microorganism to be used in the vaccine; and,
- Formulation involves the mixing of the purified product in solutions to obtain a desired concentration. It may also include the addition of preservatives to some vaccines, to ensure the sterility of the product over a longer period of time, or to prevent cross contamination during dose extraction from vials.

### VACCINE MANUFACTURING

India has a long history of vaccine manufacture, dating to the early 19th century. Of several institutes established in the pre independence era, only Haffkine Institute in Mumbai remains on the list of manufacturers that produce WHO prequalified vaccines. Of the major publically funded establishments, the BCG Vaccine Laboratory, HLL Life Care Limited and Indian Immunologicals Limited still manufacture vaccines for human use. The entry of private enterprise into vaccine manufacturing started with Biological E Limited of Hyderabad in 1953, followed by the Serum Institute of India Limited in 1966—both family-owned enterprises. Panacea Biotech emerged during the critical need for filling and packaging of imported bulk oral polio vaccines in quick response to a national need. The last two decades have witnessed the entry of scientist and engineer entrepreneurs into the vaccine industry, with establishment of biotechnology companies. Shantha Biotech, Bharat Biotech International Limited, are examples of this change. In addition, several Indian pharmaceutical companies with established business in biopharmaceuticals, such as Zydus Cadila, Cadila Pharmaceuticals Limited, Pfizer India, Wockhardt, are now finding it attractive to expand into the vaccine business. Details of the vaccine manufacturers in India are provided in the table below:

#### Vaccine manufacturers in India

No.	Institute/Company	Vaccines produced/Marketed (Product Portfolio)
1.	Bharat Biotech	R-HB typhoid, anti-rabies
2.	Bharat Serums and Vaccines	DPT, typhoid
3.	Biological Evans	DTP, TT, R-HB
4.	Biovaccines	TT
5.	Cadila Laboratories	Typhoid
6.	Childcare Biotech	Triple antigen
7.	Chowgule & Co.	Triple antigen
8.	GreenSignal Bio Pharma	BCG
9.	GSK India	Varicella, DTP-HB, Hb, Hib, DPT, hepatitis A, TT
10.	Ishita India	Polio, DTP, DTAP, measles, MMR, hepatitis A, hepatitis B, BCG, chicken pox, anti-rabies
11.	LG Life Science India	R-HB
12.	Panacea Biotech	OPV, R-HB, DTP-HB, DTP-Hib, DTP-HB, Hib
13.	Pfizer India	R-HB
14.	Sanofi Pasteur India	Typhoid, hib, anti-rabies, varicella, OPV, pneumococcal Hb, hepatitis A, meningococcal
15.	Serum Institute of India	TT, DTP, tetanus, measles, rubella, MR & MMR, DTP, R-HB,

No.	Institute/Company	Vaccines produced/Marketed (Product Portfolio)
		BCG, HDC rabies, DTP-HB, Hib.
16.	Shantha Biotech	R-HB, DTP-HB, JE
17.	Solvay Pharma India	Influenz
18.	UniChem Laboratories	R-HB
19.	VHB Life Sciences	R-HB, typhoid, anti-rabies, varicella
20.	Wyeth India	Hib, DTP
21.	ZydusCadila	R-HB, typhoid, anti-rabies, chicken pox
22.	ZydusCadila Healthcare	Varicella, typhoid

Source: Netherlands Office of Science & Technology, IRR Advisory

The global vaccine market is largely divided between numerous Indian manufacturers and global pharmaceutical companies headquartered in the West, such as GSK, Sanofi Pasteur, Novartis, Merck and Pfizer. Vaccines from Indian manufacturers are generally substantially cheaper than those sold by the global companies. Until the creation of Gavi, an alliance of public and private sector organisations, in the year 2000, vaccines developed by global pharmaceutical firms were generally only distributed in high-income countries. Older vaccines, such as those for measles and polio, were bought for less than a dollar per child, primarily from Indian manufacturers.

Gavi has since raised more than USD9bn from donors and philanthropists and spends most of its funds on introducing vaccines into the poorest countries in the world. A major leap forward was seen in 2010 when a new meningitis vaccine solely developed for African strains came to market. The vaccine was developed by the Serum Institute of India, which promised not to charge more than USD0.50 per dose after the Bill and Melinda Gates Foundation agreed to fund the development work. The vaccine has since been bought by Gavi and reached more than 217mn people. Continuous vaccine procurement by Gavi over the past 15 years has increased the confidence of manufacturers to invest in development.

India has annual birth cohort of 27 million children and has become a home of approx. 6.8 million or roughly a third of the world's total unimmunized children. Indian vaccines producers have shown their ability to produce both innovative and cost effective vaccines to meet the global demand. By increasing availability of vaccine for free, more than 100,000 deaths can be prevented annually.

Immunization is a way of protecting the human body against infectious diseases through vaccination. Immunisation prepares our bodies to fight against diseases in case we come into contact with them in the future – vaccines stimulate the body's own immune system to protect the person against subsequent infection or disease. Babies are born with some natural immunity which they get from their mother and through breastfeeding. This gradually wears off as the baby's own immune system starts to develop. Having your child immunized gives extra protection against illnesses which can kill. Immunization is one of the most cost-effective health investments, with proven strategies that make it accessible to even the most hard-to-reach and vulnerable populations.

Immunization in India – implemented via Universal Immunization Program (UIP), is a part of the Immunization division of the Reproductive & Child Health (RCH) program under National Rural Health Mission (NRHM) and is placed in the MoH. This division provides all the technical assistance required to undertake the activities under UIP. The division reviews the state Program implementation plans and facilitates in its approval process as per norms and guidelines. The key roles of this division include activities related to routine immunization (RI), campaigns such as polio, measles, and Japanese encephalitis, monitoring adverse events following immunization (AEFI), vaccine and cold chain logistics, strategic communication related to immunization program and trainings related to immunization program. The program consists of vaccination for nine diseases – tuberculosis, diphtheria, pertussis (whooping cough), tetanus, poliomyelitis, measles, hepatitis B, diarrhoea, Japanese encephalitis and pneumonia. The following immunization schedule has been recommended under the UIP and is one of the most widely followed by the child health care providers:

### Vaccination schedule in India

Vaccine	Immunization Schedule	Route
<b>For Pregnant Women</b>		
TT - 1	Early pregnancy	Intra muscular
TT - 2	4 weeks after 1st dose of TT	Intra muscular
TT booster	If received 2 TT doses in a pregnancy within the last 3 years	Intra muscular
<b>For Infants</b>		
BCG	At birth or as early as possible till 1 year of age	Intra-dermal
Hepatitis B	At birth or as early as possible within 24 hours	Intra-muscular
OPV - 0	At birth or as early as possible within first 15 days	Oral
OPV - 1,2,3,	6 weeks, 10 weeks & 14 weeks	Oral
DPT- 1,2,3,	6 weeks, 10 weeks & 14 weeks	Intra-muscular
Hepatitis B - 1, 2, & 3	6 weeks, 10 weeks & 14 weeks	Intra-muscular
Measles	9 completed months - to 12 months. Given up to 5 years if not received at 9 - 12 months age	Sub-cutaneous
Vitamin A	At 9 months with measles	Oral
<b>For Children</b>		
DPT booster	16 - 24 months	Intra- muscular
OPV Booster	16 -24 months	Oral
Japanese Encephalitis	16 - 24 months with DPT/OPV booster	Sub-cutaneous
Measles	16 - 24 months age	Sub-cutaneous
Vitamin A	16 months with DPT/OPV booster. Then, one dose every 6 months upto the age of 5 years	Oral
DT booster	5 - 6 years	Intra-muscular
TT	10 years & 16 years	Intra-muscular

Source: Ministry of Health and Family Welfare, IRR Advisory

Routine vaccination targets to vaccinate 27 million new born each year with all primary doses and ~100 million children of 1-5 year age with booster doses of UIP vaccines. In addition, 30 million pregnant mothers are targeted for TT vaccination each year. To vaccinate this cohort of 157 million beneficiaries, ~9 million immunization sessions are conducted, majority of these are at village level. Nearly 90% of vaccination in India is provided through the public sector. A network of ~27,000 cold chain points have been created across the country where vaccines are stored to ensure potent and safe vaccines are delivered to children.

Over 40 vaccines have been developed for the prevention of human diseases. Several vaccines protect against multiple serotypes of virus or bacteria (e.g. polio types 1, 2, and 3). Several vaccines are delivered in combination to protect against multiple diseases. Most countries routinely use only a portion of vaccines available to them. The selection of vaccines for use in a national schedule is based on the local epidemiology and the risks associated with each specific vaccine-preventable disease. Now WHO recommendations are part of an overarching strategy and vision for immunization that promotes routine immunization of all age groups and includes several additional target diseases. Snapshot of the WHO recommended immunization schedule is indicated in the table below:

#### WHO recommended immunization schedule

<b>Regional Recommendations</b>			
Antigen	Children	Adolescents	Adult
Japanese Encephalitis Virus	✓	Booster	
Yellow Fever	✓		



Some High- Risk recommendations	
Typhoid	Primary Series and booster
Cholera	Primary Series and booster
Meningococcal A	✓
Hepatitis A	Primary Series
Rabies	Primary Series

Regional Recommendations			
Antigen	Children	Adolescents	Adult
Japanese Encephalitis Virus	✓	Booster	
Yellow Fever	✓		

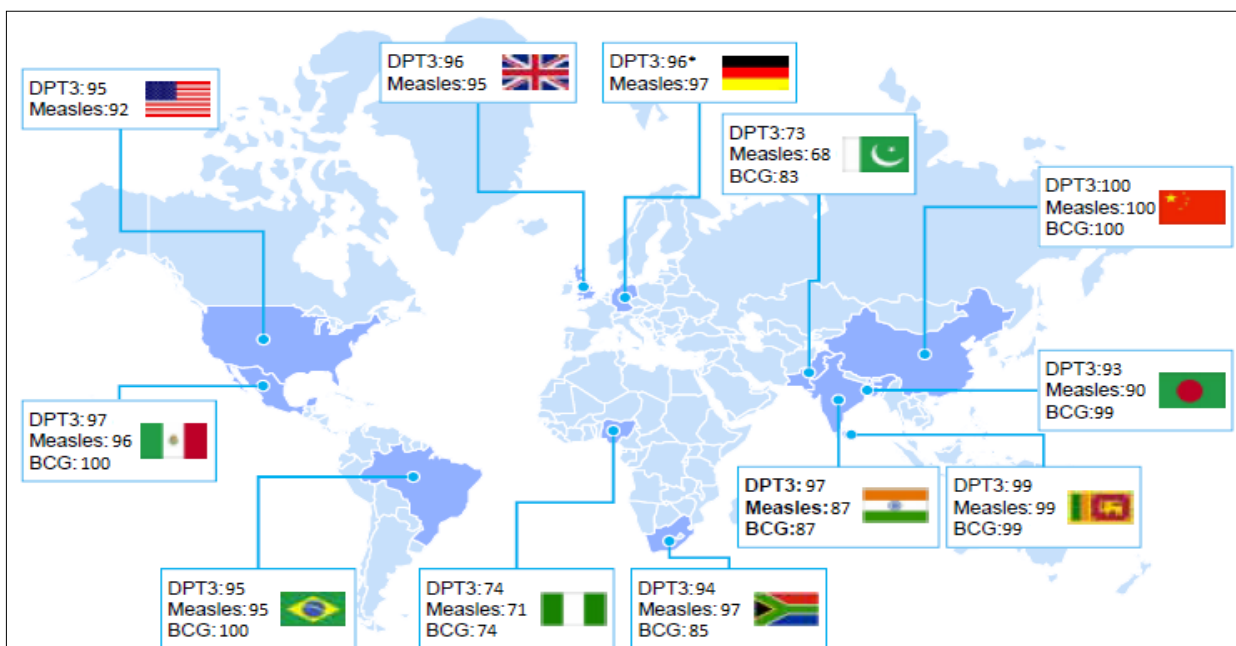
Some High- Risk recommendations	
Typhoid	Primary Series and booster
Cholera	Primary Series and booster
Meningococcal A	✓
Hepatitis A	Primary Series
Rabies	Primary Series

Recommendations for some immunization programs			
Mumps	✓		
Rubella	✓	Or adolescent girls and women of child-bearing age	
Influenza	✓	Revaccinate annually	

Source: WHO, IRR Advisory

Historical immunization coverage of India as well as comparison with countries across the globe is indicated in the chart below:

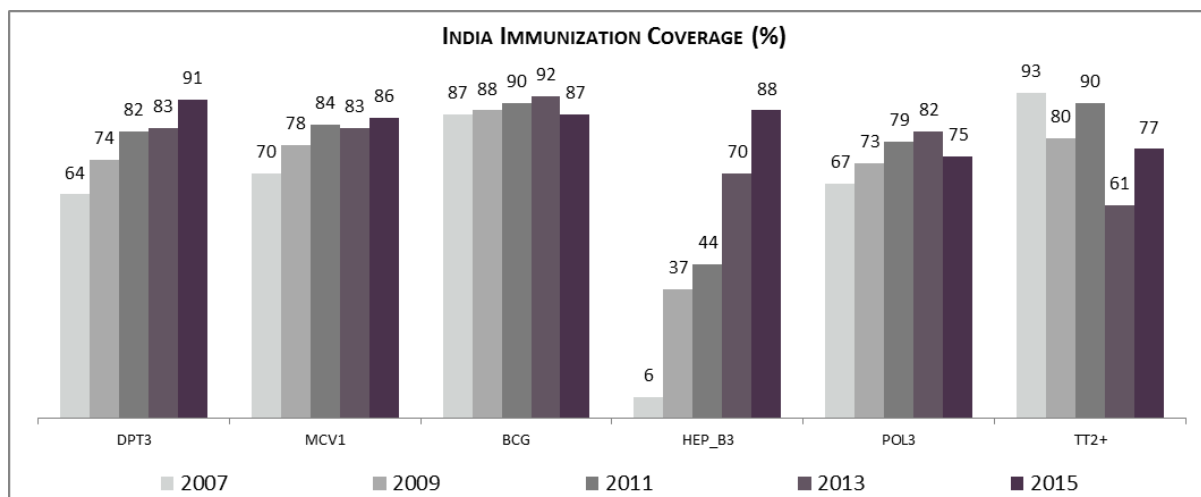
### Global immunization coverage: 2015



\*2014

Source: WHO, IRR Advisory

## Immunization coverage in India



Source: WHO, IRR Advisory

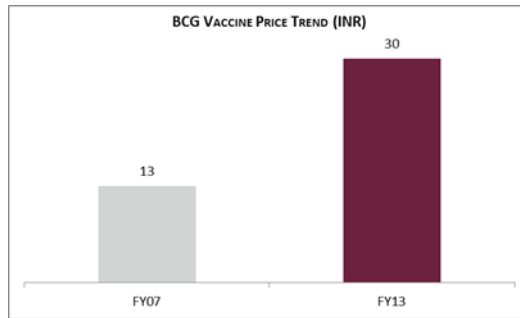
**BCG:** BCG vaccine is given for protection against tuberculosis, mainly severe forms of childhood tuberculosis. 24 million children below one year age were administered BCG vaccine during 2015. The achievement in 2015 was 87% in 2015 as against 91% in 2014. 13 states/ Union territories achieved more than 100% immunization in 2014 and 2015. Puducherry achieved the highest percent immunization in 2014 and 2015.

Bacillus Calmette-Guérin (BCG) is an attenuated strain of *Mycobacterium bovis* that is used as a live vaccine against human and bovine tuberculosis. BCG vaccination has several beneficial effects. First, BCG vaccination reduces rates of *Mycobacterium tuberculosis* infection, helping to shrink the pool of latent infection from which future cases of active disease may arise. Second, BCG provides strong protection against disseminated forms of the disease in infants and young children; tuberculosis is a major contributor to under-5 mortality in tuberculosis-endemic settings. Third, BCG vaccination reduces all-cause mortality through beneficial non-specific (heterologous) effects on the immune system; the importance of these effects has been formally recognised by WHO. BCG vaccination is compulsory in 64 countries including India and is officially recommended in an additional 118 countries.

Apart from tuberculosis, BCG is also the main intravesical immunotherapy for treating early-stage bladder cancer. Intravesical therapy for bladder cancer means putting liquid drugs directly into the bladder through a tube called a catheter. The aim of this treatment is to treat the cancer and stop it from coming back or spreading into the deeper layers of the bladder. The body's immune system cells are attracted to the bladder and activated by BCG, which in turn affects the bladder cancer cells. BCG was the first FDA approved immunotherapy and helps reduce the risk of bladder cancer recurrence by stimulating an immune response that targets the bacteria as well as any bladder cancer cells. People who have a moderate risk of the cancer recurrence usually have further treatment with chemotherapy into the bladder (intravesical chemotherapy), while people who have a high risk of the cancer recurrence or spreading into the deeper layers of the bladder usually have treatment with BCG into the bladder (intravesical BCG). Immunotherapy with BCG has reduced the risk of bladder cancer recurrence and increased the percentage of patients who experience a complete response after surgery. Approximately 70% of bladder cancer patients go into remission after BCG therapy. The annual demand for BCG for intravesical immunotherapy is estimated at 3 lakh doses in India and 1 million doses globally, as per GreenSignal Bio Pharma's estimates.

The Demand for BCG vaccination via the universal immunization program was historically catered to by the public (BCG Vaccine Laboratory in Guindy, Chennai) and private sector (Serum Institute of India) combined. However, a 2008 shutdown of the government owned vaccine manufacturing facility due to poor manufacturing facilities has led to complete reliance on largely two private sector companies – Serum Institute of India and GreenSignal Bio Pharma – which started manufacturing live attenuated vaccine in January 2009. Though the institute reopened in February 2010, so far, the BCG Vaccine Laboratory has not contributed much to the immunisation programme. The price of BCG vaccination has more than doubled since FY07, increasing from INR 13 per vial in FY07 to INR30 in FY13, as indicated in the chart below.

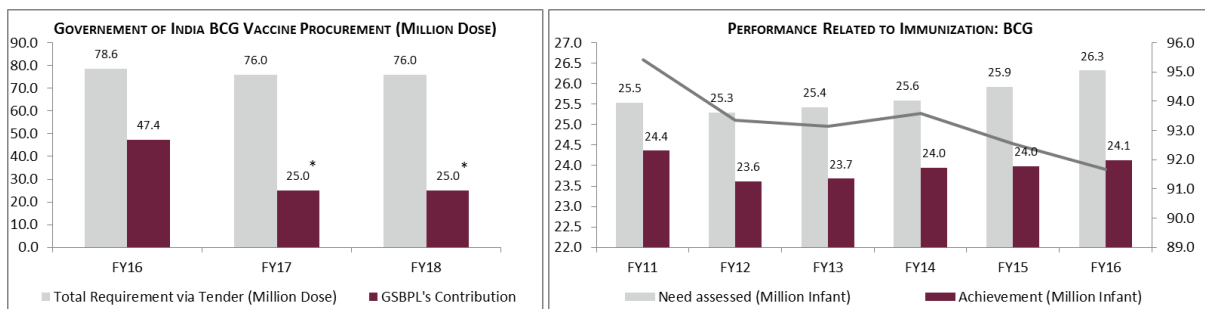
### BCG vaccine price trend



Source: Bennett Coleman & Company, IRR Advisory

The total BCG vaccination procurement requirement by the Government of India for the country's immunization programme, along with India's BCG vaccination need assessment, along with the achievement during the last 5 years is indicated in the chart below.

### BCG vaccination in India

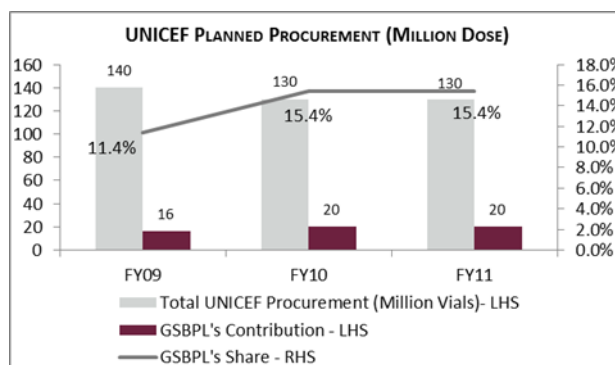


\*Minimum supply

Source: Government of India, Ministry of Health and Family Welfare, GSBPL, IRR Advisory

Vaccination efforts global are catered to by the concerted efforts of UNICEF, WHO, respective governments, non-governmental organizations as well as various global and regional immunization initiatives. The total vaccine demand can be estimated to be the summation of the vaccination requirements of the UNICEF (~54%) and the requirement of individual countries (46%). The Global Alliance for Vaccines and Immunization (GAVI) is an international coalition of partners. It includes national governments, international organizations such as the United Nations Children's Fund (UNICEF), the World Health Organization (WHO) and the World Bank; philanthropic institutions, such as the Bill and Melinda Gates Children's Vaccine Program and the Rockefeller Foundation; the private sector, represented by the International Federation of Pharmaceutical Manufacturers Associations (IFPMA); and research and public health institutions. GAVI purchases vaccines through UNICEF for countries with gross national income (GNI) per capita of below USD1,570.

### UNICEF procurement



Source: UNICEF, GSBPL, IRR Advisory

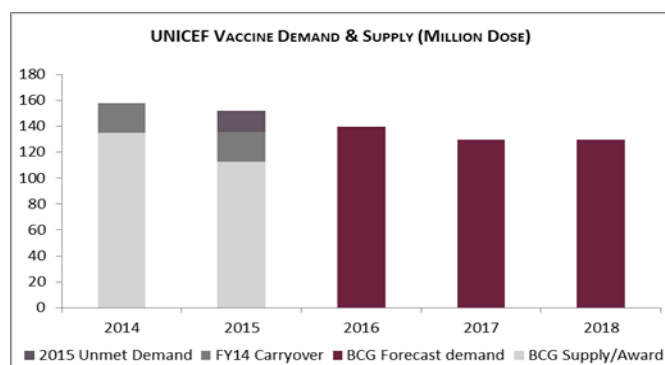
BCG vaccine demand the past decade has been approximately 120

BCG vaccine demand through UNICEF increased from 123 million doses in 2014 to reach 152.2 million doses in 2015 on account of increased country requirements including from some large middle-income countries

through UNICEF over relatively stable at million doses per year.

(MICs) that typically self-procure, and country buffer stock replenishments. However, requirement of only 135.7 million doses was met, resulting in a shortfall of 16.5 million doses.

### UNICEF procurement – projected



Source: UNICEF, IRR Advisory

UNICEF has concluded its 2016-2018 BCG vaccine tender in September 2015 and awarded four manufacturers three-year long-term arrangements (LTAs) to supply 400 million doses. The increase in total 2016 supply availability from existing manufacturers, together with supply from a new WHO prequalified vaccine (GreenSignal Bio Pharma), indicates total supply is sufficient to meet both suppressed 2015 demand carried over to 2016, as well as total forecast demand through 2016-2018. To smoothen demand, country buffer stocks depleted over the past three years will be replenished over a two to three year period subject to supply availability. GreenSignal Bio Pharma’s planned contribution to the UNICEF over 2016-2018 is indicated in the chart alongside. The historical procurement price as well as price agreed for supply during 2016-2018 is indicated in the table below:

### UNICEF historical procurement cost

Supplier Name	BCG Vial Cost (USD)				
	FY11	FY12	FY13	FY14	FY15
Intervax	1.4	1.4	1.4	1.5	1.5
Japan BCG Laboratory	2.1	2.1	2.7	2.7	2.7
Serum Institute of India	1.1	1.1	1.3	1.3	1.4
Statems Serum Institute	2.9	3.0	3.0	3.1	3.1

Source: UNICEF, IRR Advisory

The global demand for BCG vaccination is estimated at ~280 million doses annually, with the highest requirement coming from India. The total shortfall for BCG vaccination is estimated at nearly ~30 million doses annually. The BCG requirement in different countries across the globe, as well shortfall in BCG demand and supply is indicated in the chart below:

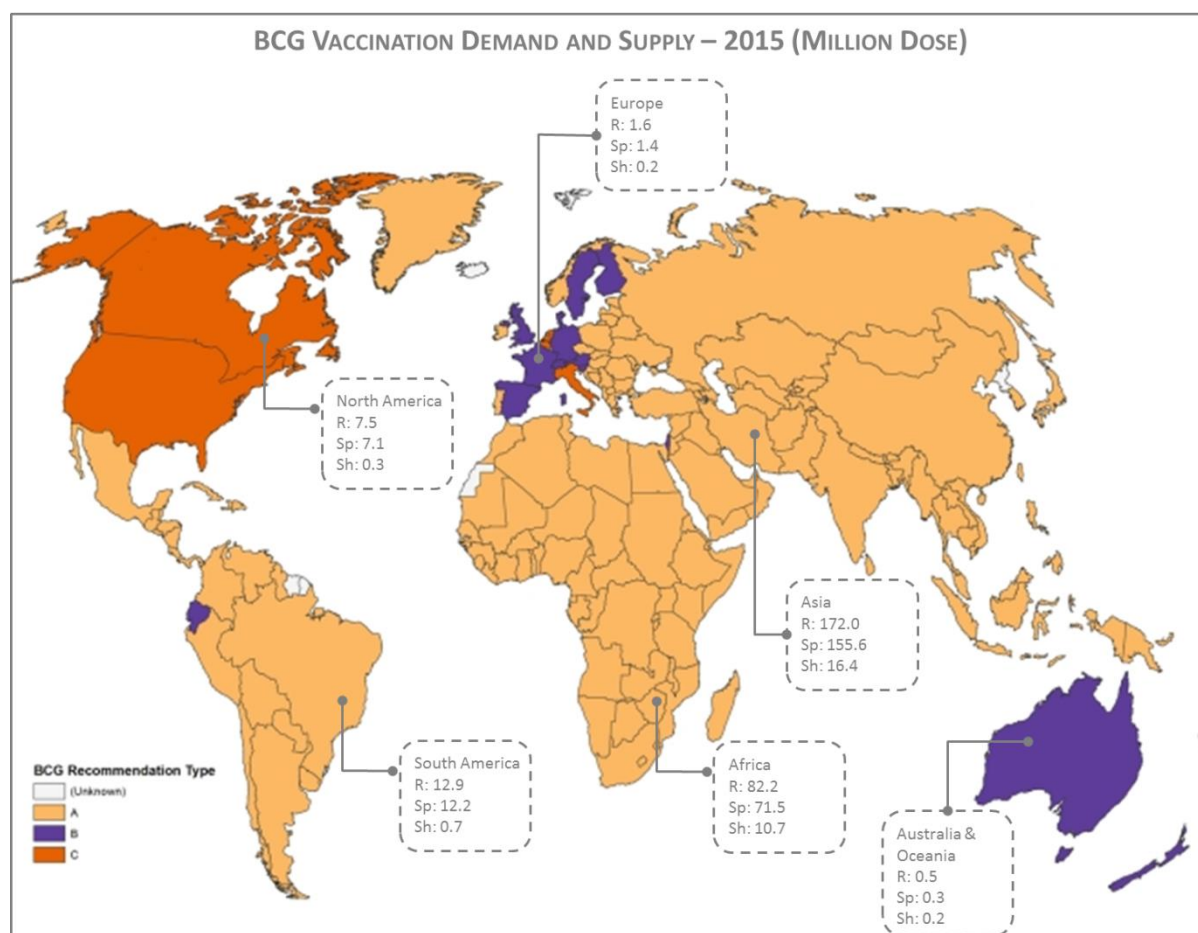
### UNICEF planned procurement cost

Supplier Name	BCG Vial Cost (USD)		
	FY16	FY17	FY18
<b>Green Signal Bio Pharma</b>	<b>1.4</b>	<b>1.5</b>	<b>1.8</b>
Intervax	1.6	1.7	1.8
Japan BCG Laboratory	3.2	3.3	3.4
Serum Institute of India	2.1	2.1	2.1

Source: UNICEF, IRR Advisory

The following table enumerates the BCG vaccination requirement in Asia and South America, as well the global landscape, based on the birth cohort in the respective countries.

## BCG vaccination: Global scenario



A: Country currently recommends BCG vaccination for everyone at a certain age (Example: BCG at birth or for school-age children, etc.).

B: Country used to recommend BCG vaccination for everyone, but currently does not

C: BCG vaccination was never recommended for everyone in this country (Never gave BCG or given only to high risk groups such as health care workers).

R: Requirement, Sp: Supply, Sh: Shortage

Source: Public Health Agency of Canada, IRR Advisory Estimates

The following table enumerates the BCG vaccination requirement in Asia and South America, as well the global landscape, based on the birth cohort in the respective countries

### BCG vaccination: Asia

Country	Birth Count(MN)			Immunization Coverage			Existing Supply* (Million Dose)			Shortage** (Million Dose)			Total Requirement (Million Dose)		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Afghanistan	1.1	1.1	1.1	89%	97%	97%	1.9	2.1	2.1	0.2	0.1	0.1	2.2	2.2	2.2
Armenia	0.0	0.0	0.0	99%	99%	99%	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1
Azerbaijan	0.2	0.2	0.2	98%	98%	98%	0.3	0.3	0.4	0.0	0.0	0.0	0.3	0.3	0.4
Bahrain	0.0	0.0	0.0	99%	99%	99%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bangladesh	3.2	3.1	3.1	99%	99%	99%	6.3	6.2	6.2	0.1	0.1	0.1	6.3	6.3	6.3
Bhutan	0.0	0.0	0.0	97%	99%	99%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Brunei Darussalam	0.0	0.0	0.0	99%	99%	99%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cambodia	0.4	0.4	0.4	93%	99%	99%	0.7	0.7	0.7	0.1	0.0	0.0	0.7	0.7	0.7
China	16.4	16.9	16.6	99%	99%	99%	32.5	33.5	32.8	0.3	0.3	0.3	32.8	33.8	33.2
Georgia	0.1	0.1	0.0	95%	96%	96%	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1
India	26.0	25.9	25.8	91%	89%	87%	-	-	68.4***	-	-	10.2***	-	-	78.6***

Country	Birth Count(MN)			Immunization Coverage			Existing Supply* (Million Dose)			Shortage** (Million Dose)			Total Requirement (Million Dose)		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Indonesia	5.1	5.1	5.0	92%	90%	89%	9.4	9.2	9.0	0.8	1.0	1.1	10.2	10.2	10.1
Iran, Islamic Rep.	1.4	1.4	1.4	99%	99%	99%	2.7	2.7	2.7	0.0	0.0	0.0	2.8	2.7	2.7
Iraq	1.2	1.2	1.2	93%	91%	80%	2.2	2.2	2.0	0.2	0.2	0.5	2.4	2.4	2.5
Japan	1.0	1.0	1.0	93%	93%	84%	1.9	1.9	1.7	0.1	0.1	0.3	2.1	2.0	2.1
Jordan	0.2	0.2	-	98%	95%	-	0.3	0.3	-	0.0	0.0	-	0.4	0.4	-
Kazakhstan	0.4	0.4	-	95%	95%	-	0.7	0.8	-	0.0	0.0	-	0.8	0.8	-
Kuwait	0.1	0.1	0.1	99%	99%	99%	0.1	0.1	0.2	0.0	0.0	0.0	0.1	0.2	0.2
Kyrgyz Republic	0.2	0.2	0.2	98%	97%	97%	0.3	0.3	0.3	0.0	0.0	0.0	0.3	0.3	0.3
Lao PDR	0.2	0.2	0.2	82%	82%	83%	0.3	0.3	0.3	0.1	0.1	0.1	0.4	0.4	0.4
Malaysia	0.5	0.5	0.5	99%	99%	99%	1.0	1.0	1.0	0.0	0.0	0.0	1.0	1.0	1.0
Maldives	0.0	0.0	0.0	99%	99%	99%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mongolia	0.1	0.1	0.1	99%	99%	99%	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1
Myanmar	1.0	1.0	0.9	86%	92%	94%	1.6	1.8	1.8	0.3	0.2	0.1	1.9	1.9	1.9
Nepal	0.6	0.6	0.6	97%	99%	94%	1.1	1.1	1.1	0.0	0.0	0.1	1.2	1.2	1.2
Korea, Dem. Rep.	0.4	0.4	0.4	98%	98%	97%	0.7	0.7	0.7	0.0	0.0	0.0	0.7	0.7	0.7
Oman	0.1	0.1	0.1	99%	99%	99%	0.2	0.2	0.2	0.0	0.0	0.0	0.2	0.2	0.2
Pakistan	5.4	5.4	5.4	80%	82%	83%	8.6	8.9	9.0	2.1	1.9	1.8	10.7	10.8	10.9
Philippines	2.3	2.3	-	91%	87%	-	4.2	4.1	-	0.4	0.6	-	4.6	4.7	-
Qatar	0.0	0.0	0.0	99%	90%	97%	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.1
Russian Federation	1.9	1.9	1.8	96%	96%	96%	3.6	3.7	3.5	0.2	0.2	0.1	3.8	3.8	3.7
Saudi Arabia	0.6	0.6	0.6	99%	99%	98%	1.2	1.2	1.2	0.0	0.0	0.0	1.2	1.2	1.2
Singapore	0.1	0.1	0.0	99%	99%	99%	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1
Korea, Rep.	0.4	0.4	0.5	99%	99%	98%	0.9	0.9	0.9	0.0	0.0	0.0	0.9	0.9	0.9
Sri Lanka	0.3	0.3	0.3	99%	99%	99%	0.7	0.7	0.6	0.0	0.0	0.0	0.7	0.7	0.7
Syrian Arab Republic	0.5	0.5	0.5	86%	83%	66%	0.9	0.8	0.7	0.1	0.2	0.3	1.0	1.0	1.0
Tajikistan	0.2	0.3	0.3	98%	98%	98%	0.5	0.5	0.5	0.0	0.0	0.0	0.5	0.5	0.5
Thailand	0.7	0.7	0.7	99%	99%	99%	1.5	1.4	1.4	0.0	0.0	0.0	1.5	1.5	1.4
Timor-Leste	0.0	0.0	0.0	82%	79%	90%	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1
Turkey	1.3	1.3	-	96%	95%	-	2.5	2.4	-	0.1	0.1	-	2.6	2.6	-
Turkmenistan	0.1	0.1	0.1	99%	99%	99%	0.2	0.2	0.2	0.0	0.0	0.0	0.2	0.2	0.2
United Arab Emirates	0.1	0.1	0.1	94%	90%	96%	0.2	0.2	0.2	0.0	0.0	0.0	0.2	0.2	0.2
Uzbekistan	0.7	0.7	0.7	99%	99%	99%	1.3	1.4	1.4	0.0	0.0	0.0	1.4	1.4	1.4
Vietnam	1.6	1.6	1.5	95%	96%	97%	3.0	3.0	3.0	0.2	0.1	0.1	3.1	3.1	3.1
Yemen, Rep.	0.8	0.8	0.9	69%	73%	47%	1.2	1.2	0.8	0.5	0.5	0.9	1.7	1.7	1.7
<b>Total</b>	<b>76.7</b>	<b>77.2</b>	<b>72.5</b>	<b>94%</b>	<b>94%</b>	<b>90%</b>	<b>95.4</b>	<b>96.7</b>	<b>155.6</b>	<b>6.0</b>	<b>5.9</b>	<b>16.4</b>	<b>101.5</b>	<b>102.6</b>	<b>172.0</b>

\* Assuming wastage of 50% - as per WHO estimates

\*\* Assuming immunization shortfall is due to shortage in vaccine supply

\*\*\*Government of India estimate – FY16

Source: WHO, IRR Advisory Estimates

### BCG vaccination: South America

Country	Birth Count(MN)			Immunization Coverage			Existing Supply* (Million Dose)			Shortage** (Million Dose)			Total Requirement (Million Dose)		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Argentina	0.75	0.75	0.76	99%	99%	99%	1.5	1.5	1.5	0.0	0.0	0.0	1.5	1.5	1.5
Bolivia	0.25	0.25	0.25	85%	96%	NA	0.4	0.5	-	0.1	0.0	-	0.5	0.5	-
Brazil	3.04	3.03	3.01	99%	99%	99%	6.0	6.0	6.0	0.1	0.1	0.1	6.1	6.1	6.0
Chile	0.24	0.23	0.23	98%	98%	93%	0.5	0.5	0.4	0.0	0.0	0.0	0.5	0.5	0.5
Colombia	0.76	0.76	0.75	85%	89%	90%	1.3	1.3	1.3	0.2	0.2	0.1	1.5	1.5	1.5
Ecuador	0.33	0.33	0.33	90%	89%	88%	0.6	0.6	0.6	0.1	0.1	0.1	0.7	0.7	0.7
Guyana	0.01	0.01	0.01	98%	99%	99%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Paraguay	0.14	0.14	0.14	73%	77%	84%	0.2	0.2	0.2	0.1	0.1	0.0	0.3	0.3	0.3
Peru	0.62	0.62	0.61	95%	94%	91%	1.2	1.2	1.1	0.1	0.1	0.1	1.2	1.2	1.2
Suriname	0.01	0.01	0.01	NA	NA	NA	-	-	-	-	-	-	-	-	-
Uruguay	0.05	0.05	0.05	98%	99%	NA	0.1	0.1	-	0.0	0.0	-	0.1	0.1	-
Venezuela, RB	0.60	0.60	0.60	95%	95%	82%	1.1	1.1	1.0	0.1	0.1	0.2	1.2	1.2	1.2
<b>Total</b>	<b>6.8</b>	<b>6.8</b>	<b>6.8</b>	<b>95%</b>	<b>96%</b>	<b>95%</b>	<b>12.9</b>	<b>13.0</b>	<b>12.2</b>	<b>0.7</b>	<b>0.5</b>	<b>0.7</b>	<b>13.6</b>	<b>13.6</b>	<b>12.9</b>

\* Assuming wastage of 50% - as per WHO estimates

\*\* Assuming immunization shortfall is due to shortage in vaccine supply

Source: WHO, IRR Advisory Estimates

## BCG vaccination: Key countries

Country	Birth Count(MN)			Immunization Coverage			Existing Supply* (Million Dose)			Shortage** (Million Dose)			Total Requirement (Million Dose)		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Bangladesh	3.1	3.2	3.1	99%	99%	99%	6.2	6.3	6.2	0.1	0.1	0.1	6.3	6.4	6.3
Brazil	3.1	3.1	3.0	99%	99%	99%	6.1	6.1	6.0	0.1	0.1	0.1	6.1	6.2	6.0
China	16.3	16.4	16.6	99%	99%	99%	32.3	32.4	32.8	0.3	0.3	0.3	32.6	32.7	33.2
Egypt	2.5	2.5	2.5	98%	96%	96%	4.8	4.8	4.8	0.1	0.2	0.2	4.9	5.0	5.0
Ethiopia	2.3	2.3	3.2	77%	78%	97%	3.5	3.6	6.1	1.0	1.0	0.2	4.5	4.7	6.3
<b>India</b>	<b>25.6</b>	<b>25.9</b>	<b>25.8</b>	<b>91%</b>	<b>89%</b>	<b>87%</b>	-	-	<b>68.4***</b>	-	-	<b>10.2***</b>	-	-	<b>78.6***</b>
Indonesia	5.0	5.1	5.1	92%	90%	89%	9.3	9.2	9.0	0.8	1.0	1.1	10.1	10.2	10.1
Japan	1.0	1.0	1.0	93%	93%	84%	1.9	1.9	1.7	0.1	0.1	0.3	2.0	2.0	2.1
Mexico	2.4	2.4	2.4	91%	96%	99%	4.3	4.6	4.7	0.4	0.2	0.0	4.7	4.8	4.7
Nigeria	6.9	7.1	7.1	69%	73%	74%	9.5	10.4	10.5	4.3	3.8	3.7	13.8	14.2	14.2
Pakistan	5.4	5.4	5.4	80%	82%	83%	8.7	8.8	9.0	2.2	1.9	1.8	10.9	10.7	10.9
Philippines	2.3	2.4	2.4	91%	87%	87%	4.3	4.1	4.1	0.4	0.6	0.6	4.7	4.8	4.7
Russian Federation	1.9	1.9	1.8	96%	96%	96%	3.6	3.6	3.5	0.1	0.1	0.1	3.7	3.7	3.7
Vietnam	1.5	1.5	1.6	95%	96%	97%	2.9	3.0	3.0	0.2	0.1	0.1	3.1	3.1	3.1
<b>Global</b>	<b>129.0</b>	<b>129.9</b>	<b>125.2</b>	<b>91%</b>	<b>91%</b>	<b>90%</b>	<b>186.9</b>	<b>189.5</b>	<b>248.2</b>	<b>19.2</b>	<b>18.4</b>	<b>28.5</b>	<b>206.1</b>	<b>207.9</b>	<b>276.6</b>

\* Assuming wastage of 50% - as per WHO estimates

\*\* Assuming immunization shortfall is due to shortage in vaccine supply

\*\*\*Government of India estimate – FY16

Source: WHO, IRR Advisory Estimates

## BCG VACCINATION: DEMAND COMPOSITION



Vaccines for tuberculosis can be given as pre-exposure, post-exposure, or therapeutic vaccines. Pre exposure vaccines are targeted at infants and children younger than 5 years. Options include recombinant(r) live mycobacteria and subunit vaccines designed to boost responses to BCG or its potential replacement. Post-exposure vaccines target adolescents and adults with latent M tuberculosis infection; latency antigen subunit vaccines have been tailored for this application. Therapeutic vaccines aim to shorten treatment or supplement the treatment of drug resistant tuberculosis. Although various preparations of Mycobacterium vaccae showed no therapeutic benefit, killed Mycobacterium indicus pranii has been licensed for restricted use in tuberculosis therapy in India.

Two BCG replacement vaccines are in advanced stages of development: rBCG VPM1002 and MTBVAC.10 In experimental mouse models, rBCG VPM1002, which expresses listeriolysin (hly) from Listeria monocytogenes with deletion of the urease C (ureC) gene, induced superior protection against M tuberculosis compared with BCG. This superior protection has been attributed to the translocation of vaccine antigens to the cytosol and increased apoptosis of infected macrophages, resulting in enhanced T-cell stimulation. Results from an unpublished phase 2a trial suggests that VPM1002 is safe and well tolerated in infancy. MTBVAC is a double-deletion mutant of M tuberculosis from which a broad range of virulence genes and critical enzymes have been deleted. MTBVAC has shown similar safety and immunogenicity to BCG in a provisional phase 1 study. Despite these exciting advances, field trials to assess potential BCG replacements are complicated by the excellent protection provided by BCG, the absence of reliable immune correlates of protection, and the lack of robust clinical endpoints in highly regulated vaccine trial sites. Widespread availability of a live attenuated vaccine that could replace BCG is likely to be many years away, but an unintended consequence of the expectation that new vaccines will soon replace BCG is a reluctance to invest in continued BCG production.

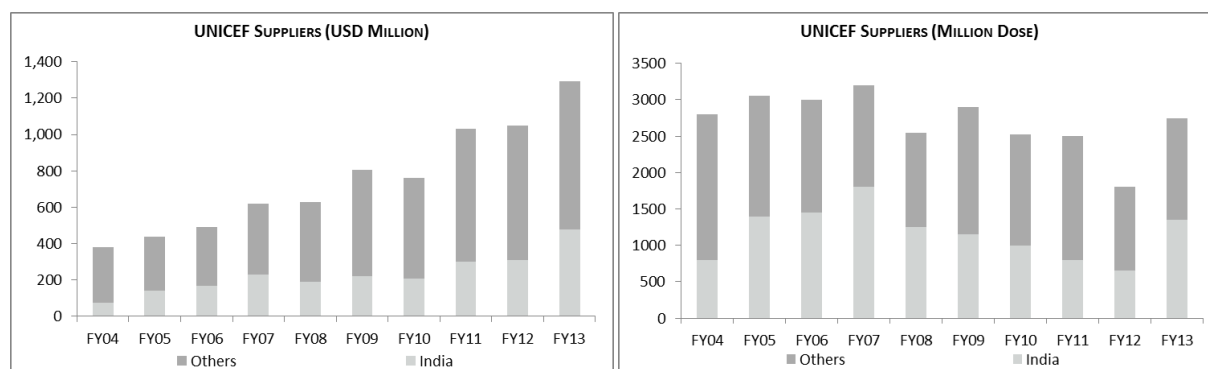
Vaccine market, which was once considered as a commodity market, is now among the fastest developing markets for the global pharma industry. The global vaccine industry has witnessed impressive growth in recent times and has surpassed many of the traditional businesses in the global pharmaceutical market. It has now captured almost 3% of the overall global pharmaceutical industry. The growth in the global vaccine industry is fuelled by continuous product innovation, increasing awareness, availability of funding support and positive response from diverse demographics. In addition, increasing investments by government and non-government organizations to enhance vaccine research and supply worldwide is expected to further grow in the vaccine industry. The global vaccines market is expected to reach USD57bn by 2019 from USD33bn in 2014, growing

at a CAGR of 11.8% from 2014 to 2019. Among various end users, the paediatrics segment is expected to account for the largest share of the market with highest CAGR growth during 2014 to 2019. Growth in this segment can be attributed to the rising prevalence of diseases and the increasing number of initiatives taken by government organizations for vaccination programs. On the back of strong focus of the Government on increasing the immunization activities across the country, increasing awareness, availability of affordable vaccines, the Indian vaccine industry is expected to continue to grow at a CAGR of 12-15% over the next five years.

India is one of the largest manufacturers and exporters of vaccines world-wide, with 12 major vaccine manufacturing facilities. These vaccines are used for the national and international markets (150 countries), which makes India a major vaccine supplier across the globe. UN agencies and partnerships such as UNICEF, UNFPA, UNITAID, the Global Fund and the GAVI Alliance facilitate the supply of life-saving quality assured medicines and vaccines to millions of patients in resource-limited countries across the world. These agencies only buy products that have been through the WHO Prequalification Scheme, which ensures that medicines, vaccines and diagnostics meet international standards of quality, safety and efficacy. India has about seven vaccine manufacturers producing 67 prequalified vaccines (dosage forms). Currently 16 vaccines are prequalified by WHO and exported through United Nations agencies. More than 70% of all measles vaccines used globally are produced in India. Nearly a third of prequalified vaccines, and over two thirds of medicines purchased through these international organizations are produced in India.

UNICEF supplies vaccines reaching 40 per cent of the world's children as part of its commitment to improving child survival. The procurement of vaccines and related supplies is UNICEF's largest procurement activity. In 2014, UNICEF procured 2.71 billion doses of vaccines for 100 countries, from polio and measles to tetanus, BCG and yellow fever vaccines, at a value of USD1.5bn. These vaccines are used in routine immunization as well as in immunization campaigns. In 2014, UNICEF also purchased 180 million doses of measles vaccines, 134 million doses of BCG and 133 million doses of tetanus vaccines. India is the largest vaccine supplier to the UNICEF, supplying nearly ~37% of the vaccines procured by UNICEF annually.

#### UNICEF suppliers – Significant Indian share



Source: UNICEF, IRR Advisory

The table below lists the top Indian companies supplying vaccines across the globe:

#### Top Indian vaccine exporters

Company	Vaccine Exported
Bharat Biotech	Chikungunya Vaccine
	Liquid Rabies Vaccine
	Malaria Vaccine
	Oral Rotavirus Vaccine
	Rotavirus Vaccine "Rotovac"
	Typhoid Conjugate Vaccine
Bharat Serum and Vaccines Ltd	Antisera
	Monoclonal Human Anti-rhesus Immunoglobulin
	Monoclonal tetanus immunoglobulin
Green Signal Bio Pharma	BCG



Company	Vaccine Exported
Haffkine Biopharmaceuticals	Antisera
	Oral Polio Vaccines
Indian Immunologicals	FMD vaccine
	Vaccine for the blue tongue disease
Panacea Biotech	Easyfour (Diphtheria Tetanus Pertussis + Hib)
	Ecovac (DTP + HepB)
	Hepatitis B vaccine
	Oral Polio vaccine
Serum Institute of India	BCG
	Diphtheria
	Measles
	Mumps
	Pertussis
	R-hepatitis B
	Rubella
	Tetanus

Source: Consulate General of India, IRR Advisory

Indian manufacturers producing World Health Organization prequalified vaccines include:

#### Indian manufacturers producing World Health Organization prequalified Vaccines

Manufacturer	WHO prequalified products
Bharat Biotech International Limited	Polio Vaccine - Oral (OPV) Bivalent Types 1 and 3, Polio Vaccine - Oral (OPV) Trivalent
Biological E. Limited	Tetanus Toxoid, Diphtheria-Tetanus (reduced antigen content), Diphtheria-Tetanus-Pertussis (whole cell), Diphtheria-Tetanus-Pertussis (whole cell)-Hepatitis B-Haemophilus influenzae type b, Japanese Encephalitis Vaccine (Inactivated)
Chiron Behring Vaccines Private Limited	Rabies
Green Signal Bio Pharma Limited	BCG
Haffkine Bio Pharmaceutical Corporation Limited	Polio Vaccine - Oral (OPV) Bivalent Types 1 and 3, Polio Vaccine - Oral (OPV) Monovalent Type 1, Polio Vaccine - Oral (OPV) Trivalent
Panacea Biotec Limited	Diphtheria-Tetanus-Pertussis (whole cell)-Hepatitis B-Haemophilus influenzae type b
Serum Institute of India Private Limited	BCG, Diphtheria-Tetanus, Diphtheria-Tetanus (reduced antigen content), Diphtheria-Tetanus-Pertussis (whole cell), Diphtheria-Tetanus-Pertussis (whole cell)-Haemophilus influenzae type b, Diphtheria-Tetanus-Pertussis (whole cell)-Hepatitis B, Diphtheria-Tetanus-Pertussis (whole cell)-Hepatitis B-Haemophilus influenzae type b, Haemophilus influenzae type b, Hepatitis B, Influenza, pandemic H1N1, Influenza, seasonal, Measles, Measles and Rubella, Measles, Mumps and Rubella, Meningococcal A Conjugate, Meningococcal A Conjugate (paediatric), Polio Vaccine - Oral (OPV) Bivalent Types 1 and 3, Polio Vaccine - Oral (OPV) Trivalent, Rabies, Rubella, Tetanus Toxoid
Shantha Biotechnics Limited	Tetanus Toxoid, cholera: inactivated oral, Diphtheria-Tetanus-Pertussis (whole cell)-Hepatitis B-Haemophilus influenzae type b, Hepatitis B

Source: WHO, IRR Advisory

The list of manufacturers prequalified during 2015 and 2016, along with the vaccine type, is indicated in the chart below:

**Prequalified manufacturers in 2015 and 2016**

Date	Type	No of Doses	Manufacturer
<b>2015</b>			
20/03/2015	Polio Vaccine - Oral (OPV) Bivalent Types 1 and 3	20	Bharat Biotech International Limited
20/03/2015	Polio Vaccine - Oral (OPV) Trivalent	20	Bharat Biotech International Limited
20/03/2015	Polio Vaccine - Oral (OPV) Trivalent	10	Bharat Biotech International Limited
09/06/2015	Influenza, seasonal	1	Hualan Biological Bacterin Co., Ltd
30/09/2015	Influenza, seasonal	1	Serum Institute of India Pvt. Ltd.
04/11/2015	Influenza, seasonal	1	Sanofi Pasteur-USA
04/11/2015	Influenza, seasonal	10	Sanofi Pasteur-USA
05/11/2015	Polio Vaccine - Oral (OPV) Bivalent Types 1 and 3	10	PT Bio Farma (Persero)
<b>06/11/2015</b>	<b>BCG</b>	<b>20</b>	<b>GreenSignal Bio Pharma Limited</b>
23/12/2015	cholera: inactivated oral	1	Eubiologics Co., Ltd.
<b>2016</b>			
14/01/2016	Polio Vaccine - Oral (OPV)	20	Sanofi Pasteur SA
25/01/2016	Polio Vaccine - Oral (OPV) Monovalent Type 3	20	Sanofi Pasteur SA
10/02/2016	Diphtheria-Tetanus-Pertussis (whole cell) Hepatitis B Haemophilus influenzae type b	1	LG Life Sciences
10/02/2016	Diphtheria-Tetanus-Pertussis (whole cell) Hepatitis B Haemophilus influenzae type b	10	LG Life Sciences
29/02/2016	Diphtheria-Tetanus-Pertussis (whole cell) Hepatitis B Haemophilus influenzae type b	5	Janssen Vaccines Corp.
29/02/2016	Diphtheria-Tetanus-Pertussis (whole cell) Hepatitis B Haemophilus influenzae type b	10	Janssen Vaccines Corp.

Source: WHO, IRR Advisory

To ensure a supply of good quality and innovative products at an affordable price to the Indian population, the Ministry of Science and Technology, through its Department of Biotechnology and Council for Scientific and Industrial Research, has initiated new funding mechanisms. The Small Business Innovation Research Initiative supports innovative ideas generated by start-ups, and the New Millennium Indian Technology Leadership Initiative supports novel projects from both industry and academia very early in development. These initiatives have been used by domestic vaccine manufacturers to cushion risks in the initial development of vaccines, especially complex one such as rotavirus, pneumococcal conjugate and human papillomavirus vaccines. The Government of India provided funds to four manufacturers to develop and manufacture influenza A (H1N1)vaccines following the pandemic in 2009 (Serum Institute of India Limited (SII), Cadila Pharmaceuticals Limited, Bharat Biotech International Limited (BBIL), and Panacea Biotec Limited). The Technology Development Board of the Department of Science and Technology provides funding to industry for setting up manufacturing and other facilities; an example of such support is that provided to Biological E Limited for development of their HBV and Hib pentavalent vaccines. Recently, the Biotechnology Ignition Grant was launched to support innovation in affordable health care products in the initial phase of development. These grants are available to students, faculty and small and medium enterprises that have incubator space or their own infrastructure to carry out the proposed work. Several science ministries and the Department of Health Research are generously funding academic and other research institutions to working the area of vaccinology for product development and supporting science . The Biotechnology Industry Partnership Program, on the other hand, funds product development with industry partners and has supported some major projects in the area of vaccines (e.g., H1N1, human papillomavirus, hepatitis C virus and pneumococcalconjugate vaccines)

Industry	Project
Gennova Biopharmaceuticals Ltd., Pune	Recombinant HPV vaccine
Panacea Biotec Ltd., New Delhi	13-valent pneumococcal conjugate vaccine against Streptococcus pneumoniae infections
Serum Institute of India Ltd., Pune	HPV vaccine
Tergene Biotech Pvt. Ltd., Secunderabad	Affordable, Asia-specific 15-valent pneumococcal polysaccharide—CRM197 protein conjugate vaccine
Virchow Biotech Private Ltd., Hyderabad	Mucosal vaccine for HPV

### **Regulatory Overview**

Ministry of Health & Family Welfare has formulated the National Vaccine Policy for the country. The policy addresses broad issues of strengthening the institutional framework, processes, need for strengthening Universal Immunization Programme in India and to streamline the decision making process on new and underutilized vaccine introduction. The Central Drugs and Standards Control Organization (CDSCO) is the National Regulatory Authority (NRA) in India. CDSCO is headed by the Drugs Controller General (India). It approves vaccines that are introduced in the country, grants permission to conduct clinical trials, registers and controls the quality of imported vaccines, as well as lays down standards for updating the India Pharmacopoeian. It also approves licenses as the Central License Approving Authority (CLAA) for the manufacture of vaccines, coordinates the activities of the states and advises them on matters relating to uniform administration of the Act and Rules. The Central Drugs Laboratory (CDL), Kasauli performs lot release for all imported vaccines as well as locally produced vaccines.

Vaccine development is a lengthy process in India and requires approvals from numerous agencies/committees in the Government. Biosafety regulations in India comprise biosafety rules and guidelines. India's biosafety rules apply to manufacture, import and storage of microorganism and gene technology products and include products made of micro organisms that are genetically engineered. The rules cover research and large scale applications of Genetically Modified Organisms(GMOs) and products. They also deal with hazardous organisms that are not genetically modified. There are a number of approvals and clearances that one needs to take, once a vaccine has been conceptualized.

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## OUR BUSINESS

*This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about us, our Restated Standalone Financial Information, including the notes thereto, in the chapters “Risk Factors”, “Industry Overview”, “Financial Statements”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” on pages 14, 64, 124 and 149, respectively.*

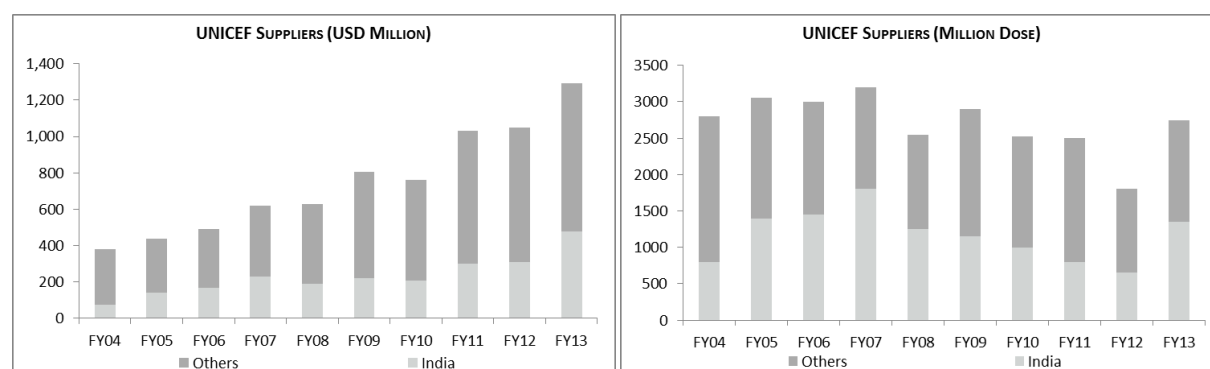
### Overview

The global vaccines market is expected to reach USD57bn by 2019 from USD33bn in 2014, growing at a CAGR of 11.8% from 2014 to 2019. Among various end users, the paediatrics segment is expected to account for the largest share of the market with highest CAGR growth during 2014 to 2019. On the back of strong focus of the Government on increasing the immunization activities across the country, increasing awareness, availability of affordable vaccines, the Indian vaccine industry is expected to continue to grow at a CAGR of 12-15% over the next five years.

India is one of the largest manufacturers and exporters of vaccines world-wide, with 12 major vaccine manufacturing facilities. These vaccines are used for the national and international markets (150 countries), which makes India a major vaccine supplier across the globe. UN agencies and partnerships such as UNICEF, UNFPA, UNITAID, the Global Fund and the GAVI Alliance facilitate the supply of life-saving quality assured medicines and vaccines to millions of patients in resource-limited countries across the world. These agencies only buy products that have been through the WHO Prequalification Scheme, which ensures that medicines, vaccines and diagnostics meet international standards of quality, safety and efficacy. India has about seven vaccine manufacturers producing 67 prequalified vaccines (dosage forms). Currently 16 vaccines are prequalified by WHO and exported through United Nations agencies. More than 70% of all measles vaccines used globally are produced in India. Nearly a third of prequalified vaccines, and over two thirds of medicines purchased through these international organizations are produced in India.

UNICEF supplies vaccines reaching 40 per cent of the world's children as part of its commitment to improving child survival. The procurement of vaccines and related supplies is UNICEF's largest procurement activity. In 2014, UNICEF procured 2.71 billion doses of vaccines for 100 countries, from polio and measles to tetanus, BCG and yellow fever vaccines, at a value of USD1.5bn. These vaccines are used in routine immunization as well as in immunization campaigns. In 2014, UNICEF also purchased 180 million doses of measles vaccines, 134 million doses of BCG and 133 million doses of tetanus vaccines. India is the largest vaccine supplier to the UNICEF, supplying nearly ~37% of the vaccines procured by UNICEF annually.

### UNICEF suppliers – Significant Indian share



Source: UNICEF, IRR Advisory

The table below lists the top Indian companies supplying vaccines across the globe:

**Top Indian vaccine exporters**

Company	Vaccine Exported
Bharat Biotech	Chikungunya Vaccine
	Liquid Rabies Vaccine
	Malaria Vaccine
	Oral Rotavirus Vaccine
	Rotavirus Vaccine "Rotovac"
	Typhoid Conjugate Vaccine
Bharat Serum and Vaccines Ltd	Antisera
	Monoclonal Human Anti-rhesus Immunoglobulin
	Monoclonal tetanus immunoglobulin
Green Signal Bio Pharma	BCG
Haffkine Biopharmaceuticals	Antisera
	Oral Polio Vaccines
Indian Immunologicals	FMD vaccine
	Vaccine for the blue tongue disease
Panacea Biotech	Easyfour (Diphtheria Tetanus Pertussis + Hib)
	Ecovac (DTP + HepB)
	Hepatitis B vaccine
	Oral Polio vaccine
Serum Institute of India	BCG
	Diphtheria
	Measles
	Mumps
	Pertussis
	R-hepatitis B
	Rubella
	Tetanus

Source: Consulate General of India, IRR Advisory

We are one of the two Indian pharmaceutical companies engaged in the development, manufacture and sale of the BCG vaccine. Our products include one vaccine, namely the BCG vaccine as well as the BCG-ONCO- Urovac, an immunotherapy drug which is not a vaccine but it is used in the treatment of urinary bladder cancer.

We are one of the four companies worldwide who have been WHO-prequalified to supply the BCG vaccine to UNICEF. And we have secured a long term arrangement dated November 23, 2015 with UNICEF to supply the BCG vaccine to UNICEF subject to the purchase orders placed with our company. We also supply the BCG vaccine to the Ministry of Health, India pursuant to the tendering process, in which we have placed successful bids since the year 2010 (except for years 2013-14 and 2014-15). We also supply the BCG vaccine to Indonesia, and Nepal which are countries outside the UNICEF ambit. Our BCG-ONCO for Immunotherapy drug is distributed throughout India vide commercial arrangements in India and we intend to market this immunotherapy drug in overseas jurisdictions as well. Presently, we have made several limited supplies to various countries such Lebanon, Saudi Arabia, Turkey and Switzerland.

We are an Indian vaccine manufacturing company with global operations. As on date we produce two products:

1. BCG Vaccine for immunization against Tuberculosis
2. BCG-ONCO for Immunotherapy (Freeze Dried) BP for the treatment of Urinary Bladder Carcinoma and our brand name for the same is 'Urovac'.

As both vaccines produced by us are generic drugs we do not require any patents for the same, however we have procured a registered trademark for our BCG ONCO for Immunotherapy drug, name, 'Urovac'.



Under our arrangement with Cadila Healthcare Limited, we were producing the BCG ONCO for Immunotherapy under the brand name 'Oncovac'. Our agreement is expiring on June 29, 2016 and we do not intend to renew the same. For further details kindly refer to **Risk factor** on page 14.

Our Company was incorporated as a Private Limited Company "Green Signal Bio Pharma Private Limited" on November 21, 2005 at Chennai under the Companies Act, 1956. Pursuant to our Company passing a resolution under section 13 (2), of the Companies Act 2013 on March 24, 2016, and upon the issuance of a fresh certificate of incorporation consequent to the name change, the name of our Company was changed to GreenSignal Bio Pharma Private Limited with effect from April 21, 2016. Further, the shareholders of our Company passed a resolution dated March 24, 2016 and the Company was changed to a Public Limited Company with effect from May 12, 2016. The CIN of our Company is U24232TN2005PLC058068. The Registered Office of our Company is located at Old No.5, New No.13/A3, Sai Niketan, Circular Road, United India Colony, Kodambakkam, Chennai 600 024.

Our business is organized into domestic (i.e. Indian) and international operations, according to the geographies in which we operate. For fiscal year 2016, our domestic and international operations accounted for 53.79% and 46.20%, respectively, of our net revenues from operations. Our consolidated net revenues from operations grew at a CAGR of 210.70% in the period from fiscal year 2015 to fiscal year 2016.

**We have a manufacturing facility located at Pappankuppam Village, Gummidipoondi, Tiruvallur District, Tamil Nadu equipped with advanced equipment dedicated for the manufacturing of live attenuated BCG Vaccine and the BCG-ONCO for immunotherapy.**

### **Objective and Aim**

The main objective of our Company is to provide the much needed vaccine against tuberculosis to new born children, thereby reducing the mortality and morbidity in children which occurs due to tuberculosis and also to provide the essential drug for immunotherapy against urinary bladder cancer to people, thereby reducing the mortality due to cancer.

The motto of our Company is "**Wellness for All**".

After incorporation in 2005 our Company made efforts to Seed & Technical Know-how and setting up of manufacturing unit for Measles Vaccine in India in collaboration with M/s.Wuhan Institute of Biological Products (WIBP) China, a Government of China undertaking. GSBPL procured a property of 1.4 Acres at Gummidipoondi, near the outskirts of Chennai for setting up of modern facilities for the manufacture of human vaccines. It also entered into agreement with M/s. Pasteur Institute of India for transfer for manufacture of Measles and Rubella Vaccines by the PII on the basis of profit sharing with our Company.

We started manufacturing the live attenuated vaccine in January 2009, after receiving approval from Drug Controller General of India.

### **Our Strategy**

The key pillar of growth for our Company is to export vaccines globally in various jurisdictions. We can do this by directly liaising with countries and their health ministries as well as providing our products to global suppliers such as UNICEF. Within India our BCG vaccine is already being provided to MoH vide it's tendering

process and we have been securing this since financial year 2010 except for the years 2013-14 and 2014-15. However, there is a considerable scope for marketing our other product BCG-ONCO for Immunotherapy or Urovac. We can do this in partnership with other such entities or directly ourselves. We intend to associate with prominent international marketing agencies for more effective and fruitful business development worldwide for promoting BCG-ONCO-Urovac.

Apart from increasing our presence geographically, our Company plans to add new vaccines to its portfolio and in this regard we have acquired land measuring about 34.01 acres for a fresh facility at Tiruvallur, Chennai, Tamil Nadu. For further details on land please refer to “*Our Facility*” and “*Land and Other Properties*” on page 89 and 90.

With an optional upstream and downstream processes, the company plans to do the Fill / Finish and sell with greater volumes of a variety of newer Vaccines for anti serum, cancer, Dengue, H1N1, Type-I Diabetes and other dreaded diseases with better margins to the more demanding markets in India as well as globally. Our Company, aims to produce new and unique novel vaccine products to take advantage of higher margins in sales in the global market with PQ certification. At the same time, we are also planning to upgrade to Fill / Finish process for the existing products which are already in the market giving decent profit margins. We also intend to optimally market usage of the BCG Vaccine, our existing product for treatment of Type-I Diabetes as and when same is approved by MoH.

Our Company is focused on expanding its presence geographically. An important milestone in that process was achieved during November 6, 2015, as our Company became a WHO Pre-Qualified supplier.

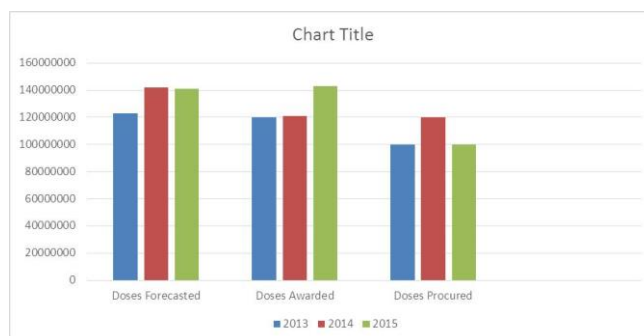
Advantages of WHO – Pre-Qualification:

- The product can reach every part of the globe with ease.
- Our Company becomes eligible to participate in tenders of UNICEF, PAHO and other Global Agencies which are among the largest buyer of BCG Vaccines.
- A considerable increase in price of the product is assured.
- Regular export opportunities to other countries including non-UNICEF Countries.

### UNICEF Orders

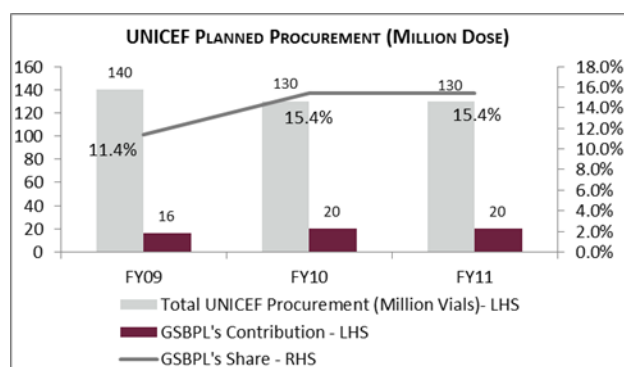
There are a limited number of manufacturers supplying BCG Vaccines who are WHO Pre-Qualified (maximum of four, including our Company), even though the demand from UNICEF has been constant over the past decade. Over the past three years there has been an insufficient supply and a deficit of approximately 15 million doses each year.

### UNICEF procurement – projected share



Source: UNICEF Study on Demand and Supply on Vaccines

UNICEF has concluded its 2016-2018 BCG vaccine tender in September 2015 and awarded four manufacturers three-year long-term arrangements (LTAs) to supply 400 million doses. The increase in total 2016 supply availability from existing manufacturers, together with supply from a new WHO prequalified vaccine (GreenSignal Bio Pharma), indicates total supply is sufficient to meet both suppressed 2015 demand carried over to 2016, as well as total forecast demand through 2016-2018. To smoothen demand, country buffer stocks depleted over the past three years will be replenished over a two to three year period subject to supply availability. GreenSignal Bio Pharma’s planned contribution to the UNICEF over 2016-2018 is indicated in the chart alongside.



Source: UNICEF, GSBPL, IRR Advisory

The historical procurement price as well as price agreed for supply during 2016-2018 is indicated in the table below:

### UNICEF historical procurement cost

Supplier Name	BCG Vial Cost (USD)				
	FY11	FY12	FY13	FY14	FY15
Intervax	1.4	1.4	1.4	1.5	1.5
Japan BCG Laboratory	2.1	2.1	2.7	2.7	2.7
Serum Institute of India	1.1	1.1	1.3	1.3	1.4
Statens Serum Institute	2.9	3.0	3.0	3.1	3.1

UNICEF has contracted with all the four WHO Pre Qualified BCG Vaccine Manufacturers. To meet the growing demand UNICEF has awarded an additional 37.82 million doses to increase its initial 2015 allocation from 107 to 144.82 million doses. As per UNICEF projections the shortfall for the year 2015 is 16.5 Million Doses. To mitigate the deficit, UNICEF is taking a number of actions namely:

- ✓ Extensive Consultations with 120+ countries receiving BCG through UNICEF
  - Agree on critical dates for deliveries of vaccine
  - Advocate for reduction of wastage rates
  - Using buffer stocks in countries
- ✓ Extensive Follow up with suppliers
- ✓ Close follow up with pipeline manufacturers seeking WHO Pre-Qualification.

The UNICEF orders present an increasing order pipeline for the Company, as our Company is one of the few WHO Pre Qualified BCG Vaccine manufacturers.

### History of our BCG Vaccine and BCG ONCO for Immunotherapy Seed Strain and our Manufacturing process

The Bacillus Calmette Guerin (BCG) Strain 1331 of Danish origin was prepared for immunization against tuberculosis. The strain has been exclusively used in the immunization programs for the past 55 years. The mother culture was procured from Statens Serum Institute Denmark by BCG Laboratory, Guindy, Chennai and the Secondary Seed was prepared in 1995. Our Company was granted permission by MoH to procure the seed from BCG Laboratory, Guindy, Chennai. The seed was transferred to our Company in March 2007.

### Our Business

Having established ourselves in the Indian vaccines market, we have expanded internationally through organic growth which is our key focus area for further expansion. Our products are exported to 17 countries, either directly through UNICEF or indirectly, through supply, distribution and other arrangements.



## Our Products

### BCG Vaccine

BCG Vaccine is live, freeze dried product, made from an attenuated strain of Mycobacterium bovis, Danish 1331 strain. It is used for immunization against Tuberculosis. It contains monosodium glutamate as a stabilizer. BCG cultures are propagated on Sauton growth medium, then harvested, mixed with monosodium glutamate and finally lyophilized (freeze-dried). We have the following kinds of BCG vaccines namely, BCG Vaccine IP, BCG Vaccine BP, BCG Vaccine EP and BCG Vaccine USP.

For prevention of Tuberculosis, BCG Vaccination is accepted as one of the most important measures. It is compulsory in 64 countries including India and is officially recommended in an additional 118 countries and territories. BCG is most effective known adjuvant in animals and humans. It is also cheap, stable and safe. The BCG Vaccine is required to be routinely given to all infants since they are at a higher risk of early exposure to tuberculosis. This vaccine should be given soon after the child is born. BCG administered early in life provides high level of protection particularly against severe forms of childhood tuberculosis and tubercular meningitis.

### Registration Details of BCG Vaccine:

The BCG Vaccine is registered in India since 2008, in Indonesia since 2010 and in Nepal since 2016. For India the certificate to manufacture under the Drugs and Cosmetics Rules has been issued by the Director of Drugs Controller, Chennai. For Nepal the Ministry of Health and Population, Department of Drug Administration has provided a letter of recommendation for import of drugs, for UNICEF countries registration is not required for the concerned UNICEF country(ies) and for Non-UNICEF countries since we supply limited supplies which are prescription based, we are not required to obtain such registrations.

### **BCG-ONCO for Immunotherapy - Urovac:**

BCG for Immunotherapy or Urovacisa live, freeze dried product, made from an attenuated strain of Mycobacterium bovis, Danish 1331 strain. BCG-ONCO for immunotherapy has been widely accepted as the optimal treatment for carcinoma in situ and high-grade superficial transitional Urinary Bladder Carcinoma. Our Company produces this drugs under the registered name of 'Urovac'. However, earlier our company was producing the same product under the brand name 'Oncovac' for Cadila Healthcare Ltd.

We have entered into a sales and distribution agreement with Cadila Healthcare Ltd. for five years and the same is expiring in June 2016. Under this contract, Cadila Healthcare Ltd. shall market our product BCG-ONCO for Immunotherapy under its own brand name namely 'Oncovac' in the domestic Indian market on an exclusive basis. We have not taken any active steps for renewal of this contract and upon expiry of this exclusive sale and distribution agreement the challenge will be to market our product under our own registered brand name 'Urovac' in India.

### Registration Details of BCG-ONCO-Urovac:

The BCG -ONCO-Urovac is registered in India since 23-01-2012 with Trademark Registry.

### Revenue from our Products

The following table sets forth certain information regarding our revenue from the sale of products for our geographic segments and is provided below:

Geographic Segment	For the period ended June 30, 2016	For the year ended March 31, (In ₹ Lacs)				
		2016	2015	2014	2013	2012
Domestic revenue	347.12	1,096.76	101.88	350.99	1,167.78	1,126.58
Overseas Revenue	667.58	941.96	554.28	-	-	-

The years 2014 and 2015 saw a deep decline in domestic sales of both BCG vaccine and BCG-ONCO for Immunotherapy. The decline in the revenues for the BCG Vaccine was due to us not being the lowest bidder in MoH tenders. The decline in the revenues from BCG ONCO for Immunotherapy was due to price increase under the arrangement with Cadila Healthcare Limited and corresponding lower quantity ordered by Cadila

Healthcare Limited. Subsequently in fiscal 2016, our domestic revenue increased to more stable numbers and this was mainly due to us getting the tenders from MoH. Also, our overseas revenue increased from 554.28 lacs to 941.96 lacs mainly due to signing the LTA with UNICEF and other Non UNICEF countries.

The following table sets forth certain information regarding our revenue from the domestic sales for the past five years ending March 31, 2016 and period ended June 30, 2016 as follows:

(In ₹ Lacs)

Domestic Sale of products	For the period June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
Manufactured goods						
Product BCG VACCINE	304.05	907.41	39.06	329.13	1,044.72	990.41
Product BCG ONCO for Immunotherapy	43.07	189.35	62.82	21.86	123.06	136.17
Total - Domestic Sales	347.12	1,096.76	101.88	350.99	1,167.78	1,126.58

The years 2014 and 2015 saw a deep decline in domestic sales of both BCG vaccine and BCG-ONCO for Immunotherapy, wherein our BCG Vaccine Sale declines to 39.06 lacs and our Product BCG ONCO declined to 62.82 lacs in the fiscal year 2015. The decline in the revenues for the BCG Vaccine was due to us not being the lowest bidder. The decline in the revenues from BCG ONCO was due to price increase under the arrangement with Cadila Healthcare Limited and corresponding lower quantity ordered. Subsequently in fiscal 2016, our domestic revenue increased to more stable numbers and this was mainly due to us getting the tenders from MoH.

The following table sets forth certain information regarding export sales for our two products:

(In ₹ Lacs)

Export Sale of products	For the period June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
Manufactured goods						
Product BCG VACCINE	667.58	941.96	552.31	-	-	-
Product BCG ONCO	-	-	1.97	-	-	-
Total - Export Sale	667.58	941.96	554.28	-	-	-

Our export revenues for the BCG vaccine is primarily due to our arrangement with UNICEF with marginal revenues from other non UNICEF Countries.

Our Company has been earning positive profits on the operational front. But owing to the fixed costs of finance and depreciation and the tax charges, the company turns into losses. However, on account of the widening of the export market over the last two years, the profitability of the company has improved over the earlier years. The company registered a profit figure in the last financial year 2015-16. For details of the same please refer to “*Financial Statement*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 124 and 149 respectively.

### Clinical Trials

We had outsourced clinical trials of our BCG Vaccine to Contract Research Organisations (“*CRO*”). These were registered in the clinical trial registry, India. Also, every batch of our vaccine and BCG ONCO undergoes interalia ‘*mandatory animal testing*’ at our own facility and we hold an approval for animal testing facility. Simultaneously each batch is independently tested by Central Drugs Laboratory, Kasauli, Himachal Pradesh.

### Competitive Strengths

Our primary competitive strength is that we are a low cost producer of the vaccine. Even though domestically our price is regulated by National Pharmaceutical Pricing Authority (“*NPPA*”), even in the international sphere we have maintained the lowest cost as is apparent from the table below which provides the cost presentation of suppliers to UNICEF.

### BCG Vaccine Supply Metrics to UNICEF

Presentation	Supplier Name	Years		
		2016	2017	2018

Presentation	Supplier Name	Years		
		2016	2017	2018
BCG Vaccine in a 20 dose presentation (in \$) (Per Vial Cost)	GSBPL	\$1.36	\$1.50	\$1.80
	Intervax	\$1.60	\$1.72	\$1.84
	Japan BCG Laboratory	\$3.24	\$3.32	\$3.40
	Serum Institute of India Limited	\$2.10	\$2.10	\$2.10

Source: UNICEF.org/supply/files/BCG.pdf; Last updated December 3, 2015.

From the above table we can infer that our Company vaccine is priced the lowest in comparison to other suppliers. India is one of the major supplier of vaccines for UNICEF programs with the value exceeding 10 million. Further, we are one among the two WHO Pre Qualified suppliers from India. Also, our supply price is much lower than our main competitor, the Serum Institute of India Limited.

- ✓ **Niche Product Profile:** Immunotherapy market is a niche market and we are one among the few players active in this segment. Our product UROVAC is one among the brands available in this segment globally.
- ✓ **As cure for Other diseases:** Recent research has suggested that BCG can be used for treatment of Diabetes.
- ✓ **Lower costs in manufacturing and research and development:** Indian vaccine manufacturers to develop vaccines on par with global standards at costs lower than the existing international costs.
- ✓ **Lower costs of clinical trials:** There is high potential for contract services by Indian vaccine manufacturers in areas like basic research, molecular cloning and gene expression, development of cell lines for vaccines, fermentation and purification processes, clinical trials and manufacturing.
- ✓ **Increased support from the Government:** The Indian Government's National Immunization Program and implementation of national preventing policies effectively backed by global organizations like the WHO, UNICEF and GAVI and increasing Private-Public Partnerships has provided a major thrust to the vaccine industry.
- ✓ **Innovations bringing in new possibilities:** New uses of vaccines, new routes of administering them, new combinations, new antigens and new therapeutic segments of discovering vaccines at lower costs have all helped fuel greater growth in this space.
- ✓ **Growing and ageing population:** India has the world's second largest population which has a strong prevalence of all major adult and pediatric diseases. This, in conjunction with the country's increasing per-capita income and growing health consciousness of its populace is providing for a strong domestic market.

Our Company being one of the few companies focused on vaccine manufacturing is rightly poised to take advantage of the growing opportunities in this sector.

### Experienced Senior Leadership and Management Team

We have seen strong growth under the vision, leadership and guidance of our founders, Mr. P. Sundaraparipooranan, Dr. P. Murali, who have both been associated with the pharmaceutical business for over two decades. Our founders have played a key role in developing our business and we benefit from their industry expertise, vision and leadership. We also have a qualified senior management team including Shri E. S. Chandrasekaran, Executive Director and Mrs. Sudha Varadraj, Chief Technical Officer and Advisor with considerable experience in the vaccine industry, exclusive knowledge in regulatory guidelines and pharma audits including packaging of sterile drug products. We believe that the vaccine domain knowledge and experience of our founders and our management team provides us with a significant competitive advantage for the growth of our business.

### Our Facility

Our manufacturing facility is located at No.49, Pappankuppam Village, Gummidipoondi, Tiruvalluvar, Dist - 601 201. The facility is located on 1.4 acres of land space, with a build-up area of 35250.96 sq.ft. Our centre is built as per the WHO standards. Apart from the Vaccine Manufacturing Facility, the campus also houses our Research & Development centre. Our R&D Centre is approved by Department of Scientific and Industrial

Research, Government of India. The land appurtenant to this facility has been leased from Mr. Sundarapariipoornan, promoter of our company for a term of ten years commencing from February 23, 2016. Prior to this the said land was leased from Mr. Sundarapariipoornan as well as Ms. Dakshayani, whose 30% share in the land was subsequently acquired by Mr. P. Sundarapariipoornan so as to become 100% owner of the same.

We produced a total of 6 Million doses in 2009, the start of our commercial production. During the last 5 years we have produced a total of 15,912,183 doses of our vaccines. Our detailed production statistics are given below:

Capacity	For Peripd ended on June 30, 2016	2016	2015	2014	2013	2012
Approved Capacity	10,800,000 Vials					
Installed Capacity	10,800,000 Vials					
Actual Production	15,26,508	52,52,325	19,15,083	14,09,414	29,44,906	43,90,455
Capacity Utilization	14.13%	48.63%	17.73%	13.05%	27.27%	40.65%

Our Company is World Health Organisation, Geneva certified, Good Manufacturing Practices Company.

### Land and Other Properties

The Company has purchased 34.01 acres of land at a cost of ₹ 2,92,97,500/- at No.62, Kunnavalam village Thiruvallangada, Tiruvallur District from R. Palani, G. Ramamoorthy Naidu and Ors. for further development and manufacture of other vaccines in addition to our existing facility which the company has acquired on lease. The 32.14 ½ acres of said land has been mortgaged in favour of Union Bank of India against the total facilities amounting to ₹ 15, 36,00,000. None of the person from which Company has bought the land is related to Promoter/Director.

Also, the land and premises on which the Manufacturing Facility is located are held by us on a leasehold basis for a period of 10 years. The land on which the Manufacturing Facility is located is in the name of our Promoter Mr. P. Sundarapariipoornan. The Company is paying a rent of ₹ 1,00,000 per month .

Further the Registered Office of our Company is located at Kodambakkam, Chennai and the same is held by our Company on a rental basis from Mr P. Sundarapariipoornan through executed on April 1, 2016 for a period of eleven months vide lease deed executed on April 1, 2016. Our Company is paying a rent of ₹ 14,000 per month

### Revaluation of Property:

The Company has revalued the land held by it to an extent of 34.01 acres in Kunnavalam Village, Thiruvallur District during the financial year 2014-15. Thland was purchased for an amount of ₹ 2,92,97,500. The land was revalued upwards to ₹ 459.20 Lacs as per the prevailing guidelines values. The revaluation was done for administrative purposes and the same was reflected in the financial statements for the year ended March 31, 2015.

### Our Clients

Our major domestic client is Ministry of Health & Family Welfare, Government of India and overseas client is UNICEF. Further, we also export to our products to clients present in Indonesia, Nepal. For countries like Nepal, Indonesia we have separate import permits with the concerned countries.

### Present Order Book

As on date of this Draft Red Herring Prospectus, our Order Book for our BCG Vaccine is as follows:

Institution	Year	Number of Vials	Rates per Vial
Government of India	2016-2017	25 Lacs	₹ 36.75
	2017-2018	25 Lacs	₹ 39.50
UNICEF	2016	8 Lacs	US \$ 1.36

	2017	10 Lacs	US \$ 1.5
	2018	10 Lacs	US \$ 1.8
Nepal	2016	2 Lacs	US \$ 1.5
	2017	2 Lacs	US \$ 1.5
	2018	2 Lacs	US \$ 1.5

### **Competition**

We function in a sector which manufactures life-saving vaccines, and has a long incubation and gestation period in comparison with other pharmacological products. Our Company also has to adhere to strict and stringent WHO – GMP standards to be able to supply to WHO, UNICEF and other such organisations. Due to such stringent restrictions, apart from our Company, there is one other exclusive manufacturer of the BCG Vaccine in India i.e. Serum Institute of India. Globally, WHO certified BCG vaccine manufacturers are Statens Serum Institute, Denmark, Serum Institute of India, India, Japan BCG Lab, Tokyo and InterVax Limited, Canada.

However out other immunotherapy drug BCG-ONCO-Urovac has one producer domestically and very few producers on a worldwide level.

### **Employees**

Our ability to maintain growth depends to a large extent on our ability to attract, train, motivate and retain employees. To facilitate our growth, we have 68 full time employees.

We devote significant resources to training our employees and our human resources and compensation practices proactively address the factors that impact retention. Our comprehensive rewards, recognition programs and opportunities help to ensure that our employees are motivated and performance oriented.

### **Intellectual Property**

Our Company has registered its BCG-ONCO for Immunotherapy as “UROVAC” in the Trademarks Registry, Government of India. Our vaccines/ products do not require patents as they are generic in nature.

### **Insurance**

We also maintain insurance policies covering our plant & machinery, vehicles, fire and special perils insurance for our manufacturing facility. Where insurance has not been maintained, we may be exposed to indefinite liability in the future.

### **Environmental Matters**

We are subject to significant Indian national and state environmental laws and regulations, including Regulations relating to the prevention and control of water pollution and air pollution, environmental protection, hazardous waste management and noise pollution.

We have entered into an agreement with Tamil Nadu Waste Management Limited, a Government of Tamil Nadu undertaking, for disposal of Animal Waste.

### **Corporate Social Responsibility**

We demonstrate our commitment towards our communities by committing our resources and energies to social development and we have aligned our CSR programs with Indian legal requirements. The Net Profit of the company has increased beyond the limit prescribed for applicability of CSR provisions in the financial year 2015-16 and spending under CSR policy does not arise for the financial year 2015-16. In the following year we have plans to provide basic amenities to villages near our factory.

## REGULATIONS AND POLICIES

*Except as otherwise specified in this Draft Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following description is an overview of the relevant sector specific laws, policies and regulations, as prescribed by the Government or State Governments which are applicable for our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional legal advice.*

### APPROVALS

For the purpose of the business undertaken by the Company, the Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable to the company from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “**Government and Other Approvals**” beginning on page number 172 of this Draft Red Herring Prospectus.

### A. LAWS APPLICABLE TO THE PHARMACEUTICAL INDUSTRY

#### 1. The Drugs and Cosmetics Act, 1940 (“DCA”)

The Drugs and Cosmetics Act, 1940 regulates the import, manufacture, distribution and sale of drugs in India as well as aspects relating to labelling, packing and testing as well as matters pertaining to drug formulations, biologicals and APIs (“Active Pharmaceutical Ingredient”). It provides the procedure for testing and licensing new drugs (which includes Vaccines). These procedures involve obtaining a series of approvals for different stages at which the drugs are tested, before the Drug Controller General of India (hereinafter referred to as the “**DCGI**”) an authority established under the DCA Act grants the final license to allow the drug to be manufactured and marketed. Obtaining an approval from DCGI involves an application to be made to the DCGI. Upon examining the medical data, the chemical data and the toxicity of the drug, the DCGI issues a no objection certificate. The no objection certificate allows the manufacturer of the drug to move on to the next stage of testing at the central drug laboratories. The drug is subject to a series of tests at the central drug laboratories, for its chemical integrity and analytical purity. If the drug meets the standards required by the authority, the authority issues a certificate in that respect. The DCGI issues a manufacturing and marketing license in respect of APIs. These licenses are submitted by the company seeking to produce the drug, to the drug control administration of the state which clears the drug for manufacturing and marketing. The drug control administration also provides the approval for technical staff as per the DCA Act and Drugs and Cosmetics Rules, 1945 framed under the legislation abiding by the WHO and GMP inspection norms. The approvals for licensing are to be obtained from the drug control administration. The Central Drugs Standard Control Organisation is responsible for testing and approving APIs and formulations in consultation with the DCGI. The approval process for conducting clinical trials, manufacturing and marketing of a drug depends on whether the drug is new chemical entity or a Recombinant Deoxyribonucleic Acid (“RDNA”) product. Our company is engaged into vaccines which would be covered under new medicines. For new chemical entities, the DCGI is the approving authority.

- 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.

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

The Drugs and Cosmetics Rules, 1945 enacted to give effect to the provisions of the DCA to regulate the manufacture, distribution and sale of drugs and cosmetics in India. The DC Rules prescribe the procedure for submission of report to the Central Drugs Laboratory, of samples of drugs for analysis or test, the forms of Central Drugs Laboratory’s reports thereon and the fees payable in respect of such reports. The DC Rules also prescribe the drugs or classes of drugs or cosmetics or classes of cosmetics for the import of which a licence is required, and prescribe the form and conditions of such licences, the authority empowered to issue the same and the fees payable therefore. The DC Rules provide for the cancellation or suspension of such licence in any case where any provisions or rule applicable to the import of drugs and cosmetic is contravened or any of the conditions subject to which the licence is issued is not complied with. The DC Rules further prescribe the manner of labelling and packaging of drugs.

The DC Rules lay down the process mechanics and guidelines for clinical trial, including procedure for approval for clinical trials. Clinical trials require obtaining of free, informed and written consent from each study subject. The DC Rules also provide for compensation in case of injury or death caused during clinical trials. The Central Drugs Standard Control Organization has issued the guidance for industry for submission of clinical trial application for evaluating safety and efficacy, for the purpose of submission of clinical trial application as required under the DC Rules. The Indian Council of Medical Research has issued the Ethical Guidelines for Biomedical Research on Human Participants, 2006 which envisages that medical and related research using human beings as research participants must, necessarily, *inter alia*, ensure that the research is conducted in a manner conducive to, and consistent with, their dignity, well-being and under conditions of professional fair treatment and transparency. Further such research is subjected to evaluation at all stages of the same.

3. **The Essential Commodities Act, 1955 (“ECA”)**

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

4. **National Pharmaceuticals Pricing Policy, 2012 (“2012 Policy”)**

This 2012 Policy replaced the drug policy of 1994 and laid down the principles for pricing of essential drugs as specified in the National List of Essential Medicines - 2011 (“NLEM”) declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time, so as to ensure the availability of such medicines at reasonable price, while providing sufficient opportunity for innovation and competition to support the growth of the Industry. The prices are regulated based on the essential nature of the drugs rather than the economic criteria/ market share principle adopted in the drug policy of 1994. Further, the 2012 Policy regulates the price of formulations only, through market based pricing which is different from the earlier principle of cost based pricing. Accordingly, the formulations are 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.

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

The DPCO was issued by the Central Government under section 3 of the ECA and in supersession of the Drugs (Prices Control) Order, 1995, thereby giving effect to the 2012 Policy. The DPCO 2013, *inter alia*, provides that the Central Government may issue

directions to the manufacturers of active pharmaceutical ingredients or bulk drugs and formulations to increase production or sell such active pharmaceutical ingredient or bulk drug to such manufacturer of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency, procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, method of implementation of prices fixed by Government and penalties for contravention of its provisions. The Government has the power under the DPCO 2013 to recover amounts charged in excess of the notified price from the manufacturer, importer or distributor and the said amounts are to be deposited in the Drugs Prices Equalization Account. The DPCO 2013 prescribes certain instances in which case the provision of the DPCO 2013 will not be applicable. These provisions are applicable to all scheduled formulations irrespective of whether they are imported or patented, unless they are exempted. However, the prices of other drugs can be regulated, if warranted in public interest.

**6. Clinical Establishments (Registration and Regulation) Act, 2010 (“CERR Act”)**

The CERR Act has been enacted by the Central Government to provide for registration and regulation of all clinical establishments in the country with a view to prescribing the minimum standards of facilities and services provided by them. The CERR Act also seeks to prescribe minimum standards of facilities and services which may be provided by such clinical establishments.

**7. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954**

The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 (“DMRA”) seeks to control advertisements of drugs in certain cases and prohibits advertisement of remedies that claim to possess magic qualities. In terms of the DMRA, advertisements include any notice, circular, label, wrapper or other document or announcement. It also specifies the ailments for which no advertisement is allowed and prohibits advertisements that misrepresent, make false claims or mislead. Further, the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955 have been framed for effective implementation of the provisions of the DMRA.

**8. The Pharmacy Act, 1948**

The Pharmacy Act, 1948 was enacted to regulate the profession of pharmacy. The Pharmacy Act, 1948 provides for the Constitution and Composition of Central Pharmacy Council and State Pharmacy Council as well the Registration of Pharmacists. The Central Council is empowered to make education regulations prescribing the minimum standard of education required for qualification as a pharmacist.

**9. The National List of Essential Medicines, 2011**

The National List of Essential Medicines, 2011 (“NLEM”), has been introduced to replace the National List of Essential Medicines, 2003. This new list provides for 348 drugs as essential instead of the earlier 354. In comparison to NLEM 2003, number of medicines deleted is 47 and 43 medicines have been added. Under which Section: 19 Immunologicals) sub category 19.3: Vaccines, sub-sub category 19.3.1: For Universal Immunisation covers BCG Vaccines.

**10. Guidelines for Care and Use of Animals in Scientific Research:**

The Indian National Science Academy has framed the guidelines for care and use of animals in biomedical research. There is provision for each laboratory using animals in research to have an Animal Ethics Committee to regulate and supervise the experiments on animals and ensure that these guidelines are followed. Objective of guidelines is development of training facilities for scientists, technicians and other supportive staff for care of animals and their use in experiments, acceptable experimentation techniques and procedures for anesthesia and euthanasia, replacing animal experimentation through in vitro systems and constitution of institutional ethics committee.



11. **Clinical Establishments (Registration and Regulation) Act, 2010 (“CERR Act”)**

The CERR Act has been enacted by the Central Government to provide for registration and regulation of all clinical establishments in the country with a view to prescribing the minimum standards of facilities and services provided by them. The CERR Act also seeks to prescribe minimum standards of facilities and services which maybe provided by such clinical establishments.

12. **Foreign Trade (Development and Regulation) Act, 1992**

The act deals with Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation. If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended.

**B. ENVIRONMENTAL LAWS**

Pharmaceutical manufacturers must also ensure compliance with environmental legislation. Some of the important environmental legislations that are applicable to us are the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Environment Protection Act, 1986. Prior to the undertaking of a project for construction, development or modification of a plant, system or structure, our Company will be required to file an Environment Impact Assessment (“EIA”) with the State Pollution Control Board and the Ministry of Environment and Forests (“MOEF”). The relevant authority will assess the impact of the project on the environment before granting clearance. The clearance may be granted subject to certain conditions/alterations required to be made in the project.

1. **Environment (Protection) Act, 1986 (“EP Act”)**

The EP Act was enacted as a general legislation to safeguard the environment from all sources of pollution by enabling coordination of the activities of the various regulatory agencies concerned, to enable creation of an authority with powers for environmental protection, regulation of discharge of environmental pollutants etc. The purpose of the EP Act is to act as an “umbrella” legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws, such as Water Act and Air Act. It includes water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

2. **Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)**

The Air Act has been enacted to provide for the prevention, control and abatement of air pollution. With a view to curb air pollution, the Air Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Air Act, if a person intends to commence an industrial plant in a pollution control area. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding pollution control boards in the state. Consent to Operate and Consent to Establish has to be obtained by the company to whom the act is applicable.

3. **Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)**

The Water Act was enacted in 1974 in order to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. The Water Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Water Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Water Act. Consent to Operate and Consent to Establish has to be obtained by the company to whom the act is applicable.

4. **Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Act”)**

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities with a view to augment the resources of Central and State Pollution Control Board for the prevention and control of water pollution, constituted under the Water Act. Schedule II of the act gives details regarding purpose for which water is consumed in different industries. The act lays down levy and collection of cess for the purpose of Water Act, 1974.

5. **The Bio Medical Waste (Management and Handling) Rules, 2016 (“BMW Rules”)**

Under the new regime, the coverage has increased and also provides for pre-treatment of lab waste, blood samples, etc. It mandates bar code system for proper control. It has simplified categorisation and authorisation. The ambit of the rules has been expanded to include vaccination camps, blood donation camps, surgical camps or any other healthcare activity. The BMW Rules apply to all persons who generate, transport, treat, dispose or handle bio-medical waste in any form. The BMW Rules mandate every occupier of an institution generating bio-medical waste to take steps to ensure that such waste is handled without any adverse effect to human health and environment and to set up biomedical waste treatment facilities as prescribed under the BMW Rules. The BMW Rules further require such persons to apply to the prescribed authority for grant of authorization and submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, storage, transportation, treatment, disposal, and/ or any form of handling of bio-medical waste in accordance with the BMW Rules and the guidelines issued thereunder.

6. **The Manufacturing, Storage & Import of Hazardous Chemicals Rules, 1989 (“MSIHC Rules”)**

The MSIHC Rules, as amended in the year 2000, stipulate that an occupier in control of an industrial activity has to provide evidence for having identified the major accident hazards and taking adequate steps to prevent such major accidents and to limit their consequences to persons and the environment. Further, the occupier has an obligation to show that he has provided necessary information, training and equipment including antidotes to the persons working on the site to ensure their safety. Also, the occupier is under an obligation to notify the concerned authority on the occurrence of a major accident on the site or pipeline within 48 hours.

7. **The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008**

The Hazardous Waste Rules define the term ‘hazardous waste’ and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an ‘occupier’. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/authorisation from the respective state pollution control board for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste.

8. **Noise Pollution (Regulation and Control) Rules, 2000**

The Noise Pollution (Regulation and Control) Rules, 2000 seek to regulate and control the noise producing and generating sources including from industrial activity. In terms of the Environment Protection Rules, 1986, as amended from time to time, the maximum permissible sound pressure level for new diesel generator sets with rated capacity up to 1000 Kilovolt Ampere, manufactured on or after January 1, 2005 shall be 75 dB(A) at one meter from the enclosure surface. Integral acoustic enclosure should be provided at the manufacturing stage itself. Every manufacturer / importer of diesel generator sets is further required to have valid certificates of Type Approval and Conformity of Production for each year, for all the product models being manufactured / imported from January 1, 2005. The Central Pollution Control Board is the nodal agency.

9. **Public Liability Insurance Act, 1991**

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.

10. **The Explosives Act, 1884 ("The Explosives Act")**

The Explosives Act, as amended, regulates the manufacture, possession, use, sale, transport, import and export of explosives and empowers the Central Government to make rules for the regulation and prohibition of these activities in relation to any specified class of explosives. Persons lawfully involved in these activities are required to obtain a license from the appropriate authority in terms of the provisions of the Explosives Act.

C. **EMPLOYMENT AND LABOUR LAWS**

1. **Factories Act, 1948**

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

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

ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

**2. Industrial (Development and Regulation) Act, 1951**

The development and regulation of certain industries are governed under this act. 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 and it includes industry in the business of plastic and synthetic resins as well as plastic moulded goods.

**3. Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957**

Industrial Dispute Act, 1947 provides for the investigation and settlement of industrial disputes. It also contains various provisions to prohibit strikes and lock-outs, declaration of strikes and lockouts as illegal and provisions relating to lay-off and retrenchment and closure, Conciliation and adjudication of industrial disputes by; Conciliation Officers, a Board of Conciliation, Courts of Inquiry, Labour Courts, Industrial Tribunals and a National Industrial Tribunal.

**4. Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act")**

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

**5. Employees Provident Fund Scheme, 1952**

The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952. The Chairman of the Central Board shall call a meeting of the Board for the purpose of election to the Executive Committee of the members representing the employer or the employees as the case may be. In case of meetings a notice of not less than 15 days from the date of posting with all the required details of the meeting shall be dispatched by registered post or by special messenger to each trustee or the member of committee that are present in India. The provisions relating to Chairman presiding over the meeting or Quorum or nomination of the business are laid down under the scheme. A previous sanction of the Central Government for undertaking any work by the Central provident fund commissioner and the financial advisor. The act gives an express provision for classes of employees and membership of the fund.

**6. Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The Central Board may by resolution delegate all or any of its power to the Chairman or Commissioner or both, to sanction the expenditure on any single item. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's

contribution to the insurance fund shall be credited to an account called as “Deposit-Linked Insurance Fund Account.”

**7. The Employees Family Pension Scheme, 1971**

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

**8. Employees’ State Insurance Act, 1948 (the “ESI Act”)**

All the establishments to which the ESI Act applies are required to be registered under the ESI Act with the Employees State Insurance Corporation. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

**9. 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.

**10. Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment covered under this Act to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

**11. Payment of Gratuity Act, 1972**

The act deals with payment of gratuity to employees engaged in factories, mines and allied companies. The act applies to every factory, mines, oilfield, plantation, port and railway company or every shop or establishment in which ten or more people are employed on any day in preceding twelve months. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

**12. Minimum Wages Act, 1948**

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

**13. Industrial Employment (Standing Orders) Act, 1946**

In order to strengthen the bargaining powers of the workers this act is established, it requires the employers to formally define the working conditions to the employee. The employer is required to submit five copies of standing orders required by him for adoption of his industrial establishment. The standing order shall unless in case of an appeal, come into operation on the expiry of thirty days from the date on which authenticated copies were sent. An employer failing to submit the draft standing order as required by the act shall be liable to pay fine as per section 13 of the act.

14. **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.

15. **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.

16. **Child Labour Prohibition and Regulation Act, 1986**

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour is prohibited in Building and Construction Industry.

17. **Trade Union Act, 1926**

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

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

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

## 19. Contract Labour (Regulation and Abolition) Act, 1970

Contract Labour (Regulation and Abolition) Act, 1970 regulates the employment of contract labour in certain establishments, 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 preceeding 12 months as contract labour.
- to every contractor who employ or employed on any data of the preceeding 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 licence 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.

## D. TAXATION LAWS

### 1. Income Tax Act, 1961

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

#### i) Deduction under section 35(2AB):

As per section 35(2AB), where a company engaged in the business of bio-technology or in any business of manufacture or production of any article or thing, incurs any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority, then, there shall be allowed a deduction of a sum equal to two times of the expenditure so incurred. Such weighted deduction under section 35(2AB) is available till assessment year 2017-18.

The Company is eligible to claim a weighted deduction of 200% on the expenditure incurred on clinical trial research, Research expenses, tangible and intangible assets (other than land and building) and other revenue expenditure specified for deduction under section 35(2AB) on in-house research and development facility as approved by the prescribed authority.

#### ii) Deduction under section 35(1)(iv):

As per section 35(1)(iv), expenditure of capital nature on scientific research related to the business carried on by the assessee, would be allowed as deduction in the year in which such capital expenditure is incurred.

The company is eligible to claim 100% deduction of expenditure incurred on the prescribed assets, which qualify as per section 35(1)(iv).

### 2. Excise Regulations

The Central Excise Act, 1944 seeks to impose an excise duty on excisable goods which are produced or manufactured in India. The rate at which such a duty is imposed is contained in the Central Excise Tariff Act, 1985. However, the Indian Government has the power to exempt certain specified goods from excise duty by notification.

**3. Value Added Tax**

The levy of Sales Tax within the state is governed by the VAT Act and Rules of the respective states. VAT has resolved the problem of Cascading effect (double taxation) that were being levied under the hitherto system of sales tax. Under the current regime of VAT the trader of goods has to pay the tax (VAT) only on the Value added on the goods sold. Hence VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax- that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

**4. Central Sales Tax Act, 1956**

Central Sales Tax Act, as amended, formulates principles for determining (a) when a sale or purchase takes place in the course of inter-state trade or commerce; (b) when a sale or purchase takes place outside a State and (c) when a sale or purchase takes place in the course of imports into or export from India. The Central Sales Tax Act provides for levy, collection and distribution of taxes on sales of goods in the course of inter-state trade or commerce and also declares certain goods to be of special importance in inter-state trade or commerce and specifies the restrictions and conditions to which state laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. Central sales tax is levied on interstate sale of goods. Sale is considered to be inter-state when (a) sale occasions movement of goods from one state to another or (b) is effected by transfer of documents during their movement from one state to another. Central sales tax is payable in the state from which movement of goods commences (that is, from which goods are sold). The tax collected is retained by the state in which it is collected. The Central Sales Tax Act is administered by sales tax authorities of each State. The liability to pay tax is on the dealer, who may or may not collect it from the buyer. In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (Monthly/ Quarterly/ Annually) as required by the State sale Tax laws of the assessee authority together with treasury challan or bank receipt in token of the payment of taxes due.

**5. The Customs Act, 1962**

All the laws relating to customs are consolidated under the Indian Customs Act, 1962. The officers of customs shall be appointed by the Central Government as it thinks fit. An officer of customs may exercise the powers and discharge the duties conferred on him. The provisions relating to appointment of customs ports, airports, warehousing stations are laid down under the act. There shall be absolute or partial prohibition on import or export of goods by the Central Government for maintenance of security in India. The interest on levy of or exemption of Customs duty is thus laid down under the act. The clearance of imported goods and export shall not apply to baggage and goods imported or to be exported by post.

**F. FOREIGN INVESTMENT LAWS**

The Consolidated FDI Policy allows for FDI up to 100%, under the automatic route for Greenfield investments in the pharmaceuticals sector and FDI up to 100%, for brownfield investments (investments in existing companies) under the government approval route.

**G. INTERNATIONAL STANDARDS/ REGULATIONS/GUIDELINES:**

**1. WHO Technical Report Series no. 979, 2013**

Recommendations refer to freeze-dried BCG vaccines for national regulatory authorities (NRAs) and for manufacturers of biological products. If an NRA so desires, these Recommendations may be adopted as definitive national requirements, or modifications may be justified and made by the NRA. It is recommended that modifications to these



Recommendations be made only on condition that such modifications ensure that the vaccine is at least as safe and efficacious as that prepared in accordance with the recommendations set out. This document provides: recommendations for the production and control of BCG vaccines (Part A); guidelines for nonclinical evaluation (Part B); guidelines for the content of the clinical development programme applicable to BCG vaccines (Part C); and recommendations for NRAs (Part D). Report deals with general manufacturing conditions and precaution which are to be taken along with recommendations about filling containers, control test, labelling, distribution, transport, storage and expiry date. It also provides for general guideline to NRA regarding certification.

2. **Revised Requirements for Biological Substances:**

Revised Requirements for Biological substances are issued by WHO which covers Manufacturing Establishments and Control Laboratories involved in the production of Inactivated (Poliomyelitis Vaccines and Poliomyelitis Vaccines (Oral). The same was revised in 1965. Purpose of the requirements are to ensure exchange of these substances between the countries. Our company is following General Requirements for Manufacturing Establishments and control Laboratories (Requirements for Biological Substances No.1) wherein it lays down the general requirement for the personnel, building and equipment, production control, filling and containers, tests, records, labelling, storage and expiry date.

3. **Good Manufacturing Practice (GMP)**

Good manufacturing practices: main principles for pharmaceutical products. In: *WHO Expert Committee on Specifications for Pharmaceutical Preparations. Forty-fifth report*. Geneva, World Health Organization, 2011 (WHO Technical Report Series, No. 961), Annex 3.

Good manufacturing practice (GMP) is that part of quality assurance by WHO which ensures that products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the marketing authorization. The first WHO draft text on good manufacturing practices (GMP) was prepared in 1967 by a group of consultants at the request of the Twentieth World Health Assembly GMP is aimed primarily at diminishing the risks inherent in any pharmaceutical production, which may broadly be categorized in two groups: cross contamination/mix-ups and false labelling. Above all, manufacturers must not place patients at risk due to inadequate safety, quality or efficacy; for this reason, risk assessment has come to play an important role in WHO quality assurance guidelines. In 1992, the revised draft requirements for GMP were presented in three parts, of which Part one is (1). "Quality management in the medicines industry: philosophy and essential elements" and Part 2 is "Good practices in production and quality control, of which Annexure 2 specifically deals with the main Principles of pharmaceutical products titled as "WHO Good Manufacturing Practices For Pharmaceutical Products: Main Principles" containing provisions relating to sanitation, qualification and validation, complaint, product recalls, contract production, analysis and other activities, self-inspection, quality audits and suppliers, training, material and quality control standards which are to be adopted by pharmaceuticals. Quality Assurance of Pharmaceuticals: A compendium of guidelines and related materials is also released by WHO having 2 volumes covering aspects related to product assessment and registration, distribution, laboratories services, manufacturing, hazards and inspection and training requirements.

4. **Recommendations to Ensure the Quality, Safety and Efficacy of BCG Vaccines issued by WHO:**

These recommendations are published by WHO which are scientific or advisory in nature. These are guidance to National Regulatory Authorities regarding manufacturing of biological products. These include recommendations for individual vaccines, and also more general guidelines on technical or regulatory topics such as cell substrates, nonclinical evaluation, or clinical evaluation. This activity is critical to ensure the quality of essential vaccines in a global market. These includes recommendation with relation to Manufacturing, Non clinical evaluation of BCG vaccines, clinical evaluation of BCG vaccines and guidelines for NRAs.

5. **Uniform Code of Pharmaceuticals Marketing Practices, 2015**

It is expected to encourage good marketing practices by pharmaceutical companies. This Code prohibits companies from paying cash or monetary incentives to any healthcare professionals under any pretext and restricts pharmaceutical companies to provide free samples of drugs to any person, not qualified to prescribe such product. It has been described in the Code that the information about the medicinal products must be accurate, balanced, fair, and objective and also must not mislead either directly or by implication. It is necessary to declare the clear information about the medicinal products because it may somehow cause danger to the consumers.

6. **Good manufacturing practices for biological products. In: WHO Expert Committee on Biological Standardization. Forty-second report. Geneva, World Health Organization, 1992 (WHO Technical Report Series, No. 822), Annex 1.**

These Guidelines are complimentary to the “Good Manufacturing Practices for Pharmaceutical Products”. These guidelines provide manufacturing procedure relating to growth of strains of microorganisms, extraction of substances from biological tissues and hybridomata techniques. This guideline cover aspects related to premises, production, labelling, lot processing records and quality assurance.

7. **Guidelines for stability evaluation of vaccines. In: WHO Expert Committee on Biological Standardization. Fifty-seventh report. Geneva, World Health Organization, 2011 (WHO Technical Report Series, No. 962), Annex 3.**

The aim of this document is to provide the scientific basis and guiding principles for evaluation of vaccine stability for the purpose of clinical trial approval, licensing, and post-licensure monitoring. These recommendations feature stability as an important element and provide guidance for stability testing for individual vaccines. Regulatory expectations for stability studies is to be conducted at different stages of development (i.e. clinical trial approval, licensing, lot release and post-licensure monitoring). Focus of these guidelines is on how to evaluate vaccine stability, not to provide guidance on how to stabilize a vaccine.

8. **Guideline for establishing or improving primary and intermediate vaccine stores. Geneva, World Health Organization, 2002**

Guidelines provides for different categories of packaging. For BCG Vaccine Class B packaging is to be adopted. **Class B packaging** is designed to ensure that the temperature of the vaccine does not rise above +30°C for a minimum exposure of 48 hours at an ambient temperature of 43°C. It must also prevent the temperature of the vaccine from dropping below +2°C for a minimum of 48 hours at an ambient temperature of -5°C. Class B packaging is used for transporting BCG. Furthermore, as BCG vaccines are damaged by exposure to daylight and florescent light therefore guidelines provide for keeping them in dark brown glass or protecting it through vials and artificially lighting the area where it is kept. Hence the guidelines are framed with a view of promoting a good storage and distribution system.

9. **Temperature sensitivity of vaccines. Geneva, World Health Organization, 2006 (WHO/IVB/06.10).**

The document incorporates detailed information on vaccine management related issues and especially concerns on exposure of freeze sensitive vaccines to freezing temperatures. Vaccine vial monitor information has also been expanded to explain how different categories apply to different types of vaccines. The document also discusses the future of the cold chain in reducing the dependency by exploiting the stability of each vaccine to the greatest possible extend. Detailed information is also included on the use of shake test along with provision of a learning guide as an annex. Point 9 of Part II deals with BCG vaccine which includes impact of temperature, stability, packaging, effect of light and stability of reconstituted BCG vaccine. Most freeze-dried BCG vaccines are stable at temperatures of 2-8°C for at least two years. At room temperature stability varies; after storage for several months a loss of viability of approximately 30% can be expected. The daily loss of viability in vaccines kept for a few weeks at a temperature of 37°C ranges between 1% and 2%.

#### **G. OTHER LAWS/ SCHEMES/ PROGRAMS:**

## 1. **“UIP” or Universal Immunisation Program:**

Universal Immunisation Programme is a vaccination program launched by Government of India in 1985. With objectives of increase immunisation coverage, improve the quality of services, establish a reliable code chain system of health facility level, introduce a district wise system of monitoring of performance and achieve self-sufficiency in vaccine production. Diseases protected by vaccination under UIP include 1. Diphtheria, Pertussis, Tetanus, Polio, Tuberculosis, Measles, Hepatitis B, Japanese Encephalitis( brain fever), Meningitis and Pneumonia caused by HaemophilusInfluenzae type b. Under UIP, following vaccines are provided: 1. BCG (Bacillus Calmette Guerin) 2. DPT (Diphtheria, Pertussis and Tetanus Toxoid) 3. OPV (Oral Polio Vaccine) 4. Measles 5. Hepatitis B 6. TT (Tetanus Toxoid) 7. JE vaccination (in selected high disease burden districts) 8. Hib containing Pentavalent vaccine (DPT+HepB+Hib). As a key element of the national child survival strategy, UIP has contributed significantly to reducing mortality and morbidity due to vaccine-preventable diseases and the infant mortality rate over the last decade. While surveillance information for specific VPDs is limited, the steady fall of IMR from 123 to 50 deaths per 1000 live-births does in part reflect the impact of the UIP. This program is under the Immunisation Division which is a part of the RCH program under National Rural Health Mission (NRHM) and is placed in the Ministry Of Health and Family Welfare, Nirman Bhawan New Delhi. This division provides all the technical assistance required to undertake the activities under UIP. The division reviews the state Program implementation plans and facilitates in its approval process as per norms and guidelines The key roles of this division include activities related to Routine Immunization, Campaigns (SIAs) such as Polio, Measles, and Japanese Encephalitis, Monitoring Adverse Events Following Immunization (AEFI), Vaccine and Cold Chain Logistics, Strategic communication related to immunization program and trainings related to Immunization Program. The goal of the current comprehensive multiyear plan for 2013-2017 is to reduce mortality and morbidity due to vaccine preventable diseases through high quality immunization programs. Its key objectives are to:

- Improve program service delivery for equitable and efficient immunization services in all districts;
- Increase demand and reduce barriers for people to access immunization services through improved advocacy at all levels and social mobilization;
- Strengthen and maintain robust surveillance system for Vaccine Preventable Diseases (VPDs) and Adverse Events Following Immunization (AEFI);
- Introduce and expand the use of new and underutilized vaccines and technology in UIP;
- Strengthen health system for the immunization program; and
- Contribute to global polio eradication and the elimination of measles, maternal and neonatal tetanus.

## H. **GENERAL LAWS APPLICABLE:**

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, 2013, Indian Contract Act, 1872, Sale of Goods Act, 1926, intellectual property laws and other applicable statutes imposed by the Centre or the State for its day-to-day operations. Our Company is also amenable to various central and state labour laws and tax laws.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as a Private Limited Company “Green Signal Bio Pharma Private Limited” on November 21, 2005 at Chennai under the Companies Act, 1956. Pursuant to our Company passing a resolution under section 13 (2), of the Companies Act 2013 on March 24, 2016, and upon the issuance of a fresh certificate of incorporation consequent to the name change, the name of our Company was changed to GreenSignal Bio Pharma Private Limited with effect from April 21, 2016. Further, the shareholders of our Company passed a resolution dated March 24, 2016 and the Company was changed to a Public Limited Company with effect from May 12, 2016.

The CIN of the Company is U24232TN2005PLC58068.

We are into Vaccine Manufacturing and as on date we produce two products:

1. BCG Vaccine for immunization against Tuberculosis
2. BCG-ONCO for Immunotherapy (Freeze Dried) BP for the treatment of Urinary Bladder Carcinoma and our brand name for the same is ‘Urovac’.

Our manufacturing facility is located at No.49, Pappankuppam Village, Gummidipoondi, Tiruvalluvar Dist - 601 201. The facility is located on a sprawling 3 acres of land space, with a build-up area of 10,000 sq.ft. Our centre is built as per the WHO standards and HVAC regulations. Apart from the Vaccine Manufacturing Facility, the campus also houses our DSIR approved Research & Development centre. Our Company is Good Manufacturing Practices (GMP) as laid down by World Health Organisation (WHO) certified.

For more information on our Company’s activities, services, market, growth, technology, managerial competence, competitive strengths, please refer to the chapters and “*Industry Overview*” , “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, on pages 64, 82 and 149 respectively.

### Changes in the Registered Office of the Company:

Our Registered Office is located at: Old No.5, New No.13/A3, “Sai Nikethan”. Circular Road, United India Colony, Kodambakkam, Chennai 600 024. There have been no changes in the Registered Office of the Company since inception.

### Major Events in the Company

The major events in the history of our company are:

Sl. No.	MILESTONE / EVENT	MONTH / YEAR
1.	Incorporation of our Company	November, 2005
2.	Vaccine Seed Transfer	December, 2006
3.	Animal House Qualified for Clinical Trials	February, 2008
4.	COPP & BCG Vaccine Approval by Drug Authority	March, 2009
5.	Commencement of Commercial Manufacturing	January, 2009
6.	GMP Audit completed and certification received	May, 2010
7.	First Shipment of Vaccine to Government of India	July, 2010
8.	GMP Approval	April, 2011
9.	Audit by WHO and award of PQ certification	November 2015
10.	First Order received from UNICEF for BCG Vaccine	December, 2015
11.	Conversion from Private Limited to Public Limited Company	May, 2016
12.	Letter of recommendation for import of BCG Vaccine from government of Nepal	April 2016

### Changes in the Memorandum of Association of our Company:

The following changes have been made to the Memorandum of Association of our Company since its incorporation:

Date of Shareholders approval	Nature of Change
March 24, 2016	<p>1.The following two objects clauses were included under the Main Object in the MoA:</p> <p>a.To carry on in India, abroad or elsewhere all or any of the business of manufacture, trade etc. related areas pertaining to bio-technology</p> <p>b.To carry on in India, abroad or elsewhere all or any of the business of consulting, development etc. pertaining to bio-technology.</p> <p>2. Company name changed from Green Signal Bio Pharma Private Limited to GreenSignal Bio Pharma Private Limited</p> <p>3. Company deleted Clause III C of the MoA pertaining to Incidental and other Object Clauses</p> <p>4. Clause IV &amp; V – Liability Clause and Capital Clause has been reworded to incorporate the requirements of Companies Act, 2013.</p> <p>5. Conversion from private limited company to public limited company.</p>
May 2, 2016	<p>1.The Capital Clause of the MoA – Authorised Share Capital increased from Rs.200 Lakhs to Rs.400 Lakhs.</p>

### Main Objects of our Company

1. To carry on in India, abroad or elsewhere all or any of the business of manufacture, trade import, export, pharmaceutical products to be used for the well being of human beings and animals, Cosmetics and the business of running, set up, managing, establishing hospitals, clinics, pharmacies and other like entities.
2. To carry on in India, abroad or elsewhere the business of trading, entering into dealership, hiring, renting of medical equipments, appliances and other similar gadgets of diagnostic agents, diagnostic tools, diagnostic equipments, vaccines, para medical activities and to do all other allied activities incidental thereto.
3. To carry on in India, abroad or elsewhere the business of establishing, running hiring of medical diagnostic laboratories clinical, pathological or research laboratories for the well being of human beings and animals.
4. To carry on in India, abroad or elsewhere all or any of the business of manufacture, trade, import, export, research, development of all types of products that include vaccines, Bio-Technology, Bio-informatics, seeds for vaccines, raw material for vaccines and other products involving the field of Bio-Technology, Bio-informatics, information technology and other technology related areas pertaining to bio technology.
5. To carry on in India, abroad or elsewhere all or any of the business of consulting, development, advisory services in the field of pharmaceutical, medical, para-medical, bio-technology, bio-informatics, and all other technology and information technology areas pertaining to bio technology.

### Our Shareholders

As on date of the Draft Red Herring Prospectus, the total number of holders of Equity Shares is 8. For further details of our shareholding pattern, please refer to the chapter “*Capital Structure- Shareholding Pattern of our Company*” on page 53.

### Our Holding Companies

As on date of this Draft Red Herring Prospectus, our Company does not have any Holding Companies.

## **Our Subsidiaries**

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

## **Time/Cost Overrun, Defaults and Lock out/Strikes**

There has been no time/cost overrun, defaults and lock out/strikes in our Company as on date of filing of this Draft Red Herring Prospectus.

## **Injunction or Restraining Order**

Except as mentioned in the chapter “*Outstanding Litigation and Material Developments*” on page 167 Our Company is not operating under any and there are no injunctions or restraining orders.

## **Technology, Market Competence and other details regarding our Company**

For details of our Company’s business, products and services, its growth, standing with reference to the prominent competitors, management, technologies and services, please refer to the chapters “*Industry Overview*” and “*Our Business*” and on pages 64 and 82, respectively.

## **Capital Raising through Equity and Debt**

Except as mentioned in the chapter “*Capital Structure*” on page 48, our Company has not raised any capital by way of equity or convertible debentures. For details of debts facilities availed by our Company, please refer to “*Financial Indebtedness*” on page 166.

## **Defaults or Rescheduling of borrowings with Financial Institutions/Banks**

There have been no defaults or rescheduling of borrowings with the financial institutions/banks for which a notice has been issued or any action has been taken by any financial institutions/banks.

## **Revaluation of Assets**

Our Company has not revaluated its assets for a period five years prior to the filing of this Draft Red Herring Prospectus except as stated below:

The Company has revalued the land held by it to an extent of 34.01 acres in Kunnavalam Village, Thiruvallur District during the financial year 2014-15. The land was revalued to ₹ 459.20 lacs as per the prevailing guideline value. The revaluation was done for administrative purposes and the same was reflected in the financial statements for the year ended March 31, 2015.

## **Scheme of Arrangement and Amalgamations**

We have not entered into any Scheme of Arrangement and Amalgamations as on date of filing of this Draft Red Herring Prospectus.

## **Summary of Key Agreements**

### **Agreement with Cadila Healthcare Limited**

We have entered into a sales and distribution agreement with Cadila Healthcare Ltd. For five years and the same is expiring in June 2016. Under this contract, Cadila Healthcare Ltd. Shall market our product BCG-ONCO for Immunotherapy under it’s own brand name namely ‘Oncovac’ in the domestic Indian market on an exclusive basis. We have not taken any active steps for renewal of this contract and upon expiry of this exclusive sale and distribution agreement the challenge will be to market our product under our own registered brand name ‘Urovac’ in India.

## **Financial and strategic partners**

Our Company does not have any financial and strategic partners as of the date of this Draft Red Herring Prospectus.

## **Our Associates**

The Company does not have any Associate Companies.

## OUR MANAGEMENT

### Board of Directors

The Articles of Association of the Company provides that our Company shall not have less than 3 (Three) Directors and not more than 14 (Fourteen) Directors. We currently have 5 (Five) Directors on our Board of Directors.

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

Sl. No.	Name, Designation, Occupation, DIN, Nationality, Address, Date of Appointment and Term	Age	Other Directorships/ Partnerships/Trusteeships
1	<p><b>Mr. N. Gopalaswami</b>  <b>Designation:</b> Chairman  <b>Occupation:</b> Business  <b>DIN:</b> 02779229  <b>Address:</b> Flat No.5, Leo Madhuram, 39, Giri Road, T Nagar, Chennai 600 017.  <b>Nationality:</b> Indian  <b>Date of Appointment:</b> February 20, 2011  Date of reappointment May 2, 2016  <b>Term:</b> 5 years</p>	72	<p>1.Span Divergent Limited  2.Code Consulting Private Limited</p>
2	<p><b>Dr. P. Murali</b>  <b>Designation:</b> Managing Director  <b>Occupation:</b> Business  <b>DIN:</b> 02277738  <b>Address:</b> No.21S, ICC 5<sup>th</sup> Street, W Block, B Sector, Anna Nagar West Extn., Chennai 600 101.  <b>Nationality:</b> Indian  <b>Date of Appointment:</b> October 6, 2008  Date of Reappointment: April 2, 2016  <b>Term:</b> 5 years</p>	43	<p>1.Chennai Mall Properties Private Limited</p>
3	<p><b>Mr. E. S. Chandrasekaran</b>  <b>Designation:</b> Executive Director  <b>Occupation:</b> Business  <b>DIN:</b> 02377328  <b>Address:</b> Flat No.3, Orchid Krish Aruna, No.7, 31<sup>st</sup> Cross Street, Besant Nagar, Chennai 600 090.  <b>Nationality:</b> Indian  <b>Date of Appointment:</b> October 6, 2008  Date of Reappointment: April 2, 2016  <b>Term:</b> 5 years</p>	64	Nil
4	<p><b>Dr. P. Perumalsamy</b>  <b>Designation:</b> Non Executive Independent Director</p>	62	Nil

Sl. No.	Name, Designation, Occupation, DIN, Nationality, Address, Date of Appointment and Term	Age	Other Directorships/ Partnerships/Trusteeships
	<b>Occupation:</b> Business <b>DIN:</b> 07497868  <b>Address:</b> No.86, 2 <sup>nd</sup> Main Road, Mogappair West Garden, Nolambur, Chennai 600 037.  <b>Nationality:</b> Indian  <b>Date of Appointment:</b> March 26, 2016  <b>Term:</b> 5 years		
5	<b>Mrs. Lakshmi V Iyer</b> <b>Designation:</b> Non Executive Independent Director  <b>Occupation:</b> Business  <b>DIN:</b> 07498857  <b>Address:</b> No.29, Block I, Sindur Green Park, Jayachandran Nagar, Jaladanpet, Chennai 600 100.  <b>Nationality:</b> Indian  <b>Date of Appointment:</b> March 26, 2016 <b>Term:</b> 5 years	47	Nil

#### Relationship between Directors/Promoters

None of our Directors/Promoter are related to each other except the following:

Name of the Director	Related To	Nature of Relationship
P. Murali	P. Sundarapariipooranan (Promoter)	Brother

#### 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 BSE or NSE, during the last five years preceding 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 tenure of directorship in such company.

#### BRIEF PROFILE OF OUR DIRECTORS

**Mr. N. Gopalaswami**, aged 72 years is a former Chief Election Commissioner of India. He was awarded Padma Bhushan, one of India's highest civilian honours in 2015. He is a graduate in Chemistry from St. Joseph's College, Tiruchirappalli and is a gold medallist in his Post Graduation in Chemistry from Delhi University. He is a Diploma holder in Urban Development Planning from University of London. He is a 1996 batch Indian Administrative Services Officer belonging to the Gujarat Cadre and worked in various capacities in Gujarat. He took charge as the Chief Election Commissioner (CEC) of India on June 30, 2006 and retired in April 2009. Prior to his appointment as CEC, he was serving as Union Home Secretary to the Government of India. Presently, he is also the Chairman of Kalakshetra, Chennai and also the President of Vivekananda Educational Society, running a group of schools in and around Chennai.

**Dr. P. Murali**, aged 43 years, is an Arts Graduate and a Masters in Labour Management. He holds a Doctorate in Management from Madras University. He is Ph.D. from Madras University and is the Managing Director and the Principal Officer of GreenSignal Bio Pharma Limited (GSBPL). He has over 20 years of rich & extensive global experience in Education Industry and Pharma Production, Installation & Commissioning, and Quality Management. He joined the company in 2008 and since then has held positions of increasing



responsibility as Managing Director. He leads the core team at GSBPL Along with his responsibilities as Managing Director & CEO, Dr. Murali work on other causes that he holds dear. He has been involved with the Madurai Kamaraj University (MKU) as a syndicate member. He is also a social activist and has conducted Child Labour Elimination programme / awareness campaign across Tamil Nadu. As a Founder Member of Green Plus foundation conducted huge 'CHILD LABOUR ELIMINATION' awareness programme at Virudhunagar and been honoured by District Collector of Viridhunagar (1996). Ministry of Railways honoured him as Social Activist and issued Honorary Free Rail Travel Pass throughout India. He was also a Member Telephone Advisory Committee honoured by Ministry of Telecommunications, Government of India between 1996 and 1999.

**Mr. E. S. Chandrasekaran**, aged 64 years, graduated as Bachelor of Engineering and holds a Master's Degree in Engineering from Madras University. He has also completed his Post Graduate Diploma in Management Studies from Bombay University. He has over 8 years of experience in Planning, Installation, Commissioning of Vaccine Plant and was instrumental in getting WHO – Pre Qualification Certification. He has worked for 32 years in various capacities in Government of India and retired from the rank of Principal Secretary, Government of India"

**Dr. P. Perumalsamy**, aged 62 years, pursued Masters in Chemistry in American College and completed Masters in Education from Madurai Kamaraj University. He was awarded Doctorate by Alagappa University, Karaikudi for his research on "Appraisal of Performance Indicators on Effective Schooling". He served as District Educational Officer through Tamil Nadu Public Service Commission and held post of Joint Director and later as Director of School Education for more than a decade.

**Mrs. Lakshmi V Iyer**, aged 47 years, is a qualified Chartered Financial Analyst (CFA) is a science graduate from Stella Maris College, University of Madras and holds a Post Graduate Diploma in Management from Indian Institute of Management, Calcutta. She has worked as Deputy Manager with State Bank of India Funds Management Limited. Later she was with CRISIL as Senior Rating Analyst and later in Societe Generale and Bank of America in Key Managerial Positions. She served as Director, Credit Research for HVB Asset Management, Singapore during the years 2004-2006. Currently, she is an Independent Financial consultant.

## **TERMS OF APPOINTMENT OF NON-INDEPENDENT DIRECTORS**

### **1. Dr. P. Murali**

Dr. P. Murali, was designated as Managing Director of our Company pursuant to a Board resolution dated April 2, 2016 and Shareholders Resolution dated May 2, 2016 for a period of 5 years with effect from April 2, 2016. He is entitled to a remuneration of ₹ 1.50 Lacs per month with effect from April 2, 2016. He is not entitled to sitting fees for attending the meeting of our Board of Directors or Committees.

### **2. Mr. E. S. Chandrasekaran**

Mr. E. S. Chandrasekaran, was designated as Executive Director of our Company pursuant to a Board resolution dated April 2, 2016 and Shareholders Resolution dated May 2, 2016 for a period of 5 years with effect from April 2, 2016. He is entitled to a remuneration of ₹ 1.50 Lacs per month with effect from April 2, 2016. He is not entitled to sitting fees for attending the meeting of our Board of Directors or Committees.

## **DETAILS OF SERVICE CONTRACTS**

Our Company has not entered into any service contracts with any of the Directors of our Company.

## **AGREEMENT WITH DIRECTORS AND SENIOR MANAGEMENT**

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the directors was selected as a director or member of senior management.

## **BORROWING POWERS OF DIRECTORS**

In accordance with the Articles of Association, our Board of Directors has been empowered to borrow funds in accordance with applicable law. The shareholders of our Company in their resolution passed at the AGM held on May 2, 2016 permitted our Board to borrow funds not exceeding ₹ 400 lacs.

## REMUNERATION OF OUR DIRECTORS

The Non-Executive and Independent Directors are paid remuneration by way of sitting fees, and other expenses (travelling, boarding and lodging incurred for attending our Board of Directors / committee meetings/ shareholders meetings) and commission if any. The remuneration of the Executive Directors is fixed by the Nomination and Remuneration committee which is subsequently approved by our Board of Directors and shareholders at a general meeting.

### a. Non Executive/Independent Directors

Our Company pays a sitting fees of ₹ 10,000 per meeting to the Non Executive/Independent Directors for attending meetings of our Board of Directors and ₹ 5000 for attending meetings of our Committees

The following table sets forth sitting fees paid by the Company to our Non Executive/Independent Directors for the fiscal year 2016-17

Name of the Director	Total (₹)
Mr. N. Gopaldaswami	35,000.00
Dr. P. Perumalsamy	35,000.00
Mrs. Lakshmi V Iyer	20,000.00

### b. Executive Director

The following table sets for the remuneration payable to our Executive Director for FY 2016-17.

Name of the Director	Total (₹)
Dr. P. Murali	18,00,000.00
Mr. E. S. Chandrasekaran	18,00,000.00

## Shareholding of our Directors in our Company

The Articles of Association do not require the Directors to hold any qualification Equity Shares in our Company.

The following table sets forth the Shareholding of our Directors as on date of this Draft Red Herring Prospectus.

Name of the Director	No. of Equity Shares	% Pre-Offer Shareholding
Dr. P. Murali	89,26,250	23.27
Mr. E. S. Chandrasekaran	5,000	0.01

## Shares Purchased or sold by our Directors and/or their relatives in our Company in the last six months prior to the date of filing of the Draft Red Herring Prospectus.

Except as stated below our Directors and/ or their relatives have not purchased or sold any Equity Shares of our Company in the last six months prior to the date of filing of the Draft Red Herring Prospectus.

Sl. No.	Name of the Transferor	Date of Transfer	No. of Equity Shares transferred	Transfer Price per Equity Share (₹)	Transferee	Reasons for Transfer
1	P. Murali	March 26, 2016	24,00,000	0.00	P. Sundarapariipooran	Gift
2	P. Murali	March 26, 2016	2,500	80.00	Madhu Kataria	Sale
3	E. S. Chandrasekaran	March 26, 2016	5,000	10.00	Arjun Chandrasekaran	Transfer

## Bonus or Profit Sharing Plans

Our Company does not have any Bonus or Profit sharing plans.

## Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board of Directors or a committee or shareholders' meetings thereof as well as to the extent of

reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration or commission paid to them. Some of our Directors may be deemed to be interested to the extent of transactions carried out with related parties as stated in “*Financial Statements - Restated Statement of Related Party Transactions*” on page 148. Our Directors may also be regarded as interested in the Equity Shares, if any, held by them in our Company.

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

## LOANS TO DIRECTORS

No loans have been availed by our Directors from our Company.

Also, none of Directors are related to our sundry debtors.

## Changes in the Board of Directors in the last three years

The following changes have occurred in our Board of Directors in the last three years:

Name	Date of appointment/change/cessation	Reason for change
Ms. B Dakshayini	February 29, 2016	Resignation as Director
Dr. P. Perumalsamy	March 26, 2016	Appointment
Mrs. Lakshmi V Iyer	March 26, 2016	Appointment

## Corporate Governance

The provisions of the Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations including the Listing Regulations and the Companies Act, 2013, in respect of corporate governance including the constitution of our Board of Directors and committees.

Our Board of Directors consists of a total of 5 Directors (including one woman director) of which three are independent directors (as defined under Regulation 17 of the Listing Regulations), which constitutes more than 50% of our Board of Directors.

The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company’s executive management provides the Board with detailed reports on its performance periodically.

The details of the Audit committee, Nomination and Remuneration committee, Stakeholders’ Relationship committee, Corporate Social Responsibility Committee and Risk Management committee are given below:

## Committees of the Board

### A. Audit Committee

The Audit Committee was constituted on March 26, 2016 and the constitution of the audit committee is as follows:

Name of the director	Designation in the committee
Mr. N. Gopaldaswami	Chairman
Mrs. Lakshmi V Iyer	Member
Dr. P. Perumalsamy	Member

Ms. S Rathna Prabha, Company Secretary and Compliance Officer is the secretary of the Committee.

### *Terms of reference of the Audit Committee*

- Oversight of the company’s financial reporting process, examination of the financial statement and the auditors’ report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Providing recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the company and the fixation of audit fee;
3. Review and monitor the statutory auditor's independence and performance and effectiveness of audit process;
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
6. Matters required to be included in the 'Director's Responsibility Statement' to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
7. Changes, if any, in accounting policies and practices and reasons for the same;
8. Major accounting entries involving estimates based on the exercise of judgment by management;
9. Significant adjustments made in the financial statements arising out of audit findings;
10. Compliance with listing and other legal requirements relating to financial statements;
11. Disclosure of any related party transactions; and
12. Qualifications in the draft audit report.
13. Reviewing, with the management, the quarterly and half-yearly financial statements before submission to the Board for approval;
14. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
15. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
16. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
17. Discussion with internal auditors any significant findings and follow up there on;
18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
19. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
20. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. Review the functioning of the whistle blower mechanism;
22. Approval of appointment of the chief financial officer (i.e., the whole time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
23. To investigate any activity within its terms of reference;
24. To seek information from any employee;
25. To obtain outside legal or other professional advice;
26. To secure attendance of outsiders with relevant expertise, if it considers necessary;
27. Approval or any subsequent modification of transactions of the company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
28. Scrutiny of inter-corporate loans and investments;
29. Valuation of undertakings or assets of the company, wherever it is necessary;
30. Evaluation of internal financial controls and risk management systems; and
31. Carry out any other function as mentioned in the terms of reference of the Audit Committee.

#### *Powers of the Audit Committee*

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee also reviews the following information:

1. Management's discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor;

The Audit Committee met thrice during the FY 2016-17.

#### **B. Nomination and Remuneration Committee**

Our Board of Directors has constituted the Nomination and Remuneration Committee in its meeting held on March 26, 2016. The present constitution of the Committee is as follows:

Name of the director	Designation in the committee
Dr. P. Perumalsamy	Chairman
Mr. N. Gopaldaswami,	Member
Mrs. Lakshmi V Iyer	Member

#### *Terms of reference of the Nomination & Remuneration Committee*

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. Our Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
5. Analysing, monitoring and reviewing various human resource and compensation matters;
6. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
7. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
8. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
9. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
10. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including the Insider Trading Regulations and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
11. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

The Nomination and Remuneration committee met one time during FY 2016-17.

#### **C. Stakeholders Relationship Committee**

The Board of Directors of the Company has constituted a Stakeholders' Relationship Committee in its meeting held on March 26, 2016. The present constitution of the Stakeholders' Relationship Committee is as follows:

Name of the director	Designation in the committee
Mrs. Lakshmi V Iyer	Chairman
Dr. P. Perumalsamy	Member
Mr. E. S. Chandrasekaran	Member

The Stakeholders' Relationship Committee was constituted for redressing of shareholders and investors complaints including but not limited to transfer of shares, non-receipt of annual report and

non-receipt of dividend. The scope and function of the Stakeholders' Relationship committee is in accordance with section 178 of the Companies Act, 2013.

*The terms of reference of the Stakeholders' Relationship Committee of our Company include the following:*

1. Considering and resolving the grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, balance sheets of the Company or any other documents or information to be sent by the Company to its shareholders etc.
2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Giving effect to all transfer/ transmission of shares and debentures, dematerialization of shares and rematerialisation of shares, split and issue of duplicate/consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time;
4. Oversee the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the Insider Trading Regulations, and other related matters as may be assigned by the board of directors; and
5. Carrying out any other function as prescribed under the equity listing agreement.

**D. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee was constituted on March 26, 2016. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013. The present constitution of the Committee is detailed below:

Name of the director	Designation in the committee
N. Gopaldaswami	Chairman
P. Murali	Member
E. S. Chandrasekaran	Member

*The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:*

1. Formulate and recommend to the board of directors, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act;
2. Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
3. Monitor the Corporate Social Responsibility Policy of the Company and its implementation from time to time; and
4. Any other matter as the Corporate Social Responsibility 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.

**E. Internal Compliance Committee for Woman Welfare**

The Internal Compliance Committee for Woman Welfare was constituted by our Board of Directors in the meeting held on March 26, 2016. The present constitution of the Committee is detailed below:

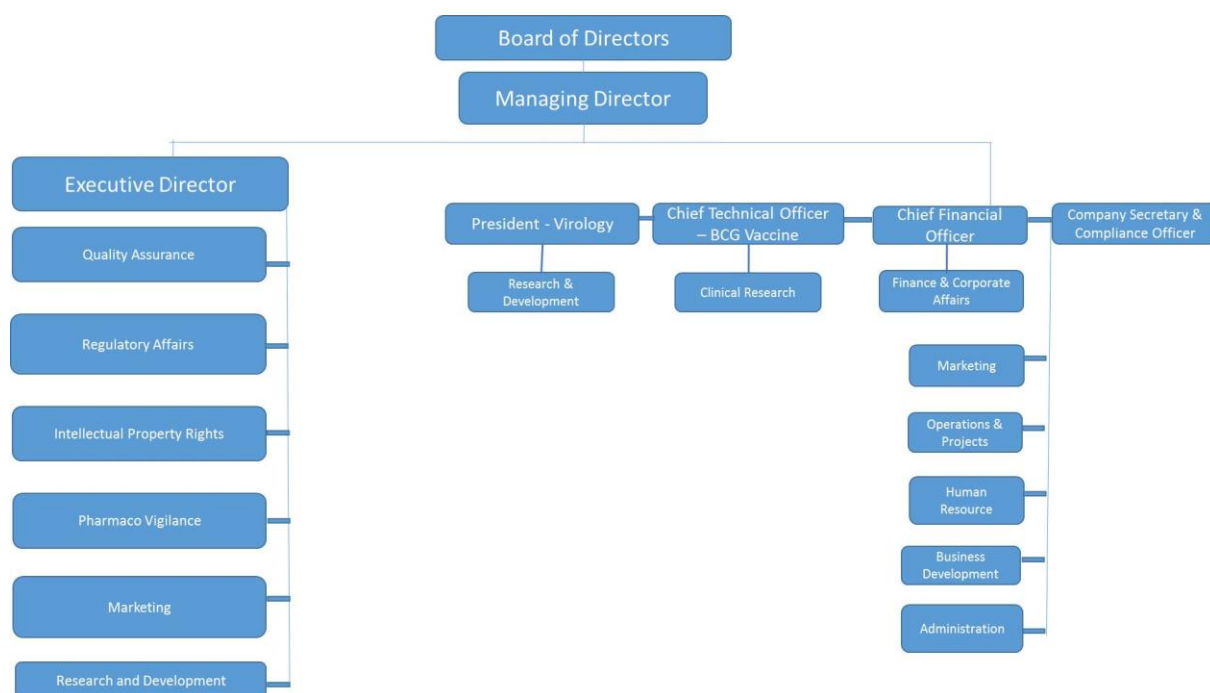
Name of the Member	Designation in the committee
Sunitha	Chairman
Aishwarya	Member
Divya	Member

**F. Policy on Prevention of Insider Trading**

We are in compliance with the provisions of the Insider Trading Regulations.

Ms. S Rathna Prabha, Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

## MANAGEMENT ORGANISATION STRUCTURE



### KEY MANAGERIAL PERSONNEL

Other than Managing Director and Executive Director as mentioned above following forms are the Key Managerial Persons.

**Ms. S Rathna Prabha**, aged 40 years is the Company Secretary and Compliance Officer of our Company. She holds a Bachelor's degree in Law from Dr. Ambedkar Government Law College, Puducherry. She is also a qualified Company Secretary. She has been associated with our Company since 2016. Prior to joining our Company, she was associated with Rakindo Kovai Township Pvt Ltd, Essel Finance VKC Forex Ltd, I Nautix Technologies Pvt. Ltd and Igarashi Motors India Ltd. Her Compensation is ₹ 1,800,000 for fiscal year 2016-17.

**Mr. E. Mullaivalavan**, aged 37 years is the Chief Financial Officer of our Company. He holds a Bachelor's degree in Bank Management from and a higher Diploma in Software Engineering. He has been with the Company since inception. His Compensation is Rs.756,000 for fiscal year 2016-17.

### Senior Managerial Personnel

**Mrs. Sudha Varadharajan**, aged 69 is our Chief Technical Officer & Advisor. She holds a Bachelor's degree in Zoology from Madras University. She has been associated with BCG Vaccine Laboratory, MoH, Govt. of India for the past 33 years. She has over 15 years of experience in Quality Control and over 18 years in other departments. She has presented papers on BCG Vaccines at various international conferences and has been part of various research studies. She has a WHO Fellowship for 3 months on Production, Testing and Quality Control and trained in Statenus Serum Institute, Denmark. She is with our Company since 2008."

**Dr. J Rajesh Kumar**, aged 37 years is the Head Quality Assurance & Quality Control of our Company. He is a Doctor of Philosophy in Life Sciences. He is associated with our company since 2013. He was previously associated with Vimta Labs, Hyderabad as Scientist "C" – Analytical Microbiology. He has over 8 years of experience in quality control and quality assurance in Microbiological Processes across the industry in different capacities.

**Mr. Premkumar, Vice President, Operations**, aged 37 years, hold degree of M.Sc (Biochemistry), B.Sc (Microbiology), and working as Vice President (Opeartions). He has an experince of about 15 years in the field of micro biology. He has conducted various audits. Before joining our Company he has worked in various other companies including Burgeon Pharmaceuticals Pvt Ltd, Sanvi Organics Pvt Ltd, Shantha Biotechnic Ltd, Orchid Chemicals and Pharmaceuticals Ltd. and Mederich Sterilab Ltd. He has acted in various capacities.

**Mr. K. Kumaragurubaran**, aged 44 years is the Head – Quality Control of our Company. He is a Veterinarian with a Bachelor’s degree in Veterinary Sciences from the Tamil Nadu Veterinary and Animal Sciences University. He has undergone training on the introduction of GLP Principles at International Institute of Bio Technology and Toxicology (IIBAT), Padappai. He has attended several workshops and training programs on uses of animals in Research, Testing and Diagnostic & Toxicologic Pathology. He is associated with our Company since 2008. He was previously into private practice and was associated IIBAT as Animal House In-charge.

**Mr. P. Kandavel**, aged 39 years is the General Manager, Production of our Company. He is a Masters in Microbiology from Sri Parama Kalyani College, Manonmaniam Sundaranar University. He is pursuing his Doctors (Part-time) in Microbiology from Bharathiar University, Coimbatore. He is associated with us since March 2016. He was previously associated with Dr.Reddy’s Laboratories as Resource Leader. He has over 16 years of experience in Fill Finish and packing of sterile drug products.

**Dr K. R. Mani**, aged 64 years is our President – Technical & Advisor to the Board. He is in charge of our Research & Development. He holds a Master Degree in Veterinary Public Health in Microbiology, Master of Science & Technology from BITS, Pilani and Doctor of Philosophy in Microbiology from Bharathiar University, Coimbatore. He is also a Master in Business Management from Indira Gandhi National Open University, New Delhi with specialisation in Human Resources. He is the former Deputy Director, Pasteur Institute of India, Coonoor and Former Director, Central Research Institute, Kasauli Himachal Pradesh. He has over 29 years of experience in research, teaching and administration. He has attended various Seminars, Symposiums and Trainings and is a member of various professional institutes. He has presented various Research publications and papers in various symposiums.

**Nature of any family relationship between the Key Managerial Personnel:** None of the Key Managerial Personnel are related to each other and to the Promoters/ Directors of our Company.

**Shareholding of Key Managerial Personnel:** Except Managing Director and Executive Director as mentioned above none of the Key Managerial Personnel hold shares in our Company.

**Stock Option Plans/ Stock Purchase Schemes:** Our Company does not have any Stock Option Plans / Stock Purchase schemes

**Nature of Employment.**

All the Key Managerial Person are permanent employees of our Company.

**Changes in the Key Managerial Personnel:**

The following are the changes in the Key Managerial Personnel during the preceding 5 financial years

Sr. No.	Name of the employee	Designation	Date of change	Reason
1.	P. Murali	Managing Director	April 2, 2016	Reappointment as Managing Director
2.	E. S. Chandrasekaran	Executive Director	April 2, 2016	Reappointment as Executive Director
3.	E. Mullaivalavan	Chief Financial Officer	April 1, 2016	Promoted as Chief Financial Officer
4.	S Rathna Prabha	Company Secretary & Compliance Officer	April 1, 2016	Appointment

**Bonus or Profit Sharing Plan for Managerial Personnel:** Our Company does not have any bonus or profit sharing plans for our Managerial Personnel

**Interest of Key Managerial Personnel:** The key managerial personnel do not have any interest in the Company other than to the extent of the remuneration to which they are entitled, as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

**Arrangements and understanding with major Shareholders, Customers, Suppliers or others:** None of our key management personnel have been selected pursuant to any arrangement or understanding with any of our major shareholders, customers, suppliers or others.



**Payment of benefits to Officers:** Except as disclosed in this Draft Red Herring Prospectus, other than statutory payments and remuneration, in the last two years, we have not paid or have intended to pay any other amount or benefit to any of our officers.



**Loans taken by key managerial personnel**

None of the key managerial personnel has taken loan from our Company.

**Employees:** As of March 31, 2016, we had a total of 68 employees on the rolls of the Company.

## OUR PROMOTERS AND PROMOTER GROUP

The details of our Promoters are given below:

	<p><b>1. Mr. P. Sundarapariipooranan</b></p> <p>Aged 46 years is the Promoter of the Company. He is not involved in the day to day management of the Company. He is a Resident Indian National. He is a resident of India.</p> <p>His Passport Number is Z2823806 and Driving license no. is TN09 19940000268</p>
	<p><b>2. Dr. P. Murali</b></p> <p>Aged 43 years, is an Arts Graduate and a Masters in Labour Management. He holds a Doctorate in Management from Madras University. He has about 15 years of experience in Information Technology and Pharmaceutical Productions, Installation, Commissioning, Quality Management, Financial Planning and Human Resources Management. He is the Managing Director of the Company.</p> <p>His Passport Number is Z3257930 and Aadhar no. is 627778201623</p>

**Our Company’s Promoters jointly hold 3,04,13,500 Equity Shares, which in aggregate constitutes 79.27% of the issued and paid-up share capital of our Company.**

### Interest of Promoters

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are interested in our Company to the extent of their respective shareholding, the dividends received by them on such shareholding, and the remuneration/ commission received by some of our Promoters who are Directors on the Board of our Company or are employed by our Company as the case may be. For details of the our Promoters’ shareholding in our Company, please refer to “**Capital Structure - Build-up of Promoters’ Shareholding, Promoters’ contribution and Lock-in**” on page 50. Our Promoter, Dr. P. Murali, is also interested to the extent of being a Director on our Board, as well as any remuneration and reimbursement of expenses payable to him.

Except as disclosed above, our Promoters confirm that they have no interest in any property acquired by our Company during the two years immediately preceding the date of this Draft Red Herring Prospectus or in any transaction in acquisition of land, construction of building or supply of machinery.

Our Promoters are not related to any sundry debtors of our Company as on June 30, 2016.

Our Company has provided any loans or advances to our Promoters.

### Payment or Benefits to Promoters

Except as disclosed above and stated in “**Financial Statements – Restated Statement of Related Party Transactions**” and “**Our Management – Interest of our Directors**” on pages 148 and 112, respectively, there has been no payment or benefit provided to our Promoters by our Company during the two years preceding the date of this Draft Red Herring Prospectus.

### Confirmations

Our Promoters and their relatives (as defined under section 2(77) of the Companies Act 2013) have not been declared as wilful defaulters by the RBI or any other governmental authority. Further, there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters or Promoter Group are not prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, our

Promoters have never been, a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in this Draft Red Herring Prospectus, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters have been submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus to the Stock Exchanges.

## **PROMOTER GROUP**

### **Individual forming part of the Promoter Group**

1. Ms. Mallika Murali w/o Dr. P. Murali

### **Corporate and other entities forming part of Promoter Group**

Nil

### **Companies with which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves from any Company during the preceding three years.

### **Change in the Management and Control of our Company**

There has not been any change in the management or control of our Company since incorporation.

Our Company does not have any Group/Associate Company.

## **RELATED PARTY TRANSACTIONS**

Related Party Transactions, as per the requirements under Accounting Standard 18 “**Related Party Disclosures**” issued by the Institute of Chartered Accountants of India and as reported in the Restated Financial Statements, please see the section entitled “*Financial Statements*” on pages 124, respectively.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to our earnings, general financial conditions, capital requirements, result of operations, contractual obligations, overall financial position and other factors considered relevant by our Board of Directors.

In addition, our ability to pay dividends may also be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company may enter into to finance our fund requirements for our business activities. For further details, please refer to the chapter “*Financial Indebtedness*” on page 166.

### **Dividends declared in the last five fiscal years**

Our Company has not declared any dividends in any of the five fiscal years preceding the filing of this Draft Red Herring Prospectus.

**SECTION V – FINANCIAL INFORMATION  
FINANCIAL STATEMENTS  
AUDITOR REPORT AND FINANCIAL INFORMATION**

**INDEPENDENT AUDITOR’S REPORT ON RESTATED FINANCIAL INFORMATION AS  
REQUIRED UNDER SECTION 26 OF THE COMPANIES ACT, 2013 READ WITH RULE 4 OF  
COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014.**

The Board of Directors  
GreenSignal Bio Pharma Limited  
A-3, Sai Niketan, Circular Road  
United India Colony,  
Kodambakkam, Chennai 600024.

Dear Sirs,

We have examined the attached restated standalone financial information of GreenSignal Bio Pharma Limited (the Company) as approved by the Board of Directors of the Company on July 2, 2016, prepared by the management of the Company in terms of the requirements of Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014 the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the ‘SEBI Regulations’), the Guidance Note on ‘Reports in Company’s Prospectus (Revised)’ issued by the Institute of Chartered Accountants of India (‘ICAI’) to the extent applicable (‘Guidance Note’), and in terms of our engagement agreed with you in accordance with our engagement letter dated May 23, 2016 in connection with the proposed issue of Equity Shares of the Company by way of an offer for sale by the existing shareholders

These restated standalone financial information have been extracted by the Management from the Company’s standalone audited financial statements for the period ended June 30, 2016, and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012.

We have audited the standalone financial statements of the Company for the period ended June 30, 2016, and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012.

We further report that

- a) The Restated Standalone Summary Statement of Assets and Liabilities as at June 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 examined by us, as set out in Annexure I to this report read with the significant accounting policies in Annexure IV are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the Restated Standalone Financial Information enclosed as Annexure V to this report.
- b) The Restated Standalone Summary Statement of Profit and Loss of the Company for the period ended June 30, 2016 and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 as set out in Annexure II to this report read with the significant accounting policies in Annexure IV are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the Restated Standalone Financial Information enclosed as Annexure V to this report.
- c) The Restated Standalone Summary Statement of Cash Flows of the Company for the period ended June 30, 2016 and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 as set out in Annexure III to this report read with the significant accounting policies in Annexure IV are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes to the Restated Standalone Financial Information enclosed as Annexure V to this report

Based on the above, we are of the opinion that the Restated Standalone Financial Information

- i. have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate to; and

- ii. do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Standalone Financial Information and do not contain any qualifications requiring adjustments.

We have also examined the following restated standalone financial information as set out in the Annexures prepared by the management of the Company and approved by the Board of Directors on July 2, 2016, relating to the Company for the period ended June 30, 2016 and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012:

- i. Restated Standalone Statement of Share Capital, included in Annexure VI;
- ii. Restated Standalone Statement of Reserves and Surplus, included in Annexure VII;
- iii. Restated Standalone Statement of Long-term Borrowings, included in Annexure VIII
- iv. Restated Standalone Statement of Short-term Borrowings, included in Annexure IX
- v. Restated Standalone Statement of Trade Payables, included in Annexure X
- vi. Restated Standalone Statement of Other Current Liabilities, included in Annexure XI
- vii. Restated Standalone Statement of Inventories, included in Annexure XII
- viii. Restated Standalone Statement of Trade Receivables, included in Annexure XIII
- ix. Restated Standalone Statement of Cash and Cash equivalents, included in Annexure XIV
- x. Restated Standalone Statement of Short-term Loans and Advances, included in Annexure XV;
- xi. Restated Standalone Statement of Revenue from operations, included in Annexure XVI.
- xii. Restated Standalone Statement of Other Income, included in Annexure XVII.
- xiii. Restated Standalone Statement of Cost of Materials Consumed, included in Annexure XVIII.
- xiv. Restated Standalone Statement of Changes in Inventories, included in Annexure XIX
- xv. Restated Standalone Statement of Operations Cost, included in Annexure XX
- xvi. Restated Standalone Statement of Employee Expenses, included in Annexure XXI
- xvii. Restated Standalone Statement of Finance Cost, included in Annexure XXII
- xviii. Restated Standalone Statement of Other Expenses, included in Annexure XXIII
- xix. Restated Standalone Statement of Accounting Ratios, included in Annexure XXIV.
- xx) Capitalization statement, as appearing in Annexure XXV
- xxi) Restated Standalone Tax Shelter, included in Annexure XXVI;
- xxii) Restated Standalone Statement of Related Party Transactions, included in Annexure XXVII

1. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
2. In our opinion, the above restated standalone financial information contained in Annexure I to XXVI of this report read along with the Significant Accounting Policies and Notes to Restated Standalone Financial Information (Refer Annexure IV) are prepared after regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, SEBI Regulations, the Guidance note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement as agreed with you.
3. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of Equity Shares of the Company by way of an offer for sale by the existing shareholders

Our report should not be used, referred to or distributed for any other purpose except with our consent in writing

For **M/s. RAJ AND RAVI**  
ICAI firm registration number: 10935S  
Chartered Accountants

**RAJ VISVANATHAN**  
Partner  
Membership No.: 23211  
Place: Chennai  
Date: July 2, 2016

**Annexure I – Restated Standalone Summary of Statement of Assets and Liabilities.**

Particulars		As on June 30, 2016	2016	2015	2014	2013	2012
		₹ in Lacs					
<b>A</b>	<b>EQUITY AND LIABILITIES</b>						
<b>1.0</b>	<b>Shareholders' funds</b>						
	(a) Share capital	3,836.73	1,534.69	1,357.35	1,357.35	1,357.35	1,357.35
	(b) Reserves and surplus	2,129.33	4,138.28	2,365.91	2,221.01	2,350.72	2,400.73
		5,966.06	5,672.97	3,723.26	3,578.36	3,708.07	3,758.08
	<b>Share application money pending allotment</b>					762.19	698.23
<b>2.0</b>	<b>Non-current liabilities</b>						
	(a) Long-term borrowings				-	2.67	399.68
	(b) Deferred tax liabilities (net)	317.46	313.95	292.59	272.55	248.75	215.91
	Total of Non Current Liabilities	317.46	313.95	292.59	272.55	251.42	615.59
<b>3.0</b>	<b>Current liabilities</b>						
	(a) Short-term borrowings	387.61	558.07	392.32	398.45	657.96	537.60
	(b) Trade payables	107.22	89.46	33.76	25.57	1.38	32.27
	(c) Other current liabilities	321.45	299.72	1,425.05	1,419.57	6.46	76.31
	Total of Current Liabilities	816.28	947.25	1,851.13	1,843.59	665.80	646.18
	<b>TOTAL</b>	<b>7,099.80</b>	<b>6,934.17</b>	<b>5,866.98</b>	<b>5,694.50</b>	<b>5,387.48</b>	<b>5,718.08</b>
<b>B</b>	<b>ASSETS</b>						
<b>1.0</b>	<b>Non-current assets</b>						
	(a) Fixed assets						
	(i) Tangible assets	3,873.09	3,892.44	3,979.67	3,648.69	3,761.48	3,868.27
	(ii) Capital work-in-progress	1,146.79	1,146.79	1,159.67	1,124.16	1,000.63	849.81
	Total Non Current Assets	5,019.88	5,039.23	5,139.34	4,772.85	4,762.11	4,718.08
<b>2.0</b>	<b>Current assets</b>						
	(b) Inventories	693.29	738.50	529.70	491.75	477.82	617.87
	(c) Trade receivables	867.88	472.32	71.02	342.79	76.28	278.63
	(d) Cash and cash equivalents	286.34	404.15	65.26	(0.61)	(3.10)	11.78
	(e) Short-term loans and advances	232.41	279.97	61.66	87.72	74.37	91.72
	(f) Other current assets			-	-	-	-
	Total of Current Assets	2,079.92	1,894.94	727.64	921.65	625.37	1,000.00
	<b>TOTAL</b>	<b>7,099.80</b>	<b>6,934.17</b>	<b>5,866.98</b>	<b>5,694.50</b>	<b>5,387.48</b>	<b>5,718.08</b>

*Notes: The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.*



**Annexure II - Restated Standalone Summary Statement of Profit and Loss**

	Particulars	For the period ended on June 30, 2016	2016	2015	2014	2013	2012
<b>A</b>	<b>CONTINUING OPERATIONS</b>						
<b>1</b>	Revenue from operations (gross)	1014.70	2,038.72	656.16	350.99	1,167.78	1,126.58
	Less: Excise duty	1014.70	-	-	-	-	-
	Revenue from operations (net)		2,038.72	656.16	350.99	1,167.78	1,126.58
<b>2</b>	Other income	5.85	10.53	4.13	1.81	2.02	-
<b>3</b>	<b>Total revenue (1+2)</b>	<b>1,020.55</b>	<b>2,049.25</b>	<b>660.29</b>	<b>352.80</b>	<b>1,169.80</b>	<b>1,126.58</b>
<b>4</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	135.73	573.90	160.05	77.27	265.66	348.38
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	162.43	(164.39)	25.25	(8.15)	138.91	77.57
	(c) Operations Cost	74.49	200.91	64.31	50.33	130.60	142.35
	(d) Employee benefits expense	88.81	172.00	106.42	61.82	219.10	127.67
	(e) Finance costs	12.36	66.41	71.15	116.07	158.13	210.89
	(f) Depreciation and amortisation expense	30.39	119.17	115.10	112.79	112.55	112.33
	(g) Other expenses	143.79	387.49	119.30	48.58	162.02	112.37
	<b>Total expenses</b>	<b>648.00</b>	<b>1,355.49</b>	<b>661.58</b>	<b>458.71</b>	<b>1,186.97</b>	<b>1,131.56</b>
<b>5</b>	<b>Restated Profit / Loss before exceptional and extraordinary items and tax (3 - 4)</b>	<b>372.55</b>	<b>693.76</b>	<b>(1.29)</b>	<b>(105.91)</b>	<b>(17.17)</b>	<b>(4.98)</b>
<b>6</b>	Exceptional items		-	-	-	-	-
<b>7</b>	<b>Restated Profit / Loss before extraordinary items and tax (5 + 6)</b>	<b>372.55</b>	<b>693.76</b>	<b>(1.29)</b>	<b>(105.91)</b>	<b>(17.17)</b>	<b>(4.98)</b>
<b>8</b>	Extraordinary items		-	-	-	-	-
<b>9</b>	<b>Restated Profit / Loss before tax (7 + 8)</b>	<b>372.55</b>	<b>693.76</b>	<b>(1.29)</b>	<b>(105.91)</b>	<b>(17.17)</b>	<b>(4.98)</b>
<b>10</b>	<b>Tax expense:</b>						
	(a) Current tax expense for current year	75.95	141.45	-	-	-	-
	(b) (Less): MAT credit (where applicable)		-	-	-	-	-
	(c) Current tax expense relating to prior years		-	-	-	-	-
	(d) Net current tax expense	75.95	141.45	-	-	-	-
	(e) Deferred tax	3.51	21.36	20.04	23.80	32.84	43.13
	<b>Total Tax Expense</b>	<b>79.46</b>	<b>162.81</b>	<b>20.04</b>	<b>23.80</b>	<b>32.84</b>	<b>43.13</b>
<b>11</b>	<b>Restated Profit / (Loss) from continuing operations (9 +10)</b>	<b>293.09</b>	<b>530.95</b>	<b>(21.33)</b>	<b>(129.71)</b>	<b>(50.01)</b>	<b>(48.11)</b>
<b>12</b>	<b>Restated Profit / (Loss) for the year</b>	<b>293.09</b>	<b>530.95</b>	<b>(21.33)</b>	<b>(129.71)</b>	<b>(50.01)</b>	<b>(48.11)</b>

*Notes: The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.*

**Annexure III - Restated Standalone Summary Statement of Cash Flow**

PARTICULARS	As on June 30, 2016	2016	2015	2014	2013	2012
	₹ in Lacs					
<b>A. Cash flow from Operating Activities</b>						
Net profit as per Profit and loss account	293.09	530.95	(21.33)	(129.71)	(50.01)	(48.11)
<b>ADJUSTMENTS FOR</b>						
Depreciation in books	30.39	119.17	115.10	112.79	112.55	112.33
Preliminary expenditure written off						
Deferred Tax	3.51	21.36	20.04	23.80	32.84	43.13
Share Issue Expenses written off						
Provision for Income tax & FBT	75.95	141.45	-	-	-	-
<b>Operating cash flows before adjusting for working capital changes</b>	402.94	812.93	113.81	6.88	95.38	107.35
<b>Adjustment for Working Capital changes</b>			-	-	-	-
Decrease/(Increase) in Sundry debtors	(395.56)	(401.30)	271.77	(266.51)	202.35	(233.73)
Decrease/(Increase) In other Current assets	92.77	(427.11)	(11.88)	(27.28)	157.40	76.92
Increase / (Decrease) in Current liabilities and provisions	(206.92)	(1,045)	7.53	1,177.78	(100.73)	26.77
<b>Operating cash flow after Adjusting for working Capital changes</b>	(106.77)	(1,060.81)	381.23	890.87	354.40	(22.69)
<b>Net Cash Flow from operating activities – A</b>	(106.77)	(1,060.81)	381.23	890.87	354.40	(22.69)
<b>B. Cash Flow from Investing Activities</b>						
Purchase of Fixed Assets	(11.04)	(31.94)	(279.85)	-	(5.76)	(11.87)
Capital Work in Progress	-	12.88	(35.51)	(123.53)	(150.82)	(146.23)
<b>Net cash From Investing activities – B</b>	(11.04)	(19.06)	(315.36)	(123.53)	(156.58)	(158.10)
<b>C. Cash flow from Financing Activities</b>						
Proceeds from Bank Loans	-	-		(2.66)	(276.65)	(266.72)
Proceeds from issue of shares	-	1,418.76		(762.19)	63.95	443.30
<b>Net Cash Flow From Financing Activities – C</b>	-	1,418.76	-	(764.85)	(212.70)	176.58
<b>Net Increase in cash and Cash equivalents (A + B + C)</b>	(117.81)	338.89	65.87	2.49	(14.88)	(4.21)
Add: Cash and cash equivalents at the beginning of the year	404.15	65.26	(0.61)	(3.10)	11.78	15.99
<b>Cash and cash equivalents at the end of the year</b>	286.34	404.15	65.26	(0.61)	(3.10)	11.78
(a) Cash on hand	3.81	1.52	1.75	0.11	0.17	0.13
(c) Balances with banks						
(i) In current accounts	13.92	179.81	0.78	(0.72)	(3.27)	11.65
(i) In deposit accounts	256.83	221.67	62.73	-	-	-
Interest accrued thereon	11.78	1.15	-	-	-	-
<b>Total</b>	286.34	404.15	65.26	(0.61)	(3.10)	11.78

**Notes**

PARTICULARS	For the period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
(a) Cash on hand	3.81	1.52	1.75	0.11	0.17	0.13
(b) Balances with banks						
(i) In current accounts	13.92	179.81	0.78	(0.72)	(3.27)	11.65
(i) In deposit accounts	256.83	221.67	62.73	-	-	-
Interest accrued thereon	11.78	1.15	-	-	-	-
<b>Total</b>	286.34	404.15	65.26	(0.61)	(3.11)	11.78

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure IV. Notes on Material Adjustments

- The summary of results of restatement made in the audited Standalone financial statements for the respective years and its impact on the profit/ (loss) of the Company is as follows

Particulars	For the period ended June 30, 2016	For the Year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Net Profit/(Loss) as per audited financial statement	293.09	509.05	(17.30)	(126.34)	(24.25)	(14.03)
Add / (Less) Gratuity Provision	-	9.47	(3.29)	(2.52)	(2.12)	(1.54)
Add / Less Sundry Balances Written back	-				(24.73)	(39.60)
Add / Less Income tax adjustments	-	9.30	0.38	-	1.81	7.58
Add / Less Deferred tax adjustments	-	3.13	(1.12)	(0.85)	(0.72)	(0.52)
Total Adjustments	-	21.90	(4.03)	(3.37)	(25.76)	(34.08)
Restated Profit / Loss for the years	293.09	530.95	(21.33)	(129.71)	(50.01)	(48.11)

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### 2. Details of adjustments pertaining to prior years

- The Company had been following the Payment of Gratuity Act and no provision had been made in the accounts. During the year ended March 31, 2016 Gratuity Provision had been provided based on actuarial valuation and the liability in respect of previous years had been provided which has been restated and adjusted in the respective years to which they relate.
- During the years ended March 31, 2013 and March 31, 2012 the company had written back the creditors which were no longer expected to be settled. For the purpose of this statement, such write back have been appropriately adjusted in the respective years to which they relate.
- Minimum Alternate Tax and Deferred tax has been computed on adjustments made as detailed above and has been adjusted in the restated statement of profit and loss for the year ended March 31, 2016, 2015, 2014, 2013 and 2012.

#### 3. Material regroupings

Appropriate adjustments have been made in the Restated Summary Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended March 31, 2016, prepared in accordance with Schedule III of the Act and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). Accordingly, the Company has presented the Restated Summary Financial Information as at and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 following the requirements of Schedule III of the Act.

- Restatement adjustments made in the audited opening balance figures in the net surplus in the statement of profit and loss for the fiscal 2011

Particulars	₹ In Lacs
Net Profit/(Loss) as per audited financial statement	(301.19)
Adjustments	
Sundry Balances written back	64.33
Net Profit/(Loss) as per restated financial statement	(236.86)

**Annexure V - Notes to restated Standalone summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash Flows for the period ended June 30, 2016 and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012.**

<b>1</b>	<b>Corporate information</b>
	The Company was incorporated in November 21, 2005 as a Private Limited Company. The Company has changed its name to GreenSignal Bio Pharma Private Limited on March 24, 2016. The company has been converted into public limited company in the Extra Ordinary General Meeting held on March 24, 2016. The Company produces Life Saving Vaccine, namely, BCG Vaccine.
<b>2</b>	<b>Significant accounting policies (Illustrative)</b>
	The significant accounting policies have been predominantly presented below in the order of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2016 (as amended). The order of presentation may be customised for each Company.
<b>2.1</b>	<b>Basis of accounting and preparation of financial statements</b>
	The restated Standalone summary Statement of Assets and Liabilities of the Company as at June 30, 2016 and March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 and the related restated Standalone summary Statement of Profit and Loss and Cash Flows for the period ended June 30, 2016 and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 ( collectively referred to as the ‘‘Restated Standalone Summary Financial Information’ ) have been prepared specifically for the purpose of inclusion in the Draft Red Herring Prospectus (hereinafter referred to as ‘DRHP’ )/RHP/Prospectus to be filed by the Company with the Securities and Exchange Board of India (SEBI) in connection with the proposed Initial Public Offering ( hereinafter referred to as ‘ IPO’ )
	The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
<b>2.2</b>	<b>Use of estimates</b>
	The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
<b>2.3</b>	<b>Inventories</b>
	Inventories are valued at cost except the finished goods which are being valued at cost or net market realisable value whichever is lower. The stocks held at the factory are as verified and certified by the Management.
<b>2.4</b>	<b>Cash and cash equivalents (for purposes of Cash Flow Statement)</b>
	Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
<b>2.5</b>	<b>Depreciation and amortisation</b>
	Depreciation on fixed assets is provided on straight line basis in accordance with the rates prescribed in Schedule II of the Companies Act, 2013.
<b>2.6</b>	<b>Revenue recognition</b>
	Sales represent gross value of sales excluding Sales Tax. Income and Expenditure are accounted on accrual basis.
<b>2.7</b>	<b>Other income</b>
	Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.
<b>2.8</b>	<b>Tangible fixed assets</b>
	Fixed Assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.
	<b>Capital work in progress</b>

	Research & Development Expenditure where future benefits are expected to accrue for longer periods, those costs are capitalized in the year in which they are incurred. These costs are amortised over the tenure during which the benefits are expected to accrue. Unamortised costs are reviewed at each Balance Sheet date to determine the amount, if any, which do not have any enduring benefit, such identified amounts are written off in the year in which they are identified. The Research & Development Expenditure outstanding at the beginning of every year is written off over a period of 3 years.
<b>2.9</b>	<b>Intangible assets</b>
	Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset
<b>2.10</b>	<b>Foreign currency transactions and translations</b>
	Foreign currency transactions are recorded at the rates prevailing on the date of transaction ₹ and the subsequent gain/ loss on realization is being dealt with in the Profit & Loss account. Monetary items remaining unsettled, i.e., receivables and payables at the end of the year are converted at the closing / year end rate and any exchange differences arising on such conversion are dealt with in the Profit & Loss account. However there are no foreign currency items remaining outstanding against or in favour of the company as at the end of the financial year.
<b>2.11</b>	<b>Government grants, subsidies and export incentives</b>
	Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.  Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.  Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.  Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.
<b>2.12</b>	<b>Investments</b>
	Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.
<b>2.13</b>	<b>Employee benefits</b>
	Retirement benefits in the form of Provident fund and Employee state insurance are a defined contribution scheme and the contributions are charged to the Profit and Loss account of the year when the contributions to the respective funds are due. Gratuity has been provided on the basis of actuarial valuation report.
<b>2.14</b>	<b>Borrowing costs</b>
	Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active

	development activity on the qualifying assets is interrupted.
<b>2.15</b>	<b>Segment reporting</b>
	<p>The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p> <p>The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities.</p>
<b>2.16</b>	<b>Leases</b>
	<p>Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.</p> <p>Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.</p> <p>Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.</p>
<b>2.17</b>	<b>Earnings per share</b>
	<p>In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.</p> <p>The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.</p>
<b>2.18</b>	<b>Taxes on income</b>
	<p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p> <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.</p> <p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p>
	Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.
<b>2.19</b>	<b>Impairment of assets</b>
	The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated

	and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.
<b>2.20</b>	<b>Provisions and contingencies</b>
	A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

### 3. Deferred Tax Liability ( Net)

Components of Deferred Tax Liability (Net) are as follows:

Timing Difference on account of	For the period ended June 30, 2016	As at March 31				
		2016	2015	2014	2013	2012
		₹ in Lacs				
<b>Deferred tax (liability) / asset</b>						
Depreciation as per Companies Act 2013	30.39	119.18	115.10	112.79	112.55	112.33
Depreciation as per Income Tax Act, 1961	36.96	165.97	170.77	180.29	207.05	237.67
Difference representing Deferred Tax Liability	6.57	46.79	55.67	67.50	94.50	125.34
Provision for Gratuity -	4.04	5.02	3.29	2.52	2.12	1.54
Research & Development Expenses Written Off	-	138.84	-	-	-	-
Items constituting deferred tax liability	10.61	190.65	58.96	70.02	96.62	126.88
R & D Expenses capitalised	-	125.96				
Others	-	0.07	-	-	-	-
Items constituting deferred tax assets	-	126.03	-	-	-	-
<b>Net deferred tax (liability) / asset</b>	10.61	64.62	58.96	70.02	96.62	126.88
<b>Deferred Tax for the year</b>	3.51	21.36	20.04	23.80	32.84	43.13
<b>Opening Balance of Deferred Tax (31-03-2015)</b>	313.95	292.59	272.55	248.75	215.91	172.78
<b>Closing Balance of Deferred Tax ( 31-03-2016)</b>	317.46	313.95	292.59	272.55	248.75	215.91

### 4. Auditors Remuneration (excluding Service Tax wherever applicable)

PARTICULARS	For the years ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
		₹ in Lacs				
As auditors - statutory audit	2.00	9.50	2.00	2.00	2.00	2.00
For taxation matters	0.50	0.50	0.50	0.50	0.50	0.50

### 5. Earnings Per Share

PARTICULARS	For the period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
		₹ in Lacs				
Restated Profit/ (Loss) restated after tax ( in Lacs)	293.09	530.95	(21.33)	(129.71)	(50.01)	(48.11)
Weighted Number of Equity Shares(Nos.)	2,50,66,621	1,35,97,426	1,35,73,460	1,35,73,460	1,35,73,460	1,35,73,460

Basic and Diluted Earnings per Equity Share of Face Value ₹ 10/-	1.17	3.90	(0.16)	(0.96)	(0.37)	(0.35)
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6. As at the Balance Sheet date as at June 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 the company does not have any dues outstanding to Micro, small and Medium Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act” and as such no interest is paid or payable or accrued or outstanding during the year to any suppliers who are covered under the Micro, Small and Medium Enterprises Development Act, 2006.
7. The Employment term does not provide for Leave Encashment, Superannuation and hence no provision has been made in the restated accounts for the period ended June 30, 2016 and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012.
8. Employee Benefits
- i. Defined Contribution Plans

Contribution to Provident Fund administered by the Government.

The Company has recognised the following amounts in the Statement of Profit and Loss

PARTICULARS	For the Period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Provident Fund	0.90	4.43	0.98	0.34	0.60	0.51

#### Defined benefit plan

##### Gratuity

The Company earmarks liability towards unfunded Group Gratuity and Compensated absences and provides for payment to vested employees as under:

- a) On Normal retirement/ early retirement/ withdrawal/resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

- b) On death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period. The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at June 30, 2016 and March 31, 2016 by and independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. The following table sets out the status of the gratuity plan and the amounts recognised in the Company’s financial statements as at June 30, 2016 and March 31, 2016

PARTICULARS	For the Period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Gratuity	4.04	5.02	3.29	2.52	2.12	1.54

In accordance with the Accounting Standard 15 (Revised 2005), actuarial valuation has been done in respect of defined benefit plan of gratuity based on the following assumptions:



PARTICULARS	For the period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Discount rate	7.75%	8%	8%	8%	8%	8%
Salary Escalation rate	10%	10%	10%	10%	10%	10%

i. Change in present value of obligation

PARTICULARS	For the Period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Opening present value of obligations	14.49	9.47	6.18	3.66	1.54	
Interest Cost	0.28	0.76	0.49	0.29	0.12	
Current Service Cost	1.51	3.96	2.81	2.16	1.77	
Past Service Cost						
Benefits Paid						
Actuarial Losses (Gain)	2.25	0.29	(0.01)	0.06	0.22	1.54
Closing Present value of obligations	18.53	14.49	9.47	6.18	3.66	1.54

ii. Amount recognised in Balance Sheet

PARTICULARS	For the Period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Closing present value of obligations	18.53	14.49	9.47	6.18	3.66	1.54
Closing present value of plan assets		-	-	-	-	-
Closing net liability recognised	18.53	14.49	9.47	6.18	3.66	1.54

Classification into Current / Non Current

The liability in respect of the plan comprises of the following current and non current portion

PARTICULARS	For period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Current	4.34	0.39	0.01	0.01	0.01	0.01
Non Current	14.19	14.10	9.46	6.17	3.65	1.53

iii. Expenses recognised in the Statement of Profit and Loss

PARTICULARS	For period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Current Service Cost	1.51	3.97	2.81	2.16	1.77	-
Interest Cost on benefit of obligations	0.28	0.76	0.49	0.29	0.12	-

PARTICULARS	For period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Net actuarial Losses / (Gain) recognised in the current cost	2.25	0.29	(0.01)	0.06	0.22	1.54
Past Service Cost	-	-	-	-	-	-
Expenses recognised in the Statement of Profit and Loss	4.04	5.02	3.29	2,51	2.11	

iv. Experience Adjustments

PARTICULARS	For the Period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Present value of defined benefit obligation	18.53	14.49	9.47	6.18	3.66	1.54
Fair value of plan assets	-	-	-	-	-	-
(Deficit)/Surplus in the plan	(18.53)	(14.49)	(9.47)	(6.18)	(3.66)	(1.54)
Experience adjustment Gain / (Loss) on plan liabilities	2.25	(0.16)	(0.01)	0.06	0.22	-
Actuarial Gain / (Loss) due to change on assumption	-	-	-	-	-	-

9. Additional Information pursuant to provisions of Paragraph 5 (viii) of Schedule III.

a. Consumption of Raw Materials

PARTICULARS	For the Period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Glass Vials	12.63	65.76	52.89	12.57	43.22	56.69
Rubber Stopper	15.53	66.45	31.08	9.51	32.70	42.89
VVM	77.72	38.80	54.60	34.62	119.04	156.33

b. Value and % of Imported and Indigenous Raw Materials, Spare Parts and Components consumed:

PARTICULARS	For the Period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Raw Materials						
Imported						
Value	105.88	171.01	138.57	56.70	194.96	255.91
% to Total Consumption	78.01	29.80	86.58	73.38	73.39	73.46
Indigenous						
Value	29.85	402.88	21.48	20.57	70.69	92.46
% to Total Consumption	21.99	70.20	13.42	26.62	26.61	26.54
Total						
Value	135.73	573.89	160.05	77.27	265.65	348.37
% to Total Consumption	100.00	100.00	100.00	100.00	100.00	100.00

c. Value of Imports on CIF basis

Value of imports calculated on CIF basis @:	For the Period ended June 30, 2016	₹ in lacs				
		2016	2015	2014	2013	2012
For the Year ended March 31						

Raw materials	105.88	171.01	138.57	56.70	194.96	255.91
Total	105.88	171.01	138.57	56.70	194.96	255.91

d. Earnings in Foreign Exchange

	₹ in lacs					
	For the Period ended June 30, 2016	2016	2015	2014	2013	2012
Earnings in foreign exchange						
Export of goods calculated on FOB basis	667.58	941.96	554.28	-	-	-

e. Expenditure in Foreign Exchange

	For the Period ended June 30, 2016	For the Year ended March 31				
		2016	2015	2014	2013	2012
Raw materials	105.88	171.01	138.57	56.70	194.96	255.91
Total	105.88	171.01	138.57	56.70	194.96	255.91

10. Details of Purchases, turnover and Inventory

a. Turnover

	For the Period ended June 30, 2016	₹ in lacs				
		2016	2015	2014	2013	2012
BCG Vaccine	971.63	1849.37	591.37	329.13	1,044.72	990.41
BCG Onco	43.07	189.35	64.79	21.86	123.06	136.17

b. Inventories – Work in Process

Particulars	As at June 30, 2016	2016	2015	2014	2013	2012
Inventories at the end of the year:						
Work-in-progress	417.06	579.49	415.10	440.35	432.20	571.11

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

**Annexure VI.**

Restated Standalone Statement of Share Capital

Particulars	As at June 30, 2016	As at March 31				
		2016	2015	2014	2013	2012
₹ In Lacs						
(a) Authorised						
Equity shares of 4,00,00,000 of ₹ 10 each with voting rights (Previous Year 2,00,00,000)	4,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
(b) Issued, Subscribed and Fully Paid Up						
Equity shares of 3,83,67,275 of ₹ 10 each with voting rights (Previous Year 1,53,46,910)	3,836.73	1,534.69	1,357.35	1,357.35	1,357.35	1,357.35

Particulars	As at June 30, 2016	As at March 31				
		2016	2015	2014	2013	2012
	₹ In Lacs					
<b>Total</b>	<b>3,836.73</b>	<b>1,534.69</b>	<b>1,357.35</b>	<b>1,357.35</b>	<b>1,357.35</b>	<b>1,357.35</b>

b. The Reconciliation of Number and Amount of Shares outstanding is as under

Particulars	As at June 30, 2016		As at March 31			
	Number of shares	₹ In Lacs	2016		2015	
			Number of Shares	₹ In Lacs	Number of Shares	₹ In Lacs
Opening Balance	1,53,46,910	1,534.69	1,35,73,460	1,357.35	1,35,73,460	1,357.35
Fresh issue	-	-	17,73,450	177.35	-	-
Bonus	2,30,20,365	2,302.04	-	-	-	-
Closing Balance	3,83,67,275	3,836.73	1,53,46,910	1534.70	1,35,73,460	1,357.35

Particulars	As at March 31					
	2014		2013		2012	
	Number of shares	₹ In Lacs	Number of Shares	₹ In Lacs	Number of Shares	₹ In Lacs
Opening Balance	1,35,73,460	1,357.35	13,573,460	1,357.35	13,573,460	1,357.35
Fresh issue	-	-	-	-	-	-
Bonus	-	-	-	-	-	-
Closing Balance	1,35,73,460	1,357.35	1,35,73,460	1,357.35	13,573,460	1,357.35

c. Rights attached to Equity Shares:

The Company has issued one class of equity shares with voting rights having a par value of ₹10/- per share.

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at June 30, 2016		As at March 31			
	Number of shares	% of holding	2016		2015	
			Number of Shares	% of holding	Number of Shares	% of holding
Dr. P. Murali	89,26,250	23.27	35,70,500	23.27	59,73,000	44.00
Mr. P. Sundarapariipooranan	2,14,87,250	56.00	85,94,900	56.00	44,01,450	32.43
M/S. Avon Cycles Limited	62,50,000	16.29	25,00,000	16.29	25,00,000	18.42

Particulars	As at March 31					
	2014		2013		2012	
	Number of shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
Dr. P. Murali	59,73,000	44.00	59,73,000	44.00	59,73,000	44.00
Mr. P. Sundarapariipooranan	44,01,450	32.43	44,01,450	32.43	44,01,450	32.43
M/S. Avon Cycles Limited	25,00,000	18.42	25,00,000	18.42	25,00,000	18.42

Aggregate number of shares allotted as fully paid up during last five years immediately preceding balance sheet date pursuant to contracts without payment received in cash and by way of fully paid bonus shares

NIL.

Notes:

- 1) The figures disclosed above are based on the restated Standalone summary Statements of Assets and Liabilities of the Company.
  - 2) The above statement should be read with the notes to restated Standalone summary Statements of Assets and Liabilities, Statement of Profit and Loss and Cash Flows appearing in Annexure IV.
- Annexure VII**

**Restated Standalone Statement of Reserves and Surplus**

**As at March 31**

Particulars	As at June 30, 2016	2016	2015	2014	2013	2012
	₹ in Lacs					
(a) Capital reserve						
Opening balance	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Add/Less: Additions/Utilised during the year (give details)		-	-	-	-	-
Closing balance	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
(a) Revaluation reserve						
Opening balance	166.23	166.23	-	-	-	-
Add/Less: Additions/Utilised during the year (give details)	-	-	166.23			
Closing balance	166.23	166.23	166.23	-	-	-
(b) Securities premium account						
Opening balance	2,897.12	1,655.70	1,655.70	1,655.70	1,655.70	1,655.70
Add : Premium on shares issued during the year		1,241.42	-	-	-	-
Less : Utilised during the year	2,302.04		-	-	--	
Closing balance	595.08	2,897.12	1,655.70	1,655.70	1,655.70	1,655.70
(c) Other reserves (specify the nature and purpose of each reserve)-Subsidy Received						
Opening balance	30.00	30.00	30.00	30.00	30.00	30.00
Add/ Less: Additions / transfers during the year		-	-	-	-	-
Closing balance	30.00	30.00	30.00	30.00	30.00	30.00
(d) Surplus / (Deficit) in Statement of Profit and Loss						
Opening balance	44.93	(486.02)	(464.69)	(334.98)	(284.97)	(236.86)
Add: Profit / (Loss) for the year	293.09	530.95	(21.33)	(129.71)	(50.01)	(48.11)
Closing balance	338.02	44.93	(486.02)	(464.69)	(334.98)	(284.97)
<b>Total</b>	<b>2129.33</b>	<b>4,138.28</b>	<b>2,365.91</b>	<b>2,221.01</b>	<b>2,350.72</b>	<b>2,400.73</b>

**Notes:**

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

**Annexure VIII**

**Restated Standalone Statement of Long Term Borrowings**

Particulars	As at June 30, 2016	As at March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Long Term Borrowings – From Banks	-	-	-	-	2.67	399.68
Total	-	-	-	-	2.67	399.68

**Notes:**

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure IX

##### Restated Standalone Statement of Short Term Borrowings

Particulars	As at June 30, 2016	As at March 31, 2016				
		2016	2015	2014	2013	2012
₹ in Lacs						
(a) Loans repayable on demand						
From banks						
Secured	387.61	558.07	392.32	398.45	655.90	535.54
Unsecured	-	-	-	-	2.06	2.06
	387.61	558.07	392.32	398.45	657.96	537.60

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure-X

##### Restated Standalone Statement of Trade Payables

	As at June 30 2016	As at March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Trade payables Other than Acceptances	107.22	89.46	33.76	25.57	1.38	32.27
	107.22	89.46	33.76	25.57	1.38	32.27

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XI

##### Restated Standalone Statement of Other Current Liabilities

PARTICULARS	As at June 30, 2016	As at March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
Other payables	100.00	143.00	1,424.26	1,382.01	9.88	-
a. Statutory remittances (Contributions to PF and ESIC)	13.82	25.04	10.18	20.14	4.16	14.43
b. Provision for Income Tax	207.63	131.68	(9.39)	(9.39)	(7.58)	-
c. Advances from customers	-	-	-	26.81		61.88
	321.45	299.72	1,425.05	1,419.57	6.46	76.31

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XII

##### Restated Standalone Statement of Inventories

Particulars	As at June 30, 2016	As at March 31				
		2016	2015	2014	2013	2012
₹ in Laacs						
(a) Raw materials	276.23	159.01	114.60	51.40	45.62	46.76
		-	-	-	-	-
(b) Work-in-progress	417.06	579.49	415.10	440.35	432.20	571.11
		-	-	-	-	-
<b>Total</b>	<b>693.29</b>	<b>738.50</b>	<b>529.70</b>	<b>491.75</b>	<b>477.82</b>	<b>617.87</b>

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

### Annexure XIII

#### Restated Standalone Statement of Trade Receivables

Particulars	As at June 30, 2016	As at March 31				
		2016	2015	2014	2013	2012
₹ in Laacs						
Trade receivables outstanding for a period exceeding six months from the date they were due for payment						
Secured, considered good		-	-			
Unsecured, considered good	48.26	52.27	56.05	47.55	50.33	50.79
Doubtful		-	-	-	-	-
	48.26	52.27	56.05	47.55	50.33	50.79
Less: Provision for doubtful trade receivables		-	-	-	-	-
	48.26	52.27	56.05	47.55	50.33	50.79
Other Trade receivables						
Secured, considered good		-	-			
Unsecured, considered good	819.62	420.05	14.97	295.24	25.95	227.84
Doubtful		-	-	-	-	-
	819.62	420.05	14.97	295.24	25.95	227.84
Less: Provision for doubtful trade receivables		-	-	-	-	-
	819.62	420.05	14.97	295.24	25.95	227.84
<b>Total</b>	<b>867.88</b>	<b>472.32</b>	<b>71.02</b>	<b>342.79</b>	<b>76.28</b>	<b>278.63</b>

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

### Annexure-XIV

#### Restated Standalone Statement of Cash and Cash Equivalents

PARTICULARS	As at June 30, 2016	As at March 31				
		2016	2015	2014	2013	2012
₹ in Laacs						
(a) Cash on hand	3.81	1.52	1.75	0.11	0.17	0.13
(b) Balances with banks						
(i) In current accounts	13.92	179.81	0.78	(0.72)	(3.27)	11.65
(i) In deposit accounts	256.83	221.67	62.73	-	-	-
Interest accrued thereon	11.78	1.15	-	-	-	-

<b>Total</b>	<b>286.34</b>	<b>404.15</b>	<b>65.26</b>	<b>(0.61)</b>	<b>(3.10)</b>	<b>11.78</b>
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Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XV

Restated Standalone Statement of Short Term Loans and Advances

Particulars	As at June 30, 2016	As at March 31				
		2016	2015	2014	2013	2012
₹ in Lacs						
(b) Security deposits						
Secured, considered good		-	-			
Unsecured, considered good	26.47	25.95	24.16	22.30	19.63	14.13
Doubtful		-	-	-	-	-
	26.47	25.95	24.16	22.30	19.63	14.13
Less: Provision for doubtful deposits		-	-	-	-	-
	26.47	25.95	24.16	22.30	19.63	14.13
(c) Loans and advances to employees						
Secured, considered good		-	-			
Unsecured, considered good	1.07	0.79	0.37	4.55	3.62	7.45
Doubtful		-	-	-	-	-
	1.07	0.79	0.37	4.55	3.62	7.45
Less: Provision for doubtful loans and advances		-	-	-	-	-
	1.07	0.79	0.37	4.55	3.62	7.45
(e) Balances with government authorities						
Unsecured, considered good						
(i) TDS credit receivable	1.87	1.31	0.81	0.40	0.22	0.02
(ii) VAT credit receivable	2.47	0.21	11.33	12.34	12.85	13.89
(iii) Service Tax credit receivable						
(g) Others (specify nature)						
Secured, considered good						
Unsecured, considered good	200.53	251.71	24.99	48.13	38.05	56.23
Doubtful		-	-	-	-	-
	200.53	251.71	24.99	48.13	38.05	56.23
Less: Provision for other doubtful loans and advances		-	-	-	-	-
	200.53	251.71	24.99	48.13	38.05	56.23
<b>Total</b>	<b>232.41</b>	<b>279.97</b>	<b>61.66</b>	<b>87.72</b>	<b>74.37</b>	<b>91.72</b>

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XVI

Restated Standalone Statement of Revenue from Operations

Particulars	For the period ended June 30, 2016	₹ in Lacs For the Year ended March 31				
		2016	2015	2014	2013	2012
Domestic Sale of products @ (Refer Note (i) below)	347.12	1,096.76	101.88	350.99	1,167.78	1,126.58



Export Sale of products @ (Refer Note (ii) below)	667.58	941.96	554.28	-	-	-
Other operating revenues # (Refer Note (iii) below)						
	1,014.70	2,038.72	656.16	350.99	1,167.78	1,126.58
Less:						
Excise duty		-				
<b>Total</b>	<b>1,014.70</b>	<b>2,038.72</b>	<b>656.16</b>	<b>350.99</b>	<b>1,167.78</b>	<b>1,126.58</b>
Domestic Sale of products comprises						
Manufactured goods						
Product BCG VACCINE	304.05	907.41	39.06	329.13	1,044.72	990.41
Product BCG ONCO	43.07	189.35	62.82	21.86	123.06	136.17
Total - Domestic Sales	347.12	1,096.76	101.88	350.99	1,167.78	1,126.58
Export Sale of products comprises						
Manufactured goods		-	-			
Product BCG VACCINE	667.58	941.96	552.31	-	-	-
Product BCG ONCO	-	-	1.97	-	-	-
Total - Export Sale	667.58	941.96	554.28	-	-	-

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XVII

Restated Standalone Statement of Other Income

₹ in Lacs

	For the Period June 30, 2016	For the Year ended March 31				
		2016	2015	2014	2013	2012
	-	-	-	-	-	-
Dividend Income	-	0.07	4.13	-	-	-
Interest Income	5.63	10.46	-	1.81	2.02	-
Scrap Sales	0.22	-	-	-	-	-
Total - Other non-operating income	5.85	10.53	4.13	1.81	2.02	-

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XVIII

Restated Standalone Statement of Cost of Materials Consumed

₹ in Lacs

Particulars	For the period June 30, 2016	For the Year ended March 31				
		2016	2015	2014	2013	2012
Opening stock	159.01	114.60	51.40	45.62	46.76	47.76
Add: Purchases	252.95	618.31	223.25	83.05	264.52	347.38
	411.96	732.91	274.65	128.67	311.28	395.14
Less: Closing stock	276.23	159.01	114.60	51.40	45.62	46.76
Cost of material consumed	135.73	573.90	160.05	77.27	265.66	348.38
Material consumed comprises:						
Glass Vials	12.63	65.76	52.89	12.57	43.22	56.69

Particulars	For the period June 30, 2016	For the Year ended March 31				
		2016	2015	2014	2013	2012
Rubber Stoppers	15.53	66.45	31.08	9.51	32.70	42.89
VVM	77.72	38.80	54.60	34.62	119.04	156.33
Other items	29.85	402.88	21.48	20.57	70.70	92.47
<b>Total</b>	<b>135.73</b>	<b>573.89</b>	<b>160.05</b>	<b>77.27</b>	<b>265.66</b>	<b>348.38</b>

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XIX

Restated Standalone Statement of Changes in Inventories of Finished Goods, Work in Process and Stock in Trade

₹ in Lacs

Particulars	For the period ended June 30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
Inventories at the end of the year:						
Finished goods				-		
Work-in-progress	417.06	579.49	415.10	440.35	432.20	571.12
Stock-in-trade		-		-		
	417.06	579.49	415.10	440.35	432.20	571.12
Inventories at the beginning of the year:						
Finished goods				-		
Work-in-progress	579.49	415.10	440.35	432.20	571.11	648.69
Stock-in-trade		-	-	-		
	579.49	415.10	440.35	432.20	571.11	648.69
Net (increase) / decrease	162.43	(164.39)	25.25	(8.15)	138.91	77.57

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XX

Restated Standalone Statement of Operations Cost

₹ in Lacs

Particulars	For the period June 30, 2016	For the Year ended March 31				
		2016	2015	2014	2013	2012
Power and fuel	35.24	91.55	38.21	31.76	89.37	82.67
Repairs and maintenance - Buildings	2.95	22.36	6.24	-	2.20	0.58
Repairs and maintenance - Machinery	34.02	73.64	5.81	11.45	34.67	39.80
Insurance	0.25	4.24	3.93	2.79	3.21	3.33
Rates and taxes	2.03	9.12	10.12	4.33	1.15	15.97
<b>Total</b>	<b>74.49</b>	<b>200.91</b>	<b>64.31</b>	<b>50.33</b>	<b>130.60</b>	<b>142.35</b>

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XXI

##### Restated Standalone Statement of Employee Expenses

₹ in Lacs

Particulars	For the period ended June30, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
Salaries and wages #	71.51	145.49	88.29	53.38	202.80	112.87
Contributions to provident and other funds	1.11	4.57	0.98	0.41	0.76	0.60
Provision for Gratuity	4.04	5.02	3.29	2.52	2.12	1.54
Staff welfare expenses **	12.15	16.92	13.86	5.51	13.42	12.66
<b>Total</b>	<b>88.81</b>	<b>172.00</b>	<b>106.42</b>	<b>61.82</b>	<b>219.10</b>	<b>127.67</b>

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XXII

##### Restated Standalone Statement of Finance Cost

₹ in Lacs

Particulars	For the period ended June30, 2016	For the years ended March 31				
		2016	2015	2014	2013	2012
(a) Interest expense on:						
(i) Working Capital borrowings	11.42	60.42	70.60	114.72	156.75	208.84
(ii) Vehicles	0.27	0.63	-	-	-	-
(iii) Others- Bank Charges	0.67	5.36	0.55	1.35	1.38	2.05
<b>Total</b>	<b>12.36</b>	<b>66.41</b>	<b>71.15</b>	<b>116.07</b>	<b>158.13</b>	<b>210.89</b>

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XXIII

##### Restated Standalone Statement of Other Expenses

₹ in Lacs

Particulars	For the period ended June 30, 2016	For the years ended March 31, 2016				
		2016	2015	2014	2013	2012
Rent including lease rentals (Refer Note 30.8.d)	6.72	13.85	1.80	7.75	9.65	8.39
Communication *	1.67	6.07	3.56	2.45	4.41	-
Travelling and conveyance *	25.58	56.82	41.49	3.17	2.45	14.87

Postage, Printing and stationery*	5.90	13.64	7.03	1.34	6.08	4.39
Freight and forwarding including marketing cost	17.00	71.51	40.23	15.45	97.75	52.59
Professional Charges	41.65	12.48	3.20	1.47	0.35	5.05
Exchange Fluctuation	6.57	3.30	-	-	-	-
Animal House Expenditure	29.44	54.30	14.10	-	-	-
Payments to auditors (Refer Note (i) below)	2.50	10.00	2.50	2.50	2.50	2.50
Internal Audit Fees	-	0.25	-	-	-	-
R & D Expenses	-	138.84	-	-	-	-
Security Charges	1.40	3.82	-	-	-	-
Miscellaneous expenses	5.36	2.61	5.39	14.45	38.83	24.58
<b>Total</b>	<b>143.79</b>	<b>387.49</b>	<b>119.30</b>	<b>48.58</b>	<b>162.02</b>	<b>112.37</b>

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XXIV

##### Restated Standalone Statement of Accounting Ratios

₹ in Lacs

		For the period ended June 30, 2016	For the years ended March 31				
			2016	2015	2014	2013	2012
A	Restated Net Profit/Loss after tax attributable to Equity Shareholders	2,93,08,380	5,30,94,963	(21,33,366)	(1,29,70,914)	(50,00,582)	(48,11,271)
B	Number of Equity Shares outstanding during the year	3,83,67,275	1,53,46,910	1,35,73,460	1,35,73,460	1,35,73,460	1,35,73,460
C	Weighted Number of Equity Shares outstanding during the year	2,50,66,621	1,35,97,426	1,35,73,460	1,35,73,460	1,35,73,460	1,35,73,460
D	Basic and Diluted Earnings per Share (EPS) of face value of ₹ 10/- per share (A / C)	1.17	3.90	(0.16)	(0.96)	(0.37)	(0.35)
E	Net worth	47,69,81,802	44,76,73,422	25,27,02,459	25,48,35,825	26,78,06,739	27,28,07,321
F	Return on Net worth (A/E*100)	6.14	11.86	(0.84)	(5.09)	(1.87)	(1.76)
G	Net asset value per Equity Share (E/B)	12.43	29.17	18.62	18.77	19.73	20.10

Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

#### Annexure XXV

##### Capitalisation Statement

Particulars	Pre IPO as at June 30, 2016	As adjusted for IPO
<b>Debt</b>		
Short Term Debt (A)	3,87,61,306	3,87,61,306
Long Term Debt (B)		
Total Debt (A + B)	3,87,61,306	3,87,61,306
<b>Shareholder's Fund</b>		
Equity Share Capital	3,83,67,275	3,83,67,275
Reserves & Surplus (Excluding Revaluation Reserves)	9,33,09,052	9,33,09,052
Total Shareholder's Funds (C)	47,69,81,802	47,69,81,802

Particulars	Pre IPO as at June 30, 2016	As adjusted for IPO
Total Debt / Shareholder's Fund (A+B)/C	0.08	0.08

Notes:

- 1) The above has been computed on the basis of the restated Standalone summary statements of assets and liabilities of the Company.
- 2) Since this is only Offer for Sale and no further issue of shares the corresponding figures (As adjusted for issue) are also the same.
- 3) Long Term debts are borrowings other than short term borrowings and also includes current maturities of long term debt included in other current liabilities

**Annexure- XXVI**  
Tax Shelter Statement

		For the period ended June 30, 2016	For the year ended				
			2015	2015	2014	2013	2012
		₹ in Lacs					
A	Restated Net Profit/Loss before tax	372.55	693.76	(1.29)	(105.91)	(17.16)	(4.99)
B	Tax Rates including Surcharge and education cess	33.06%	33.06%	33.99%	33.99%	33.99%	33.99%
C	Tax thereon including Surcharge and education cess						
	Tax on normal Profit / Loss	123.17	229.36	-	-	-	-
D	Permanent differences						
	Deductions allowed under IT Act	(290.28)	(629.14)	-	-	-	-
E	Timing Differences						
	Difference between book depreciation and depreciation under IT Act	(6.57)	(46.79)	(55.67)	(67.50)	(94.50)	(125.34)
	Other timing differences	(4.04)	(17.83)	(3.29)	(2.52)	(2.12)	(1.54)
	Total E	(10.61)	(64.62)	(58.96)	(70.02)	(96.62)	(126.88)
F	Net Adjustments	(300.89)	(693.76)	(58.96)	(70.02)	(96.62)	(126.88)
G	Tax Expenses / Saving thereon (F x B)	(99.47)	(229.36)	(20.04)	(23.80)	(32.84)	(43.13)
H	Total Current Tax ( C + G )	27.20	0	(20.04)	(23.80)	(32.84)	(43.13)
I	Tax as per Minimum Alternate Tax under Section 115JB of the Income Tax Act 1961	75.96	141.46	-	-	-	-
J	Net tax expenses ( Higher of H and I)	75.96	141.46	-	-	-	-
K	MAT credit entitlement	75.96	141.46	-	-	-	-
L	Total Current Tax Expense	75.96	141.46	-	-	-	-

Notes:

1. The aforesaid Tax Shelters Statement has been prepared as per the restated Standalone summary Statements of Profits and Losses of the Company.
2. The above statement should be read with the notes to restated Standalone summary Statements of Assets and Liabilities, Profits and Losses and Cash Flows appearing in Annexure IV.

## Annexure XXVII

### Related Party Transactions

List of Related parties and transactions as per requirements of Accounting Standard – 18, Related Party Disclosure.

For the period ended June 30, 2016

A. Name of related party and description of relationship:

Name of Related Parties	Description of Relationship
VMB Enterprises Private Limited	Other Related Parties (entities in which shareholder / their relatives have significant influence)

B. Related Party Transaction:

Particulars	Amount ₹ In Lacs
Advance Received	100.00

C. Balances outstanding at the end of the year

As at June 30, 2016	100.00
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For the year ended March 31, 2016

A. Name of related party and description of relationship:

Name of Related Parties	Description of Relationship
VMB Enterprises Private Limited	Other Related Parties (entities in which shareholder / their relatives have significant influence)

B. Related Party Transaction:

Particulars	Amount ₹ In Lacs
Advance Received	143.00

C. Balances outstanding at the end of the year

As at March 31, 2016	143.00
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Notes:

The above statement should be necessarily read with the basis of preparation and significant accounting policies annexed to this statement.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Standalone Financial Information for the period ended June 30, 2016 and as of the fiscal years ended March 31, 2016, 2015, 2014, 2013 and 2012 including the notes thereto and reports thereon, each included in this Draft Red Herring Prospectus, and our assessment of the factors that may affect our prospects and performance in future periods. Our restated financial information included in this Draft Red Herring Prospectus is prepared in accordance with Indian GAAP, the Companies Act, 2013, as amended/Companies Act, 1956, as applicable, and as restated in accordance with the SEBI ICDR Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Accordingly, the degree to which our Restated Standalone Financial Information in this Draft Red Herring Prospectus will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read the sections titled "*Forward Looking Statements*" and "*Risk Factors*" beginning on pages 13 and 14, respectively which discuss a number of factors and contingencies that could affect our financial condition and results of operations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the 12 months ended March 31 of that year.

### Overview

We are an Indian Vaccine Manufacturing Company with global operations. As on date we produce the following products:

1. BCG Vaccine (Freeze Dried) I.P/B.P/E.P/U.S.P for immunization against Tuberculosis
2. BCG for Immunotherapy (Freeze Dried)BP for the treatment of Urinary Bladder Carcinoma.

The main objective of our Company is to provide the much needed vaccine against tuberculosis to the new born children, thereby reducing the mortality and morbidity in children which occur due to the infectious disease and also to provide much needed drug for immunotherapy against urinary bladder cancer to the individuals, thereby reducing the mortality due to cancer. The motto of the Company is "Wellness for All".

### BCG Vaccine

For prevention of Tuberculosis, BCG Vaccination is accepted as one of the most important measures. It is compulsory in 64 countries including India and is officially recommended in an additional 118 countries and territories. BCG is most effective known adjuvant in animals and humans. It is also cheap, stable and safe.

BCG Vaccine should be routinely given to all infants at risk of early exposure to tuberculosis. This vaccine should be given soon after the child is born. BCG administered early in life provides high level of protection particularly against severe forms of childhood tuberculosis and tubercular meningitis. The vaccine can be given simultaneously with DTP, DT, TT, Measles, Polio and Hepatitis B but at a separate site.

#### Interaction with other medicinal products and other form of interactions

Intradermal BCG Vaccination may be given concurrently with inactivated or live vaccines. Other vaccines to be given at the same time as BCG vaccine should not be given into the same arm. If not given same time an interval of not less than four weeks should normally be allowed to lapse between the administrations of any two live vaccines.

It is advisable not to give further vaccination in the arm used for BCG Vaccination for 3 months because of the risk of regional lymphadenitis.

#### BCG for Immunotherapy BP:

Urinary Bladder Carcinoma is one of the most common cancers worldwide. Bladder Carcinoma is the fourth most common cancer among men and eighth most common cancer among women. It's disease in which abnormal cells multiply without control in the bladder.

The major treatment mechanism for the cancer is

- Surgery – TURBT, Cystectomy

- Chemotherapy
- Radiotherapy
- Immunotherapy – Intravesical BCG Therapy

#### Benefits of Intravesical BCG Therapy

- Significant Reduction in tumor reoccurrence and progression rate
- Internationally accepted
- Used in Post TURBT

UROVAC is a live freeze dried preparation made from Bacillus Calmette Guerin Strain, which is an attenuated stain of Mycobacterium bovis. The BCG which is propagated is also derived from Danish 1331 stain.

BCG for Immunotherapy has been widely accepted as the optimal treatment for Carcinoma in situ and high grade superficial transitional Urinary Bladder Carcinoma.

UROVAC is not a Vaccine for prevention of cancer.

#### Interaction with other Medicinal Products and other forms of interactions:

Antimicrobial therapy (potential negative effect on actions of BCG), bone marrow depressants or immunosuppressant or radiation (may impair immune response to BCG). The interval between discontinuation of medications that cause Immunosuppression and restoration of the patient's ability to respond BCG depends on the intensity and type of Immunosuppression causing therapy used, the under lying disease and other factors; estimates vary from 3 months to 1 year. Also may increase the risk of osteomyelitis or disseminated BCG infections.

Our Company is focused on expanding its presence geographically. An important milestone in that process was achieved during November 6, 2015, as our Company became a WHO Pre Qualified supplier.

The standalone net revenues from operations for the period ended June 30, 2016 was ₹1014.70 lacs and for the years ended March 31, 2016, 2015 and 2014 were ₹2038.72 Lacs, 656.72 Lacs and 350.99 Lacs respectively. The following table sets forth certain information regarding our net revenue from operations for our geographic segments on a standalone basis

(In ₹ Lacs)				
Geographic Segments	As at June 30, 2016	2016	2015	2014
Domestic Sale of products	347.12	1,096.76	101.88	350.99
Export Sale of products	667.58	941.96	554.28	-
Total	1,014.70	2038.72	656.16	350.99

#### Significant Factors Affecting Our Results of Operations.

##### **Sales volume of our Products, Launches of New Products and Pricing of our Products**

Our products are marketed in India as well as in the international markets. The key growth driver for increase in our results of operations has been the volume growth of our existing products internationally due to the achievement of Pre Qualification from WHO.

##### **Fiscal Benefits**

Export incentives/benefits. The Government of India has framed several schemes to encourage exports. These schemes grant incentives and other benefits to companies that export their products. We have received various incentives and benefits under the duty drawback scheme, advance license scheme and focus market schemes for exporting goods pursuant to the various applicable incentive schemes.

##### **Macroeconomic Factors**

Macroeconomic factors, both in the Indian and international contexts, such as economic instability, political uncertainty, social upheavals or acts of God could influence our business and, as a result, our results of



operations. In addition, fluctuations in interest rates, exchange rates and inflation could have an effect on certain key aspects of our operations, including on the costs of our raw materials, the prices at which we can sell our pharmaceutical products, our finance costs required to fund our operations and profit margins.

### Results of Operations

The following table shows a breakdown of our results of operations and each item as a percentage of total income for the year ended March 31 and period ended June 30, 2016;

Particulars	For the Period ended June 30, 2016	%	2016	%	2015	%	2014	%
<b>₹ in Lacs</b>								
<b>CONTINUING OPERATIONS</b>								
Revenue from operations (gross)	1014.70	99.43	2,038.72	99.49	656.16	99.37	350.99	99.49
Revenue from operations (net)	1014.70	99.43	2,038.72	99.49	656.16	99.37	350.99	99.49
Other income	5.85	0.57	10.53	0.51	4.13	0.63	1.81	0.51
<b>Total revenue (1+2)</b>	<b>1020.55</b>	<b>100</b>	<b>2,049.25</b>	<b>100.00</b>	<b>660.29</b>	<b>100.00</b>	<b>352.80</b>	<b>100.00</b>
<b>Expenses</b>								
(a) Cost of materials consumed	135.73	13.30	573.90	28.01	160.05	24.24	77.27	21.90
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	162.43	15.92	-164.39	-8.02	25.25	3.82	-8.15	-2.31
(c) Operations Cost	74.49	7.30	200.91	9.80	64.31	9.74	50.33	14.27
(d) Employee benefits expense	88.81	8.70	172.00	8.39	106.42	16.12	61.82	17.52
(e) Finance costs	12.36	1.21	66.41	3.24	71.15	10.78	116.07	32.90
(f) Depreciation and amortisation expense	30.39	2.98	119.17	5.82	115.10	17.43	112.79	31.97
(g) Other expenses	143.79	14.09	387.49	18.91	119.30	18.07	48.58	13.77
<b>Total expenses</b>	<b>648.00</b>	<b>63.50</b>	<b>1,355.49</b>	<b>66.15</b>	<b>661.58</b>	<b>100.20</b>	<b>458.71</b>	<b>130.02</b>
<b>Profit before exceptional and extraordinary items and tax (3 - 4)</b>	<b>372.55</b>	<b>36.50</b>	<b>693.76</b>	<b>33.85</b>	<b>-1.29</b>	<b>-0.20</b>	<b>-105.91</b>	<b>-30.02</b>
Exceptional items			-		-		-	
<b>Profit before extraordinary items and tax (5 + 6)</b>	<b>372.55</b>	<b>36.50</b>	<b>693.76</b>	<b>33.85</b>	<b>-1.29</b>	<b>-0.20</b>	<b>-105.91</b>	<b>-30.02</b>
Extraordinary items			-		-		-	
<b>Profit before tax (7 + 8)</b>	<b>372.55</b>	<b>36.50</b>	<b>693.76</b>	<b>33.85</b>	<b>-1.29</b>	<b>-0.20</b>	<b>-105.91</b>	<b>-30.02</b>
<b>Tax expense:</b>								
(a) Current tax expense for current year	75.95	7.44	141.45	6.90	-	-	-	-
(d) Net current tax expense	75.95	7.44	141.45	6.90	-	-	-	-
(e) Deferred tax	3.51	0.34	21.36	1.04	20.04	3.04	23.80	6.75
<b>Total Tax Expense</b>	<b>79.46</b>	<b>7.79</b>	<b>162.81</b>	<b>7.94</b>	<b>20.04</b>	<b>3.04</b>	<b>23.80</b>	<b>6.75</b>

<b>Profit / (Loss) from continuing operations (9 +10)</b>	293.09	28.72	530.95	25.91	-21.33	-3.23	-129.71	-36.77
<b>Profit / (Loss) for the year</b>	293.09	28.72	530.95	25.91	-21.33	-3.23	-129.71	-36.77

## Components of Income and Expenses

The components of our income and expenses are as set forth below:

### **Total Income**

Our total income comprises revenue from sales of products and other income.

### **Revenue from Operations**

#### **Sale of Products**

Sales of products comprise sales of finished goods in India and international markets.

Sales of finished goods are sales of BCG Vaccine and BCG for Immunotherapy, that we manufacture at our manufacturing facility.

#### **Other Revenue**

Other income comprises of Interest income on deposits.

### **Expenses**

Our expenses comprise Cost of Materials consumed, Changes in Inventories of Finished Goods, Work-in-Progress and Raw Materials, Operations Cost, Employee Benefits Expenses, Depreciation, Finance Costs and Other Expenses.

#### **Cost of Materials Consumed**

Cost of materials consumed comprises the cost of raw materials for manufacturing our products and the cost of packing materials.

#### **Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade**

Changes in inventories of finished goods, work-in-progress and stock-in-trade comprise net increases or decreases in inventory levels of finished goods and stock-in-trade and work-in-progress.

#### **Operations Cost**

Operations Cost comprises Power and Fuel, Repairs & Maintenance to Buildings, Repairs & Maintenance to Machinery, Insurance and Rates & Taxes.

#### **Employee Benefits Expense**

Employee benefits expense comprise salaries, wages, bonus and allowances to our employees and full-time directors, contributions to provident fund, employees' state insurance and other welfare funds, and staff welfare expenses such as food and transport costs.

#### **Depreciation and Amortization**

Depreciation is provided for using the straight line method over the useful lives of our tangible assets and intangible assets estimated by management or at rates prescribed under Schedule XIV of the Companies Act, 1956 and under Schedule II of the Companies Act, 2013 as amended, whichever is higher.

#### **Finance Costs**

Finance costs comprise interest expenses and other borrowing costs.

#### **Other Expenses**

Other expenses primarily comprise rent, communication, travelling and conveyances, postage, printing & stationery, freight and forwarding costs including marketing, legal and professional fees, Animal house expenses, payment to auditors, and miscellaneous expenses.

#### **Tax Expenses**

Tax expenses comprise current tax and deferred tax. Current income tax is measured in amounts expected to be paid to the tax authorities in accordance with the applicable tax law in the relevant jurisdiction. Deferred income tax reflects the impact of timing differences between taxable income and accounting income over a given year.

### **Fiscal Year upto June 30, 2016 Compared to Fiscal Year 2016**

#### **Revenue from Operations**

Our Revenue from operations have increased by 99.09 % on an annualised basis to ₹ 1014.70 Lacs for the period ended June 30, 2016 from ₹2038.72 Lacs for the year ended March 31, 2016 primarily as a result of increase in exports due to achievement of Pre Qualified Supplier status by World Health Organisation.

#### **Sale of Products**

Our revenue from sale of products have increased by 99.09 % to ₹1014.70 Lacs for the period ended June 30, 2016 from ₹2038.72 Lacs for the year ended March 31, 2016 primarily as a result of increase in sale of products.

#### **Other Income**

Our other income increased by 122.22 % on an annualised basis to ₹5.85 Lacs for the period ended June 30, 2016 from ₹10.53 Lacs for the year ended March 31, 2016. This was primarily due to increase in Fixed Deposit with banks for Earnst Money Deposit (EMD) for the sale of products.

#### **Expenses**

Our Expenses increased by 91.22 % on an annualised basis to ₹648.00 Lacs for the period ended June 30, 2016 from ₹1355.49 Lacs for the year ended March 31, 2016 primarily as a result of increase in materials consumed, personnel costs and other expenses all of which were attributable to the growth of our operations.

#### **Cost of materials consumed**

Our cost of materials consumed decreased by 5.40 % to ₹135.73 Lacs for the period ended June 30, 2016 from ₹ 573.90 Lacs for the year ended March 31, 2016 primarily as a result of decrease in materials consumed which were attributable to the growth of our operations.

#### **Changes in Inventories of Finished Goods and Worki in Process**

Our closing investories of work in process decreased by 495.23 % to ₹162.43 Lacs for the period ended June 30, 2016 from ₹ (164.39) Lacs for the year ended March 31, 2016 primarily as a result of increase in sales volume during the year, enhanced inventory management.

#### **Operations Cost**

Our Operations Cost increased by 48.31 % to ₹74.49 Lacs for the period ended June 30, 2016 from ₹200.91 Lacs for the year ended March 31, 2016 primarily as a result of increase in power & fuel, and Repairs and Maintenance to Machinery and are attributable to the increase in the operations of the company.

#### **Employee Benefit Expense**

Our employee benefit expense increased by 106.53 % to ₹88.81 Lacs for the period ended June 30, 2016 from ₹172.00 Lacs for the year ended March 31, 2016 primarily as a result of increase in personnel costs.

## **Finance Cost**

Our Finance Cost decreased on an annualised basis by (25.55) % to ₹12.36 Lacs for the period ended June 30, 2016 from ₹66.41 Lacs for the year ended March 31, 2016 primarily on account of reduction of working capital loan due to increased sales revenues.

## **Depreciation**

The Depreciation increased by 2.01% to ₹30.39 Lacs for the period ended June 30, 2016 from ₹119.17 Lacs for the year ended March 31, 2016 primarily on account of increase in the fixed assets of the company.

## **Other Expenses**

Other expenses increased on an annualised basis by 48.43 % to ₹143.79 Lacs for the period ended June 30, 2016 from ₹398.79 Lacs for the year ended March 31, 2016. This was primarily due to the following factors.

Increase of rent on an annualised by 94.08 % to Rs, 6.72 Lacs for the period ended June 30, 2016 from ₹13.85 Lacs for the year ended March 31, 2016 and the same is in line with the growth of our operations.

Increase of Communication by 10.05 % to ₹1.67 Lacs for the period ended June 30, 2016 from ₹6.07 Lacs for the year ended March 31, 2016 and the same is in line with the growth of our operations.

Increase of Travelling and Conveyance by 80.08 % to ₹25.58 for the period ended June 30, 2016 from ₹56.82 Lacs for the year ended March 31, 2016 and the same is in line with the growth of our operations.

Increase of Postage, Printing and Stationery by 73.02 % to ₹5.90 Lacs for the period ended June 30, 2016 from ₹13.64 Lacs for the year ended March 31, 2016 and the same is in line with the growth of our operations.

Decrease of Freight & Forwarding including marketing cost by 4.91 % to ₹17.00 Lacs for the period ended June 30, 2016 from ₹71.51 Lacs for the year ended March 31, 2016 and the same is in line with the growth of our operations.

Increase of Professional Charges by 1234.94 % to ₹41.65 Lacs for the period ended June 30, 2016 from ₹12.48 Lacs for the year ended March 31, 2016 and the same is in line with the growth of our operations.

Increase of Animal House Expenditure by 696.36 % to ₹6.57 Lacs for the period ended June 30, 2016 from ₹ 3.30 Lacs for the year ended March 31, 2015 and the same is in line with the growth of our operations.

## **Profit / Loss before Tax**

As a result of the foregoing facts, our profit before tax has increased by 114.80 % to ₹ 372.55 Lacs for the period ended June 30, 2016 from ₹693.76 Lacs for the year ended March 31, 2016.

## **Tax Expenses**

Our Current tax has increased by 114.78 % to ₹75.95 Lacs for the period ended June 30, 2016 from ₹141.45 Lacs for the year ended March 31, 2016 and the increase is due to the increase in profit of the company due to increased operations.

Our deferred tax has decreased by 34.27% to ₹3.51 Lacs for the period ended June 30, 2016 from ₹21.36 Lacs for the year ended March 31, 2016.

## **Net Profit / Loss after tax**

As a result of the foregoing facts, our Net profit after tax has increased by 120.80 % to ₹ 293.09 Lacs for the period ended June 30, 2016 from ₹ 530.95 Lacs for the year ended March 31, 2016.

## **Fiscal Year 2016 Compared to Fiscal Year 2015**

### **Revenue from Operations**

Our Revenue from operations have increased by 210.36 % to ₹2049.25 Lacs for the year ended March 31, 2016 from ₹660.29 Lacs for the year ended March 31, 2015 primarily as a result of increase in exports due to achievement of Pre-Qualified Supplier status by World Health Organisation.

#### **Sale of Products**

Our revenue from sale of products have increased by 210.70 % to ₹2038.72 Lacs for the year ended March 31, 2016 from ₹656.16 Lacs for the year ended March 31, 2015 primarily as a result of increase in sale of products.

#### **Other Income**

Our other income increased by 154.96 % to ₹10.53 Lacs for the year ended March 31, 2016 from ₹4.13 Lacs for the year ended March 31, 2015. This was primarily due to increase in Fixed Deposit with banks for Earnest Money Deposit (EMD) for the sale of products.

#### **Expenses**

Our Expenses increased by 104.89 % to ₹1355.49 Lacs for the year ended March 31, 2016 from ₹661.58 Lacs for the year ended March 31, 2015 primarily as a result of increase in materials consumed, personnel costs and other expenses all of which were attributable to the growth of our operations.

#### **Cost of materials consumed**

Our cost of materials consumed increased by 258.58 % to ₹573.90 Lacs for the year ended March 31, 2016 from ₹160.05 Lacs for the year ended March 31, 2015 primarily as a result of increase in materials consumed which were attributable to the growth of our operations. The increase in the cost of materials consumed is in line with our increased manufacturing volumes and higher cost of procurement for raw and packing materials.

#### **Changes in Inventories of Finished Goods and Work in Process**

Our closing inventories of work in process decreased by 751.05 % to ₹ (164.39) Lacs for the year ended March 31, 2016 from ₹25.25 Lacs for the year ended March 31, 2015 primarily as a result of increase in sales volume during the year, enhanced inventory management.

#### **Operations Cost**

Our Operations Cost increased by 212.41 % to ₹200.91 Lacs for the year ended March 31, 2016 from ₹64.31 Lacs for the year ended March 31, 2015 primarily as a result of increase in power & fuel, and Repairs and Maintenance to Machinery and are attributable to the increase in the operations of the company.

#### **Employee Benefit Expense**

Our employee benefit expense increased by 61.62 % to ₹172.00 Lacs for the year ended March 31, 2016 from ₹106.42 Lacs for the year ended March 31, 2015 primarily as a result of increase in materials consumed, personnel costs and other expenses all of which were attributable to the growth.

#### **Finance Cost**

Our Finance Cost decreased by (6.66) % to ₹66.41 Lacs for the year ended March 31, 2016 from ₹71.75 Lacs for the year ended March 31, 2015 primarily on account of reduction of working capital loan due to increased sales revenues.

#### **Depreciation**

The Depreciation increased by 3.54 % to ₹119.17 Lacs for the year ended March 31, 2016 from ₹115.10 Lacs for the year ended March 31, 2015 primarily on account of increase in the fixed assets of the company.

#### **Other Expenses**

Other expenses increased by 224.80 % to ₹387.49 Lacs for the year ended March 31, 2016 from ₹119.30 Lacs for the year ended March 31, 2015. This was primarily due to the following factors.

Increase of rent by 669.44 % to Rs, 13.85 Lacs for the year ended March 31, 2016 from ₹1.80 Lacs for the year ended March 31, 2015 and the same is in line with the growth of our operations.

Increase of Communication by 70.51 % to ₹6.07 Lacs for the year ended March 31, 2016 from ₹3.56 Lacs for the year ended March 31, 2015 and the same is in line with the growth of our operations.

Increase of Travelling and Conveyance by 36.95% to ₹56.82 for the year ended March 31, 2016 from ₹41.49 Lacs for the year ended March 31, 2015 and the same is in line with the growth of our operations.

Increase of Postage, Printing and Stationery by 94.03 % to ₹13.64 Lacs for the year ended March 31, 2016 from ₹7.03 Lacs for the year ended March 31, 2015 and the same is in line with the growth of our operations.

Increase of Freight & Forwarding including marketing cost by 77.75 % to ₹71.51 Lacs for the year ended March 31, 2016 from ₹40.23 Lacs for the year ended March 31, 2015 and the same is in line with the growth of our operations.

Increase of Professional Charges by 290.00 % to ₹12.48 Lacs for the year ended March 31, 2016 from ₹3.20 Lacs for the year ended March 31, 2015 and the same is in line with the growth of our operations.

Increase of Animal House Expenditure by 285.11 % to ₹54.30 Lacs for the year ended March 31, 2016 from ₹14.10 Lacs for the year ended March 31, 2015 and the same is in line with the growth of our operations.

#### **Profit / Loss before Tax**

As a result of the foregoing facts, our profit before tax has increased by 695.05 % to ₹693.76 Lacs for the year ended March 31, 2016 from ₹ (1.29) Lacs for the year ended March 31, 2015.

#### **Tax Expenses**

Our Current tax has increased by 141.45 % to ₹141.45 Lacs for the year ended March 31, 2016 from ₹Nil for the year ended March 31, 2015 and the increase is due to the increase in profit of the company due to increased operations.

Our deferred tax has increased by 6.59 % to ₹ 21.36 Lacs for the year ended March 31, 2016 from ₹20. 04 Lacs for the year ended March 31, 2015.

#### **Net Profit / Loss after tax**

As a result of the foregoing facts, our Net profit after tax has increased by 552.28 % to ₹530.95 Lacs for the year ended March 31, 2016 from ₹(21.33) Lacs for the year ended March 31, 2015.

#### **Fiscal Year 2015 Compared to Fiscal Year 2014**

##### **Revenue from Operations**

Our Revenue from operations have increased by 87.16 % to ₹660.29 Lacs for the year ended March 31, 2015 from ₹352.80 Lacs for the year ended March 31, 2014 primarily as a result of increase in exports.

##### **Sale of Products**

Our revenue from sale of products have increased by 86.95 % to ₹656.16 Lacs for the year ended March 31, 2015 from ₹350.99 Lacs for the year ended March 31, 2014 primarily as a result of increase in sale of products.

##### **Other Income**

Our other income increased by 128.18 % to ₹4.13 Lacs for the year ended March 31, 2015 from ₹1.81 Lacs for the year ended March 31, 2014. This was primarily due to increase in Fixed Deposit with banks for Earnest Money Deposit (EMD) for the sale of products.

##### **Expenses**

Our Expenses increased by 44.23 % to ₹661.58 Lacs for the year ended March 31, 2015 from ₹458.71 Lacs for the year ended March 31, 2014 primarily as a result of increase in materials consumed, personnel costs and other expenses all of which were attributable to the growth of our operations.

#### **Cost of materials consumed**

Our cost of materials consumed increased by 107.13 % to ₹160.05 Lacs for the year ended March 31, 2015 from ₹77.27 Lacs for the year ended March 31, 2014 primarily as a result of increase in materials consumed which were attributable to the growth of our operations. The increase in the cost of materials consumed is in line with our increased manufacturing volumes and higher cost of procurement for raw and packing materials.

#### **Changes in Inventories of Finished Goods and Work in Process**

Our closing inventories of work in process increased by 409.82 % to ₹25.25 Lacs for the year ended March 31, 2015 from ₹(8.15) Lacs for the year ended March 31, 2014 primarily as a result of increase in work in process at the year end.

#### **Operations Cost**

Our Operations Cost increased by 27.78 % to ₹64.31 Lacs for the year ended March 31, 2015 from ₹50.33 Lacs for the year ended March 31, 2014 primarily as a result of increase in power & fuel, and Repairs and Maintenance to Machinery and are attributable to the increase in the operations of the company.

#### **Employee Benefit Expense**

Our employee benefit expense increased by 72.14 % to ₹106.42 Lacs for the year ended March 31, 2015 from ₹61.82 Lacs for the year ended March 31, 2014 primarily as a result of increase in materials consumed, personnel costs and other expenses all of which were attributable to the growth.

#### **Finance Cost**

Our Finance Cost decreased by (38.70) % to ₹71.15 Lacs for the year ended March 31, 2015 from ₹116.07 Lacs for the year ended March 31, 2014 primarily on account of reduction of working capital loan and due to increased sales revenues.

#### **Depreciation**

The Depreciation increased by 2.05 % to ₹115.10 Lacs for the year ended March 31, 2015 from ₹112.79 Lacs for the year ended March 31, 2014 primarily on account of increase in the fixed assets of the company.

#### **Other Expenses**

Other expenses increased by 145.57 % to ₹119.30 Lacs for the year ended March 31 March 31, 2015 from ₹48.58 Lacs for the year ended March 31, 2014. This was primarily due to the following factors.

Decrease of rent by (76.77) % to Rs, 1.80 Lacs for the year ended March 31, 2015 from ₹7.75 Lacs for the year ended March 31, 2014 and the same is in line with the growth of our operations.

Increase of Communication by 45.31 % to ₹3.56 Lacs for the year ended March 31, 2015 from ₹2.45 Lacs for the year ended March 31, 2014 and the same is in line with the growth of our operations.

Increase of Travelling and Conveyance by 1208.83 % to ₹41.49 for the year ended March 31, 2015 from ₹ 3.17 Lacs for the year ended March 31, 2014 and the same is in line with the growth of our operations.

Increase of Postage, Printing and Stationery by 424.63 % to ₹7.03 Lacs for the year ended March 31, 2015 from ₹1.34 Lacs for the year ended March 31, 2014 and the same is in line with the growth of our operations.

Increase of Freight & Forwarding including marketing cost by 160.39 % to ₹40.23 Lacs for the year ended March 31, 2015 from Rs.15.45 Lacs for the year ended March 31, 2014 and the same is in line with the growth of our operations.

Increase of Professional Charges by 117.69 % to ₹3.20 Lacs for the year ended March 31, 2015 from ₹1.47 Lacs for the year ended March 31, 2014 and the same is in line with the growth of our operations.

Increase of Animal House Expenditure by 100.00 % to ₹14.10 Lacs for the year ended March 31, 2015 from ₹Nil for the year ended March 31, 2014 and the same is in line with the growth of our operations.

### Profit/Loss before Tax

As a result of the foregoing facts, our Loss before tax has decreased by (98.78) % to ₹(1.29) Lacs for the year ended March 31, 2015 from ₹(105.91) Lacs for the year ended March 31, 2014.

### Tax Expenses

Our deferred tax has decreased by (15.80) % to ₹20.04 Lacs for the year ended March 31, 2015 from ₹23.80 Lacs for the year ended March 31, 2014.

### Net Profit/Loss

As a result of the foregoing facts, our Net losses after tax has decreased by (83.56) % to ₹(21.33) Lacs for the year ended March 31, 2015 from ₹(129.71) Lacs for the year ended March 31, 2014

### Liquidity and Capital Resources

#### Liquidity

We have historically met our working capital and other capital expenditure requirements primarily from cash generated by operating activities, short-term and long-term bank borrowings. We believe that we have adequate working capital for our present requirements and that our net cash generated from operating activities, together with cash and cash equivalents will provide sufficient funds to satisfy our working capital requirements and anticipated capital expenditures for the next 12 months following the date of this Draft Red Herring Prospectus.

We may, however, incur additional indebtedness to finance all or a portion of our capital expenditures or for any other purposes depending on our capital requirements, market conditions and other factors.

#### Cash flows

The table below summarizes our cash flows for the periods indicated

PARTICULARS	For the period ended June 30, 2016	As at March 31,		
		2016	2015	2014
		₹ in Lacs		
Net Cash Flow from operating activities – A	(106.77)	(1,060.81)	381.23	890.87
Net cash From Investing activities – B	(11.04)	(19.06)	(315.36)	(123.53)
Net Cash Flow From Financing Activities – C	-	1,418.76	-	(764.85)
Net Increase in cash and Cash equivalents (A + B + C)	(117.81)	338.89	65.87	2.49
Add: Cash and cash equivalents at the beginning of the year	404.15	65.26	(0.61)	(3.10)
Cash and cash equivalents at the end of the year	286.34	404.15	65.26	(0.61)

#### Cash Flow from Operating activities

Net cash generated from our operating activities was ₹ (106.77) Lacs for the period ended June 30, 2016. Our net profit before taxation was ₹372.55 Lacs for the period ended June 30, 2016, which was adjusted mainly for depreciation of ₹. 30.39 Lacs. As a result, our operating profit before working capital changes was ₹ 402.94 Lacs for the period ended June 30, 2016. This was further adjusted primarily for an increase in our working capital of ₹ (509.71) Lacs. As a result, cash generated from our operations was ₹ (106.77) Lacs. The increase in our working capital was primarily attributable to increases in trade receivables, decrease in Loans and Advances and other current assets of ₹ (395.56) Lacs, ₹ 92.77 Lacs respectively, decrease in trade payables and



other liabilities of ₹ (207.00) Lacs. As a result, our net cash generated from operating activities was ₹ (106.77) Lacs for the period ended June 30, 2016.

Net cash generated from our operating activities was ₹(1060.81) Lacs for the Year ended March 31, 2016. Our net profit before taxation was ₹693.76 Lacs for the year ended March 31, 2016, which was adjusted mainly for depreciation of ₹119.17 Lacs. As a result, our operating profit before working capital changes was ₹812.93 Lacs for the year ended March 31, 2016. This was further adjusted primarily for an increase in our working capital of ₹(1873.74) Lacs. As a result, cash generated from our operations was ₹(1060.81) Lacs. The increase in our working capital was primarily attributable to increases in trade receivables, Loans and Advances and other current assets of ₹(401.30) Lacs, ₹(427.11) Lacs respectively, decrease in trade payables and other liabilities of ₹(1045.00) Lacs. As a result, our net cash generated from operating activities was ₹(1060.81) Lacs for the Year ended March 31, 2016.

Net cash generated from operating activities was ₹381.23 Lacs for the Year ended March 31, 2015. Our net profit before taxation was ₹(1.29) Lacs for the Year ended March 31, 2015, which was adjusted mainly for depreciation of ₹115.10 Lacs. As a result, our operating profit before working capital changes was ₹113.81 Lacs for the Year ended March 31, 2015. This was further adjusted primarily for a decrease in our working capital of ₹267.42 Lacs. The increase in our working capital was primarily attributable to decreases in trade receivables of ₹271.77 Lacs and increase in Loans and advances and other current assets of ₹(11.88) Lacs, increase in trade payables and other liabilities of ₹7.53 Lacs. Cash generated from our operations was ₹381.23 Lacs in the Year ended March 31, 2015,

Net cash generated from operating activities was ₹890.87 Lacs for the Year ended March 31, 2014. Our net profit before taxation was ₹(105.91) Lacs for Year ended March 31, 2014, which was adjusted mainly for depreciation of ₹112.79 Lacs. As a result, our operating profit before working capital changes was ₹6.88 Lacs for the Year ended March 31, 2014. This was further adjusted primarily for an increase in our working capital of ₹883.99 Lacs. As a result, cash generated from our operations was ₹890.87 Lacs for the Year ended March 31, 2014. This increase in our working capital was primarily attributable to increase in trade receivables, loans and advances, of ₹(166.51) Lacs, ₹(27.28) Lacs respectively, which was offset by an increase in trade payables and other liabilities of ₹1177.78 Lacs. Cash generated from our operations was ₹890.87 Lacs in the Year ended March 31, 2014.

#### **Cash Flow from Investing Activities**

Net cash used for investing activities was ₹11.04 Lacs for the period ended June 30, 2016, which was primarily attributable to our purchase of fixed assets amounting to ₹11.04 Lacs.

Net cash used for investing activities was ₹19.06 Lacs for the Year ended March 31, 2016, which was primarily attributable to our purchase of fixed assets amounting to ₹31.94 Lacs and net decrease in expenditure on Research & Development of ₹12.88 Lacs.

Net cash used from investing activities was ₹315.36 Lacs for the Year ended March 31, 2015, which was primarily attributable to purchase of fixed assets amounting to ₹279.85 Lacs and net increase in expenditure on research & development of ₹35.51 Lacs. Net cash used in investing activities was ₹123.53 Lacs for the Year ended March 31, 2014 which was primarily attributable towards our expenditure on research & Development of ₹123.53 Lacs.

#### **Cash Flow from Financing Activities**

There was no change in the Financing activities for the period ended June 30, 2016.

Net cash generated in financing activities was ₹1418.76 Lacs for the Year ended March 31, 2016, mainly consisting of proceeds from fresh issue of equity capital. Net cash used in financing activities was ₹ 764.84 Lacs for the Year ended March 31, 2014, mainly consisting of proceeds from fresh issue of equity capital and decrease in bank borrowings of ₹2.66 Lacs for the year ended March 31, 2014.

#### **Borrowings**

To fund our working capital and capital expenditure requirements, we enter into long-term and short-term credit facilities. Our borrowings are in Indian Rupee.

The following table shows certain information about our borrowings as of March 31, 2014 and June 30, 2016.

(₹In Lacs)

	For the period ended June 30, 2016	March 31, 2016
Short Term Borrowings		
Secured	387.61	558.07
		-
Total Borrowings	387.61	558.07

The above borrowings are Cash Credit facilities from Union Bank of India, T. Nagar Branch.

### Contractual Obligations

The following table summarizes our contractual and commitments as of June 30, 2016.

₹In Lacs

	Total	Payment due by period		
		Less Than one year	Between 1 and 5 Years	Later than 5 Years
Short Term Borrowings	387.61	387.61	-	-
Long Term Borrowings	-	-	-	-

₹In Lacs

	Total	Payment due by period		
		Less Than one year	Between 1 and 5 Years	Later than 5 Years
Trade Payables	107.22	107.22	-	-
Other Payables	100.00	100.00	-	-

### Contingent Liabilities

The Company does not have any contingent liabilities as on June 30, 2016.

### Off Balance Sheet Arrangements

Except as set forth above, we do not have any other off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that have been established for the purpose of facilitating off-balance sheet arrangements.

### Capital Expenditures

#### Historical Capital Expenditures

Historically, we have incurred capital expenditure in the normal course of our business in relation to the expansion of our existing manufacturing facilities, research and development facilities and we expect to continue to incur such capital expenditure in the future.

Capital expenditure represents additions to fixed assets (tangible and intangible) plus changes in capital work in progress (i.e., expenses incurred in relation to capital assets but not capitalized) and advance payments on account of capital expenditure.

#### Period ended June 30, 2016

During the period ended June 30, 2016, our capital expenditures were ₹11.04 Lacs and primarily comprised: Tangible assets: capital expenditures incurred on tangible assets for the period ended June 30, 2016 were ₹11.04 Lacs. Year ended March 31, 2016

During the year ended March 31, 2016, our capital expenditures were ₹31.94 Lacs and primarily comprised:

- Tangible assets: capital expenditures incurred on tangible assets, including capital work-in-progress, year ended March 31, 2016 were ₹31.94 Lacs.

### **Year ended March 31, 2015**

During the year ended March 31, 2015, our capital expenditures were ₹279.85 Lacs and primarily comprised:

- Tangible assets: capital expenditures incurred on tangible assets, including capital work-in-progress, year ended March 31, 2016 were ₹279.85 Lacs.

### **Planned Capital Expenditure**

We expect to fund our future capital expenditure plans through funds generated from our operations.

### **Unusual or Infrequent Events or Transactions and Significant Economic Changes**

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

### **Known Trends or Uncertainties**

Other than as described in this Draft Red Herring Prospectus, particularly in the chapters “*Risk Factors*” and “*Our Business*” beginning on pages 14 and 82, respectively and in this section, respectively, to our knowledge, there are no known trends or uncertainties or significant economic changes that are expected to have a material adverse impact on our revenues or income from continuing operations.

### **Future Relationship between Cost and Income**

Other than as described in the chapter “*Risk Factors*” on page 14 and this section, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and financial condition.

### **Seasonality**

Our results of operations have not, and are not expected to, generally exhibit seasonality.

### **Quantitative and Qualitative Disclosures about Market Risk**

#### **Risk Management**

We are exposed to market risk as a result of various activities including manufacturing and borrowing from changes in interest rates.

#### **Commodities Risk**

We are exposed to market risk with respect to commodity prices from the purchase of raw material components. Prices for these raw material components can fluctuate over periods of time. We evaluate and manage our commodity price risk exposure through our operating procedures and sourcing. Accordingly, significant increases in the prices of our raw materials could affect our results of operations.

#### **Interest Rate Risk**

We are exposed to market risk with respect to changes in interest rates related to our borrowings. Interest rate risk exists with respect to our indebtedness that bears interest at floating rates tied to certain benchmark rates as well as borrowings where the interest rate is reset based on changes in interest rates set by RBI. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. Interest rate risk exists with respect to our indebtedness that bears interest at floating rates tied to certain benchmark rates as well as borrowings where generally announced through credit policy measures issued twice a year. Moreover, our interest rate risk is affected primarily by the short-term interest rates set by Indian banks.

#### **Foreign Currency Exchange Rate Risk**

Although our Company's reporting currency is in Indian Rupees, we transact a significant portion of our business in United States Dollars. Approximately 46.20% and 84.47% of our net revenue from sales of products in the year ended March 31, 2016 and 2015, respectively, were derived from sales outside India. Therefore, our exchange rate risk primarily arises from our foreign currency revenues, costs and other foreign currency assets and liabilities to the extent that there is no natural hedge. We may be affected by significant fluctuations in the exchange rates between the Indian rupee and other currencies.

### **Credit Risk**

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly or at all, we may have to make provisions for or write-off such amounts. For the period ended June 30, 2016, for the year ended March 31, 2016 and the year ended March 31, 2015, our trade receivables were ₹ 876.88 Lacs, ₹472.32 Lacs and ₹71.02 Lacs, respectively.

### **Critical Accounting Policies.**

We have prepared Restated Standalone Financial Information contained elsewhere in this Draft Red Herring Prospectus in accordance with Indian GAAP. Our significant accounting policies are more fully described in Annexure V to our Restated Standalone Financial Information. The preparation of our Restated Standalone Financial Information in conformity with Indian GAAP requires our management to make judgments, estimates and assumptions as disclosed in Annexure V to our Restated Standalone Financial Information that affects the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities in the Restated Standalone Financial Information. The critical accounting policies that our management believes to be the most significant are disclosed below.

### **Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### **Inventories**

Inventories are valued at cost except the finished goods which are being valued at cost or net market realisable value whichever is lower. The stocks held at the factory are as verified and certified by the Management.

### **Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### **Depreciation and amortisation**

Depreciation on fixed assets is provided on straight line basis in accordance with the rates prescribed in Schedule II of the Companies Act, 2013.

### **Revenue recognition**

Sales represent gross value of sales excluding Sales Tax. Income and Expenditure are accounted on accrual basis.

### **Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

### **Tangible fixed assets**

Fixed Assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

### **Capital work in progress**

Research & Development Expenditure where future benefits are expected to accrue for longer periods, those costs are capitalized in the year in which they are incurred. These costs are amortised over the tenure during which the benefits are expected to accrue. Unamortised costs are reviewed at each Balance Sheet date to determine the amount, if any, which do not have any enduring benefit, such identified amounts are written off in the year in which they are identified. The Research & Development Expenditure outstanding at the beginning of every year is written off over a period of 3 years.

### **Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset

### **Foreign currency transactions and translations**

Foreign currency transactions are recorded at the rates prevailing on the date of transaction ₹ and the subsequent gain/ loss on realization is being dealt with in the Profit & Loss account. Monetary items remaining unsettled, i.e., receivables and payables at the end of the year are converted at the closing / year end rate and any exchange differences arising on such conversion are dealt with in the Profit & Loss account. However there are no foreign currency items remaining outstanding against or in favour of the company as at the end of the financial year.

### **Government grants, subsidies and export incentives**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

### **Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

### **Employee benefits**

Retirement benefits in the form of Provident fund and Employee state insurance are a defined contribution scheme and the contributions are charged to the Profit and Loss account of the year when the contributions to the respective funds are due. Gratuity has been provided on the basis of actuarial valuation report.

### **Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### **Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities.

### **Leases**

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

### **Earnings per share**

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / 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 shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

### **Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

### **Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

### **Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

## FINANCIAL INDEBTEDNESS

The following table shows certain information about our borrowings as of March 31, 2016 and June 30, 2016.

	(₹In Lacs)	
	For the period ended June 30, 2016	March 31, 2016
Short Term Borrowings		
Secured	387.61	558.07
		-
Total Borrowings	387.61	558.07

The above borrowings are Cash Credit facilities from Union Bank of India, T. Nagar Branch.

### Contractual Obligations

The following table summarizes our contractual and commitments as of June 30, 2016.

		₹In Lacs		
	Total	Payment due by period		
		Less Than one year	Between 1 and 5 Years	Later than 5 Years
Short Term Borrowings	387.61	387.61	-	-
Long Term Borrowings	-	-	-	-

		₹In Lacs		
	Total	Payment due by period		
		Less Than one year	Between 1 and 5 Years	Later than 5 Years
Trade Payables	107.22	107.22	-	-
Other Payables	100.00	100.00	-	-



## SECTION –VI OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except, as stated below and mentioned elsewhere in this Draft Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, statutory or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Subsidiaries and Group Companies or against any other company whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Entities.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on May 23, 2016 determined that outstanding dues to creditors in excess of 5% of our Company's Net Profit as per last audited financial statements shall be considered as material dues ("Material Dues") for the purpose of disclosure in this section.

Our Board, in its meeting held on May 23, 2016 determined that litigations involving an amount of more than 1% of our Company's Net Profit as per last audited financial statements shall be considered as material ("Material Litigation").

Unless otherwise stated to contrary, the information provided is as of date of this Draft Red Herring Prospectus.

### LITIGATION INVOLVING OUR COMPANY

#### *Against our Company*

##### *Criminal Litigation*

Nil

##### *Civil Proceedings*

Serum Institute of India Limited has filed a suit bearing reference no. Suit No. 2564/2010 along with Notice of Motion No. 2696/2010 before Hon'ble High Court of Bombay against our Company stating that they are the registered trademark owner of "ONCO BCG" They further stated that our company is also selling its product under 'BCG ONCO BP' and that by using the similar mark for our products we have infringed their trademark. They have prayed before the Hon'ble High Court that our company shall be restrained from using the mark BCG ONCO BP. After hearing the parties Hon'ble High Court decided in favour of Serum India Institute Limited and restrained us from using the said trade mark. Our Company filed an appeal before the division bench against the said order however same was rejected. Against the said order our Company filed an SLP in Supreme Court which was dismissed by Hon'ble Apex Court. The Hon'ble Supreme Court directed the single judge of High Court to decide the matter afresh. Our Company has filed an application before IPAB for rectification. Bombay High Court vide its order dated November 26, 2014 directed that parties would be at liberty to mention the suit and have placed the same on board after the rectification application is disposed.

##### *Taxation Matters*

Nil

*Proceedings against Our Company for economic offence/securities laws/ or any other law*

Nil

*Penalties in Last Five Years*

Nil

*Pending Notice against our Company*

Nil

*Past Notice to our Company*

Nil

**Disciplinary Action taken by SEBI or stock exchanges against Our Company**

Nil

**Defaults including non-payment or statutory dues to banks or financial institutions**

Nil

**Details of material fraud against the Company in last five years and action taken by the Companies.**

Nil

**LITIGATION FILED BY OUR COMPANY**

*Criminal Litigation*

Nil

**Civil Proceedings**

Nil

*Taxation Matters*

Nil

**Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law**

Nil

**LITIGATION INVOLVING DIRECTORS OF OUR COMPANY**

*Litigation against our Directors*

Nil

*Criminal Litigation*

Nil

**Civil Proceedings**

Nil

*Taxation Matters*

Nil

***Past Penalties imposed on our Directors***

Nil

***Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law***

Nil

***Directors on list of wilful defaulters of RBI***

Nil

**Litigation by Directors of Our Company**

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

**LITIGATION INVOLVING PROMOTER OF OUR COMPANY**

**Outstanding Litigation against our Promoters**

***Criminal Litigation***

Nil

**Civil Proceedings**

Nil

***Taxation Matters***

Nil

***Past Penalties imposed on our Promoters***

Nil

***Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law***

Nil

**Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years**

CBI initiated proceeding against our Promoter Mr. P. Sundarapariipooran and Company along with Director, BCG Vaccine Laboratory, Chennai and Pasteur Institute of Chennai vide RC 47/2208. The CBI in its proceeding has stated that our promoter and company along with other accused has hatched conspiracy to cause loss to Government of India. It states that accused person without any authorisation has entered into agreement for supply of measles seeds and human diploid cell line for manufacture of measles and rubella vaccine. Our Company filed a Cr. O.P. no. 4389/2009 before Hon'ble High Court of Chennai for quashing the said proceedings. After hearing parties Hon'ble High Court quashed the proceedings vide its order dated April 30, 2009. Against the said order of Hon'ble High Court, CBI also filed a Special Leave Appeal no. 8555/2009

before Hon'ble Supreme Court of India. The matter has been dismissed by Hon'ble Supreme Court vide its order dated February 22, 2016.

**Penalties in Last Five Years**

Nil

**Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past**

Nil

**Adverse finding against Promoter for violation of Securities laws or any other laws**

Nil

**Litigation by Our Promoters**

*Criminal Litigation*

Nil

**Civil Proceedings**

Nil

*Taxation Matters*

Nil

**LITIGATION INVOLVING OUR GROUP COMPANIES**

Our Company does not have a group company.

**LITIGATION INVOLVING OUR SUBSIDIARIES**

Our Company does not have a subsidiary.

**OTHER MATTERS**

Nil

**Details of any inquiry, inspection or investigation initiated under present or previous companies laws in last five years against the Company or its subsidiaries**

Nil

**Outstanding Litigation against other companies/ any other person whose outcome could have an adverse effect on our company**

Nil

**Material Developments since the Last Balance Sheet**

Though there has been no material development since date of last balance sheet following happened between March 31, 2016 and June 30, 2016:

1. Our Company has issued bonus shares in the ratio of 3:2 (3 shares for every 2 shares held) to existing shareholders. The bonus issue was approved by our board of directors in their meeting held on April 2, 2016 and shareholders have approved the same in AGM held on May 2, 2016. The record date for the same was April 25, 2016 to May 2, 2016. The shares were allotted on May 23, 2016. The bonus shares were issued by capitalisation of the share premium account as on March 31, 2016 and EPS of the same shall stand diluted to such extent.

2. Our Company was converted in to public limited company with effect from May 12, 2016 and a fresh certificate of incorporation was issued by RoC, Chennai, Tamil Nadu.

**Outstanding dues to small scale undertakings or any other creditors**

Our Company owes an amount of ₹ 558.07 to Union Bank of India as on March 31, 2016 which is more than 5% of our Company's Net Profit as per last audited financial statements . Also, our Company has trade payables and other payables of ₹ 89.46 lacs and ₹ 143.00 lacs respectively. For further details please refer to Financial Indebtedness on page 166.

Our Company did not owe any small scale undertakings any amounts exceeding 5% of our Net Profit (₹ 26.55 lacs) as on March 31, 2016. Also, there is no small scale undertaking to which Company owes more than ₹ 1 lac for more than one month. Also there are no other individual creditors to which our Company owes more than 5% our Net Profit (₹ 26.55 lacs ) as on March 31, 2016.

The details pertaining to the net outstanding dues towards such creditors as on March 31, 2016, are available on the website of our Company at [www.gsbpl.com](http://www.gsbpl.com). The details in relation to other creditors and amount payable to each creditor available on the website of our Company do not form a part of this Draft Red Herring Prospectus.

## GOVERNMENT AND OTHER APPROVALS

*Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of vaccine manufacturing, and as on date we produce two vaccines BCG and BCG ONCO for Immunotherapy), we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer to “Regulations and Policies” on page 92 of this Draft Red Herring Prospectus.*

*The Objects Clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:*

### APPROVALS IN RELATION TO INCORPORATION

1. The Certificate of Incorporation dated November 21, 2005 issued by the Registrar of Companies, Chennai, in the name of “Green Signal Bio Pharma Private Limited”.
2. The Certificate of Incorporation dated April 21, 2016, issued by the Registrar of Companies, Chennai, in the name of “GreenSignal Bio Pharma Private Limited”.
3. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public company issued on May 12, 2016 by the Registrar of Companies, Chennai in the name of “GreenSignal Bio Pharma Limited”.
4. The Corporate Identity Number (CIN) of the Company is U24232TN2005PLC058068.

### APPROVALS FOR THE ISSUE/OFFER

#### *Corporate Approvals*

1. Our Board has pursuant to its resolution passed at its meeting held on May 23, 2016 authorized the Offer.

#### *In- principle approvals from BSE and NSE*

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated [•] bearing reference no. [•].

#### *Agreements with NSDL and CDSL*

1. The Company has entered into an agreement dated May 4, 2016 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Bigshare Services Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated May 12, 2016 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.

#### *Lenders Agreement/NOC*

Union Bank of India via Sanction letter dated February 18, 2016 has renewed/ enhanced credit facilities dated December 31, 2015 in the name of our Company. A NOC dated June 17, 2016 has been obtained from the Lender for the issue.

### APPROVALS IN RELATION TO OUR BUSINESS OPERATIONS

Certificate of Importer-Exporter Code (“IEC”) dated January 10, 2006 bearing number 0405026544 is allotted to the Company by Additional Director General of Foreign Trade, Ministry of Commerce and Industry.

License to work a factory dated January 23, 2008 issued by Department of Labour, Government of Tamil Nadu under the Factories Act, 1948 bearing license no. 2699 and registration number TVR8727.

#### **Manufacturing Unit Related Approvals:**

Certificate (WHO GMP Certificate) approving the manufacturing facility to be compliant with the World Health Organisation-Good Manufacturing Practices, dated March 31, 2015 issued by the Director of Drugs Control, Chennai, Tamil Nadu, valid up to December 31, 2016.

Certificate to manufacture for sale Large volume Parenterals/Sera and Vaccine/specified in Schedules C and C(1), excluding those specified in Schedule X of the Drugs and Cosmetics Rules, 1945 bearing License no. TN00002462 to, dated December 23, 2013 issued by the Director of Drugs Controller, Chennai renewed upto, December 22, 2018.

Health Clearance Certificate no. 3776/E2/2016 dated June 25, 2016 issued by Department of preventive health and medicine under provisions of the Tamil Nadu Public Health Act, 1939. The said certificate is valid upto March 31, 2017.

#### **Marketing related Approvals**

Certificate of pharmaceutical products to be placed on market dated March 30, 2015 issued by Department of food safety and drugs administration. Same is valid upto March 30, 2016

#### **Business Related Material Agreements:**

Long Term Arrangement with LTA – 42105458 for BCG Vaccine dated November 23, 2015 for the period 2016-2018. As well as letter of confirmation for awarding of Long Term Agreement for the supply of BCG vaccines to UNICEF dated November 9, 2015 from UNICEF for the period 2016-2018 as per the proposal DAN-2015-501959 dated August 19, 2015.

Sales and Distribution Agreement entered between our Company and Cadila Healthcare Ltd dated June 29, 2011 initial term of the agreement being five years from the date of signing the agreement.

#### **TAX RELATED APPROVALS**

**PAN Number Registration:** We are registered with the Income Tax Department, Government of India bearing Permanent Account Number (“PAN”) AACCG4791M on June 4, 2016

**TAN Registration:** Issued by the Income Tax Department, Government of India having Number CHEG07968C the Income Tax Act.

**Central Sales tax Registration:** Certificate of Registration having number 847294 issued by Commercial tax Department.

VAT having number 33961403687 issued by Commercial Taxes Department

#### **APPROVALS RELATED TO EMPLOYEES/ LABOUR:**

**Employees Provident Fund Registration:** Company was allotted Code Number TN/54142 dated May 1, 2009 by Ministry of Labour and Employment, Government of India under the provisions of Employee’s Provident Fund and Miscellaneous Act, 1952.

**Registration for Employees State Insurance:** Company is registered under the Employees State Insurance Act, 1948 bearing registration number 51-90114-35 dated June 10, 2009 issued by the ESIC.

#### **OTHER BUSINESS RELATED APPROVALS**

WHO Prequalification no. 1 dis no. 4787/d1/3/2014 dated March 31, 2015 issued by office of Directors of drugs control, Tamil Nadu Chennai.

## **ENVIRONMENTAL REGULATIONS**

**Consent to Establish:** Consent Order no. 16082285794 dated has expired on March 31, 2016 and we have applied for the same and same shall be received in due course

## **INTELLECTUAL PROPERTY RELATED APPROVALS:**

The brand name/mark currently being used by our Company in relation to its business operations and the status of registration of the trademark of the Brand name in India is set forth in table below:

Our Company uses UROVAC logo for business purpose however the same is registered under section 23(2), Rule 62(1) of the Trademarks Act, 1999 and Trademark Rules, 2002 class 5 type word mark dated January 23, 2013 valid till January 23, 2023.

We do not require any patents as the two products (namely the BCG vaccine and the ONCO-BCG Vaccine) are generic drugs and hence do not require specific patents.

Other than the above we have not registered any intellectual property with regard to our business or products.,

## **REGISTRATIONS and APPROVALS REQUIRED FOR OVERSEAS SUPPLY AND DISTRIBUTION OF OUR PRODUCTS:**

### **United Nations:**

Letter of acceptance of BCG vaccine for United Nation agencies by WHO dated November 6, 2015.

### **Nepal:**

Letter of Recommendation for Import of Drugs dated April 24, 2016, bearing Reference No. 256780 and registration No. 8764 for Product Name: BCG Vaccine issued by Ministry of Health and Population, Department of Drug Administration, government of Nepal valid till March 24, 2018.

## **IV. APPROVALS AND REGISTRATIONS REQUIRED BUT NOT APPLIED FOR IN INDIA**

Certain consents, license, registrations, permissions and approvals may have lapsed in their normal course or may not have been applied for by our Company as on the date of filing of this Draft Red Herring Prospectus. Our Company undertakes to obtain all consents, approvals, licenses, registrations and permissions required to operate its business. Some of the materials consents, licenses, registrations, permission and approvals were registered in the name of our partnership firm for which Fresh Approvals or Change of Name applications are yet to be made by our Company include:

## **MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY**

Nil

### ***Approvals applied for renewal/change of Name, but not received***

Certain material approvals that are required to be obtained by our Company for undertaking its business have elapsed in their normal course and our Company has either made an application to the relevant Central or State government authorities for renewal of such approvals, licenses, registrations and permits or is in the process of making such applications.

Also, our company has applied for various approval like Import Export Code, PF registration number, Consent from state pollution control board etc. to be transferred in name of GreenSignal Bio Pharma Limited from Green Signal Bio Pharma Private Limited.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

Our Board of Directors have approved the Offer pursuant to the resolution passed at their meeting held on May 23, 2016.

The Offer has been authorized by the Selling Shareholders by way of their respective letters as listed below:

Sl. No.	Name of the Selling Shareholder	Number of Equity Shares Offered	Date of Consent Letter and Offer Letter
1	P. Sundarapariipooranan	81,69,430	May 23, 2016
2	P. Murali	33,91,980	May 23, 2016
3	Avon Cycles Ltd	23,75,000	May 23, 2016
4	R. Srinivasan	19,000	May 23, 2016
5	Mallika Murali	6.24,150	May 23, 2016
	<b>TOTAL</b>	<b>1,45,79,560</b>	

Each of the Selling Shareholders has confirmed that the Equity Shares proposed to be offered and sold by it in the Offer are eligible to be offered for sale in accordance with the SEBI ICDR Regulations, and that Equity Shares offered and sold by it are free from any lien, charge, encumbrance or contractual transfer restrictions. The Selling Shareholders have also confirmed that they are the legal and beneficial owners of the Equity Shares being offered under the Offer. In-Principle Listing Approvals

1. We have received an in-principle approval from BSE for the listing of the Equity Shares pursuant to a letter dated [•]
2. We have received an in-principle approval from NSE for the listing of the Equity Shares pursuant to a letter dated [•]

### Prohibition by SEBI or Other Government Authorities

Our Company, our Promoters, our Directors, and the Selling Shareholders, have not been debarred or prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, our Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors are associated with the securities market. Other than as disclosed under the chapter “*Outstanding Litigation and Material Developments*” on page 167 there has been no action taken by SEBI against our Directors or any entity the Directors are involved in as promoters or directors.

None of the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI.

### Prohibition by RBI

Neither our Company, our Promoters, relatives of Promoters (as defined under Companies Act, 2013), Directors, nor the Selling Shareholders have been identified as wilful defaulters by the RBI or any other governmental authority. Except as disclosed in section entitled “*Outstanding Litigation and Material Developments*” on page 167, there are no violations of securities laws committed by them in the past or are pending against them.

### Eligibility for the Offer

Our Company is eligible for the Issue in accordance with the Regulation 26(2) of the SEBI ICDR Regulations, which states as follows:

(2) “An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net offer to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers.”

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 26(2) of the SEBI ICDR Regulations.

- We are complying with Regulation 26(2) of the SEBI ICDR Regulations and at least 75% of the Issue is proposed to be Allotted to QIBs and in the event we fail to do so, the full application monies shall be refunded to the Bidders.
- We are complying with Regulation 43(2A) of the SEBI ICDR Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated not more than 15% and 10% of the Equity Shares in the issue, respectively.

Hence, we are eligible to undertake the Issue under Regulation 26(2) of the SEBI ICDR Regulations.

Further in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 failing which the entire application monies shall be refunded forthwith.

Our Company is in compliance with conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent Applicable.

#### **DISCLAIMER CLAUSE OF SEBI**

**AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, INDIAN OVERSEAS BANK HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, AND EACH SELLING SHAREHOLDER IS SEVERALLY RESPONSIBLE FOR THE CORRECTNESS OF THE STATEMENTS AND UNDERTAKINGS MADE BY IT IN THE DRAFT RED HERRING PROSPECTUS ABOUT OR IN RELATION TO ITSELF AND THE EQUITY SHARES BEING SOLD BY IT IN THE OFFER, THE BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, INDIAN OVERSAES BANK, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 4, 2016 WHICH READS AS FOLLOWS:**

**WE, THE LEAD MERCHANT BANKER TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:**

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
  - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
  - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS-COMPLIED WITH AND NOTED FOR COMPLIANCE
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM

THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER- NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION-NOT APPLICABLE
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE SELLING SHAREHOLDERS AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE -NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES IN THE OFFER ARE TO BE ISSUED IN DEMATERIALIZED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
  - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
  - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE OFFER. - NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE,

**PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

- 15. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)’, AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.**
- 16. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS CERTIFIED BY M/S. RAJ AND RAVI, CHARTERED ACCOUNTANTS (FIRM REGISTRATION 10935S) PURSUANT TO ITS CERTIFICATE DATED JULY 2, 2016.**
- 17. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO THE LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI REGULATIONS (IF APPLICABLE) – NOT APPLICABLE**

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with BRLM any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with Registrar of Companies in terms of Sections 32 and 33 of the Companies Act, 2013, as applicable.

#### **CAUTION – DISCLAIMER CLAUSE OF OUR COMPANY, THE SELLING SHAREHOLDER AND THE BRLM**

Our Company, the Directors, the Selling Shareholders and BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information, including our Company’s website [www.gsbpl.com](http://www.gsbpl.com), would be doing so at his or her own risk.

The Selling Shareholders assume responsibility only for the statements and undertakings made by it in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer, provided however that Selling Shareholders assume no responsibility for any of the statements or undertakings made by the Company or any other Selling Shareholder or any expert or any other person in this Draft Red Herring Prospectus.

BRLM accept no responsibility, save to the limited extent as provided in the Offer Agreement and Underwriting Agreement to be entered into amongst the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and BRLM to the public and Bidders at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares of our Company. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares of our Company.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BRLM

S. No.	Issue Name	Issue Size (₹In lac.)	Issue price(Rs.)	Listing date	Opening price on listing date (Rs.)	+/-%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	Veto Switchgears and Cables Limited	250.00	50.00	December 13, 2012	50.45	0.09	1.58	3.96

Notes:

1. All data secured from NSEINDIA.COM –EMERGE
2. Bench mark index considered is NSE SME
3. 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29,89 and 179 calendar days except wherever 30<sup>th</sup>,90<sup>th</sup>, 180<sup>th</sup> calendar is either a holiday or share not traded in which case we have considered the closing date of next traded day.

#### SUMMARY STATEMENT OF DISCLOSURE

1	Total no IPOs	Total funds Raised (₹In lacs.)	No of IPOs trading at Discount -30 <sup>th</sup> calendar days From listing			No of IPOs trading at Premium 30 <sup>th</sup> calendar days From listing			No of IPOs trading at discount -180 <sup>th</sup> calendar days from listing			No of IPOs trading at premium 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2012-13	1	250.00	-	-	-	-	-	1	-	-	-	-	-	1

#### TRACK RECORD OF PAST ISSUES HANDLED BY THE BRLM

For details regarding the track record of the BRLM's as specified in circular no. CIR/MIRSD/1/2012 dated January 10,2012 issued by SEBI, kindly refer to the website of the BRLM as set forth in the table below

S. No.	Name of BRLM	Website
1	Indian Overseas Bank	www.iob.in

#### DISCLAIMER WITH RESPECT TO JURISDICTION

This Offer 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 applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FPIs, Eligible NRIs and other eligible foreign investors. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus

comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Chennai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States.**

**Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

#### **DISCLAIMER CLAUSE OF NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the Registrar of Companies.

#### **DISCLAIMER CLAUSE OF BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the filing with the Registrar of Companies.

#### **FILING**

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Overseas Towers, 7<sup>th</sup> Floor, 756-L, Anna Salai, Chennai

A copy of the Red Herring Prospectus, along with the documents required to be filed would be delivered for registration to the Registrar of Companies in accordance with Section 32 of the Companies Act, 2013 and a copy of the Prospectus to be filed under Section 26 of the Companies Act would be delivered for registration with the Registrar of Companies at Block No.6, B Wing, 2<sup>nd</sup> Floor, Shastri Bhavan, 26 Haddows Road, Chennai 600 034.

#### **LISTING**

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●], will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six Working Days of the Bid/Offer Closing Date. Further, the Selling Shareholders confirm that they shall provide assistance to the Company and the BRLM, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date.

## CONSENTS

Consents in writing of: (a) our Directors, Promoter, our Company Secretary and Compliance Officer, CFO, Statutory Auditors, Indian Legal Counsel to Offer, Banker/Lenders to our Company, Selling Shareholders, Advisor, IRR Advisory Services Pvt Ltd; and (b) the BRLM, the Syndicate Members, the Escrow Collection Banks and the Registrar and Share Transfer Agent to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the Registrar of Companies as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the Registrar of Companies.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, M/s. RAJ AND RAVI, Chartered Accountants, our Company's Statutory Auditors, have given their written consent to the inclusion of their examination reports dated July 2, 2016 on the restated financial statements and statement of tax benefits included in this Draft Red Herring Prospectus and such consent shall not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

## EXPERTS

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

Our Company has received written consent from our Statutory Auditors namely, RAJ AND RAVI, Chartered Accountants, to include their name as an expert under section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus in respect of each of the reports dated July 2, 2016 on the Restated Financial Information and the statement of tax benefits July 2, 2016 included in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

## OFFER EXPENSES

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. The Offer expenses except the listing fees will be reimbursed by the Selling Shareholders. For further details of Offer expenses, please refer to the chapter "*Objects of the Offer*" on page 57.

All expenses except listing fees, in relation to the Offer shall be shared between each of the Selling Shareholders in proportion to the Equity Shares being offered for sale in the Offer. In case incurs any expenses in relation to issue same shall be reimbursed by the Selling Shareholder to Company.

## FEES PAYABLE TO THE SYNDICATE

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the engagement letter dated [●].

For details of the Offer expenses, please refer to "*Objects of the Offer*" on page 57.

## COMMISSION PAYABLE TO THE SCSBs, REGISTERED BROKERS, RTAs AND CDPs

For details of commission payable to the SCSBs, Registered Brokers, RTAs and CDPs, please refer to "*Objects of the Offer*" on page 57.

## UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any Equity Shares since inception of our Company.

## PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES BY OUR COMPANY DURING THE LAST FIVE YEARS



Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

#### **PREVIOUS ISSUES OF THE EQUITY SHARES OTHERWISE THAN CASH**

Except as disclosed in “*Capital Structure*” on page 48, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF THE EQUITY SHARES**

Since this is the initial public offering of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

#### **Previous capital issue during the previous three years by listed Group Companies and Subsidiary of our Company**

We don’t have any group company or subsidiary.

#### **Performance vis-à-vis objects – Public or Rights Issue of our Company or listed Group Companies or both, Subsidiary and associates of our Company**

Our Company has not undertaken any previous public or rights issue.

#### **OUTSTANDING DEBENTURES OR BONDS**

As on date, there are no outstanding debentures or bonds of our Company.

#### **OUTSTANDING PREFERENCE SHARES**

As on date, there are no outstanding preference shares of our Company.

#### **STOCK MARKET DATA FOR THE EQUITY SHARES**

This being an initial public offer of our Company, no stock market data is available

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

Bidders may contact the BRLM for complaints, information or clarifications pertaining to the Offer.

The agreement between the Registrar and Share Transfer Agent to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar and Share Transfer Agent to the Offer for a period of at least three years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar and Share Transfer Agent to the Offer for redressal of their grievances.

All grievances other than those of Anchor Investors may be addressed to the Registrar and Share Transfer Agent to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

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

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

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or Registrar and Share Transfer Agent to the Offer or SCSB, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Ms S Rathna Prabha, Company Secretary of our Company, as the Compliance Officer for this Offer and she may be contacted in case of any pre-Offer or post-Offer related concerns at the following address:

Old No.5, New No.13/A3,  
Sai Nikethan, Circular Road,  
United India Colony,  
Kodambakkam, Chennai 600 024.  
Tamil Nadu, India.  
Telephone No: +91 044 2472 2244  
Fax No: +91 044 24722233  
E Mail: cs@gsbpl.com

Our Company has not received any investor complaint during the three years preceding the date of filing of this Draft Red Herring Prospectus.

## **CHANGES IN AUDITORS**

Our Company has not changed its Auditors since in last three years.

## **CAPITALISATION OF RESERVES OR PROFITS**

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the section entitled "*Capital Structure*" on 48.

## **REVALUATION OF ASSETS**

**Our Company has not revalued its assets, except as disclosed below:**

The Company has revalued the land held by it to an extent of 34.01 acres in Kunnavalam Village, Thiruvallur District during the financial year 2014-15. The land was revalued to ₹ 459.20 lacs as per the prevailing guideline value. The revaluation was done for administrative purposes and the same was reflected in the financial statements for the year ended March 31, 2015.

## **Change in Accounting Policies**

There has been no change in accounting policies of the Company since incorporation of the Company.

## **SECTION VII – OFFER INFORMATION TERMS OF THE OFFER**

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, 2013, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus and the 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 Offer. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, Registrar of Companies, RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable, or such other conditions as may be prescribed by SEBI, RBI, the Government of India the Stock Exchanges, the Registrar of Companies and/or any other authorities while granting its approval for the Offer.

### **Offer for Sale**

The Offer comprises an Offer for Sale by the Selling Shareholders. All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be borne by (i) P. Sundaraparipooran; (ii) P. Murali (iii) Avon Cycles Limited; (iv) R. Srinivasan and (v) Mallika Murali in proportion to the Equity Shares contributed to the Offer in accordance with applicable law. However, for ease of operations, expenses of the Selling Shareholders may, at the outset, be borne by our Company, if required, on behalf of Selling Shareholders agrees that it will reimburse our Company all such expenses.

### ***Ranking of the Equity Shares***

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of Companies Act and Memorandum and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. Allottees in receipt of Allotment of the Equity Shares under this Offer will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see section “*Main Provisions of the Articles of Association*” on page 237.

### ***Mode of Payment of Dividend***

Our Company shall pay dividends, if declared, to its shareholders in accordance with the provisions of Companies Act, Memorandum and Articles of Association and provisions of the Listing Regulations. For further details in relation to dividends, see sections entitled “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 123 and 237, respectively.

### **Face Value and Offer Price**

The face value of the Equity Shares is ₹ 10 each and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Allocation Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with BRLM and advertised in one the English newspaper, one Hindi newspaper, and one Tamil newspaper with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be prefilled in the Bid cum Application Form available at the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination for the Equity Shares.

### **Compliance with the disclosure and accounting norms**

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, the equity shareholders shall have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law or due to an order/judgment of a court, tribunal or regulatory/judicial/statutory authority;
- right to vote on a poll either in person or by proxy;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- right of free transferability subject to applicable law, including any RBI rules and regulations; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the

### **Listing Regulations and our Company’s Memorandum and Articles of Association.**

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see section entitled “*Main Provisions of the Articles of Association*” on page 237.

### **Market Lot and Trading Lot**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Offer:

1. Tripartite agreement dated May 12, 2016 between our Company, NSDL and the Registrar and Share Transfer Agent to the Offer.
2. Tripartite agreement dated May 4, 2016 between our Company, CDSL and the Registrar and Share Transfer Agent to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

### **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Chennai.

### **Compliance with SEBI ICDR Regulations**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to 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 the Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the prescribed manner. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of the Equity Shares in the Offer will be made only in dematerialised form, 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 their nomination, they are requested to inform their respective depository participant.

### Withdrawal of the Offer

Our Company in consultation with the Selling Shareholders and the BRLM, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLM through the Registrar and Share Transfer Agent to the Offer, shall notify the SCSBs to unblock the ASBA Accounts (other than Anchor Investors) within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared.

If our Company in consultation with the Selling Shareholders withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date, and the final RoC approval of the Prospectus after it is filed with the RoC.

### The period of operation of subscription list of the Offer

<b>Bid/Offer opens on</b>	[•] <sup>1</sup>
<b>Bid/Offer closes on</b>	[•] <sup>2</sup>

<sup>1</sup> Our Company and the Selling Shareholders may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

<sup>2</sup> Our Company and the Selling Shareholders may, in consultation with BRLM, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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

Event	Indicative Date
Bid/ Offer Closing Date	On or about [●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds/ un-blocking of ASBA Accounts	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

**The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or 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 Exchanges are taken within six**

**Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders severally, and not jointly, undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within six Working Days from the Bid/Offer Closing Date.**

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“IST”)) during the Bid/Offer Period (except the Bid/Offer Closing Date) at the Bidding Centres.

On the Bid/Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. IST and shall be uploaded until (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of applications received up to the closure of timings and reported by the BRLM to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer 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 this Offer. Bids will be accepted only between Monday to Friday (excluding any public holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchanges.

In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar and Share Transfer Agent to the Offer shall ask for rectified data.

Our Company and the Selling Shareholders in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/Offer 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 the Price Band shall not exceed 20% on 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 in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall 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 BRLM and the terminals of the other members of the Syndicate.**

### **Minimum Subscription**

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. However, In accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000. It shall also be ensured that the minimum allotment to public shall be atleast twenty five percent of the post issue capital of the company, as specified under Regulation 19(2) (b) (i) of Securities Contracts (Regulation) Rules, 1957

#### **ARRANGEMENT FOR DISPOSAL OF ODD LOT**

Since the Equity Shares will be traded in dematerialized form only, the marketable lot for the Equity Shares will be one and hence, no arrangements for disposal of odd lots are required.

#### **RESTRICTION ON TRANSFER OF EQUITY SHARES**

Except for lock-in of pre-Offer equity shareholding, Promoters minimum contribution and lock-in of Equity Shares Allotted to Anchor Investor, as detailed in the chapter “*Capital Structure - Build-up of Promoters’ Shareholding, Promoters’ contribution and Lock-in*” on page 50, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to “*Main Provisions of the Articles of Association*” on page 237.

#### **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchanges. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act.

## OFFER STRUCTURE

Initial public offering of up to 1,457,956 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share through an offer for sale, aggregating up to ₹ [●] lacs, through the Book Building Process. The Offer will constitute up to 38% of the total post-Offer paid-up equity capital of our Company. The Offer is being made through the Book Building Process:

Particulars	QIBs@	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation/Allotment*	At least 1,09,34,670 Equity Shares	Not more than 21,86,934 Equity Shares available for allocation	Not more than 14,57,956 Equity Shares available for allocation
Percentage of the Offer Size available for allocation/ Allotment	<p>Not less than 75% of Net Offer Size shall be allocated to QIBs.</p> <p>However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only.</p> <p>Up to 60% of the QIB Portion may be available for allocation to Anchor Investors and one- third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds.**</p>	Not more than 15% of the Net Offer.	Not more than 10% of the Net Offer.
Basis of allocation/ Allotment, if respective category is oversubscribed	<p>Proportionate as follows:</p> <p>(a) 2,18,693 Equity Shares, constituting 5% of the Net QIB Portion (excluding Anchor Investor Portion), shall be available for allocation on a proportionate basis to Mutual Funds;</p> <p>(b) 41,55,175 Equity Shares shall be allotted on a proportionate basis to all QIBs (except to Anchor Investors) including Mutual Funds receiving allocation as per (a) above.</p>	Proportionate.	Not less than the minimum Bid Lot (subject to availability of Equity Shares), and the remaining Equity Shares, if any, shall be allotted on a proportionate basis#.
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares thereafter such that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Maximum Bid	Not exceeding the size of the Net Offer subject to Regulations as applicable to the Bidder.	Not exceeding the size of the Net Offer subject to regulations as applicable to the Bidder.	Such number of Equity Shares in multiples of [●] so as to ensure that the Bid Amount does not



Particulars	QIBs <sup>@</sup>	Non-Institutional Investors	Retail Individual Investors
			exceed ₹ 200,000.
Mode of bidding	Through ASBA only.	Through ASBA only.	Through ASBA only.
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Bid Lot	[●] Equity Shares in multiples of [●] Equity Shares thereafter.	[●] Equity Shares in multiples of [●] Equity Shares thereafter.	[●] Equity Shares in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Shares thereafter.	[●] Equity Shares and in multiples of one Equity Shares thereafter.	[●] Equity Shares and in multiples of one Equity Shares.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply***	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, Scheduled Commercial Banks, Mutual Fund registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, FVCIs, Multilateral and Bilateral Development Financial Institutions, state Industrial Development Corporation, Insurance Company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹ 2500 lacs, pension fund with minimum corpus of ₹2500 lacs, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific Institutions societies and trusts, Category III FPIs .	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta).
Terms of Payment <sup>##</sup>	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form through the ASBA Process (other than for Anchor Investors).	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form through the ASBA Process.	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form through ASBA.

<sup>@</sup> Our Company and the Selling Shareholders may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, please refer to the chapter "Offer Procedure" on page 193.

\* Subject to valid Bids being received at or above the Offer Price pursuant to the Net Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made through the Book Building Process, wherein not less than 75% of the Net Offer will be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price to the Anchor Investor, on a discretionary basis subject to valid bids being

received at Anchor Investor Offer Price. Further, not more than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price and not more than 10% of the Net Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Allotment of Equity Shares to each of the Retail Individual Investors shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Any unsubscribed portion in any reserved category, if any shall be added to the Net Offer. In case of under-subscription, if any, in Non-Institutional and Retail Individual categories, the under subscription would be allowed to be met with spill over inter-se from any other categories, at the discretion of our Company and Selling Shareholders in consultation with the BRLM and subject to applicable provisions of SEBI ICDR Regulations. However, under-subscription in the Net QIB Portion would not be allowed to be met with spill-over from any other category.

\*\* Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount will be payable as per pay-in date mentioned in the revised CAN.

\*\*\* In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

Bidders 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 Offer.

# In case of oversubscription in Retail Portion, maximum number of Retail Individual Investors who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Investors by the minimum Bid Lot ("Retail – Bid Lot Allottees"). The Allotment to Retail Individual Investors will then be made in the following manner:

- i. In the event the number of Retail Individual Investors who have submitted valid Bids in the Net Offer is equal to or less than Retail – Bid Lot Allottees, (i) all such Retail Individual Investors shall be Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to those Retail Individual Investors who have applied for more than the minimum Bid Lot, for the balance demand of the Equity Shares Bid by them (i.e. the difference between the Equity Shares Bid and the minimum Bid Lot).
- ii. In the event number of Retail Individual Investors who have submitted valid Bids in the Net Offer is more than the Retail – Bid Lot Allottees, those Retail Individual Investors, who will be Allotted the minimum Bid Lot shall be determined the basis of draw of lots. In the event of a draw of lots, Allotment will only be made to such Retail Individual Investors who are successful pursuant to such draw of lots.

## In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that is specified in the Bid cum Application Form.

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

### **Retail discount**

Retail discount, if any, of [●]% to the Floor Price will be offered to Retail Individual Investors. The rupee amount of the Retail Discount will be decided by our Company and the Selling Shareholders in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Offer Opening Date.

## OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“**General Information Document**”) included below under “ – Part B - General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue, read with the rules thereto. The General Information Document is also available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant portions of the General Information Document which are applicable to this Offer.

Our Company, the Selling Shareholders and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this chapter and the General Information Document. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

### PART A

#### Book Building Procedure

The Issue is being made through the Book Building Process wherein not less than 75% of the Issue shall be allocated to QIBs on a proportionate basis, provided that our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis and in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form.**

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

#### Bid cum Application Form

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BRLM, SCSBs, the NSE ([www.nseindia.com](http://www.nseindia.com)), the BSE ([www.bseindia.com](http://www.bseindia.com)), the terminals of the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

Copies of the Anchor Investor Application Form and the abridged prospectus will be available at the office of the BRLM.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, FPI or other eligible non resident investor on repatriation basis	Blue
Anchor Investors**	White

\*Excluding electronic Bid cum Application Form

\*\*Anchor Investor Application Form will be made available at the office of the BRLM

### Who can bid?

In addition to the category of Bidders set forth under section entitled “*General Information Document for Investing in Public Issues - Category of Investors Eligible to Participate in an Issue*” on page 206, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in this Offer under the laws, rules, regulations, guidelines and policies applicable to them.

### Participation by Associates and Affiliates of BRLM and Syndicate Members

The BRLM and the Syndicate member(s) shall not be entitled to purchase in this Offer in any manner except towards fulfilling their underwriting obligations. Associates and affiliates of the BRLM and the Syndicate member(s) may subscribe to or acquire Equity Shares in the Offer, including in the Net QIB Portion or Non-Institutional Portion as may be applicable to such Bidder, where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis

The BRLM and any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM) or our Promoters and the Promoter Group cannot apply in the Offer under the Anchor Investor Portion

### Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.**

### Bids by Eligible NRIs

NRI may obtain copies of Bid cum Application Form from the offices of the the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Company shall be disclosing the name and address of at least one place in India from where individual Eligible NRIs can obtain the Bid cum Application forms in the Red Herring Prospectus.

### **Bids by FPIs and FIIs**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio Bidders namely ‘foreign institutional investors’ and ‘qualified foreign investors’ will be subsumed under a new category namely ‘foreign portfolio investors’ or ‘FPIs’. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the 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 years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in the Offer 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 the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Offer 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 and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits for an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio 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 the 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) 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.

### **Bids by SEBI registered VCFs, AIFs**

The SEBI AIF Regulations inter-alia prescribe the investment restrictions on the AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation, subject to applicable law.

### **Bids by Limited Liability Partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

### **Bids by Banking Companies**

In case of Bids made by banking companies registered with 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 Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason therefore.

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 Circular dated July 1, 2015 – Para-banking Activities, 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 investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the 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 Insurance Companies**

In case of Bids made by Insurance Companies, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 are broadly set forth below:

- a. equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b. the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c. the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

### **Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 2500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 lacs and pension funds with a minimum corpus of ₹ 2500 lacs (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 Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any such Bid without assigning any reasons therefore.

### **Bids by Anchor Investors**

For details in relation to Bids by Anchor Investors, see the section entitled “ **General Information Document for Investing in Public Issues**” on page 203.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, 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 any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

### **General Instructions**

#### ***Do's:***

- 1) Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- 2) Ensure that you have Bid within the Price Band;
- 3) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
- 4) Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- 5) Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- 6) If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- 7) Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
- 8) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
- 9) Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
- 10) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of

- the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- 11) Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
  - 12) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
  - 13) Ensure that the Demographic Details are updated, true and correct in all respects;
  - 14) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
  - 15) Ensure that the category and the investor status is indicated;
  - 16) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
  - 17) Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
  - 18) Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid complication Form;
  - 19) Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
  - 20) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
  - 21) Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
  - 22) Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
  - 23) The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

***Don'ts:***

- 1) Do not Bid for lower than the minimum Bid size;
- 2) Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- 3) Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- 4) Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- 5) Do not submit the Bid cum Application Forms to any non-SCSB bank, our Company or the Selling Shareholders;
- 6) Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
- 7) Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
- 8) Instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- 9) Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
- 10) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
- 11) Do not submit the General Index Register number instead of the PAN;



- 12) Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
- 13) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
- 14) Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- 15) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- 16) Do not submit more than five Bid cum Application Forms per ASBA Account;
- 17) Anchor Investors should not bid through the ASBA process. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Payment Instructions**

All Bidders (other than Anchor Investors) are required to use the ASBA facility to make payment. Anchor Investors making payment through cheques are requested to use CTS cheques and that Anchor Investor Application Forms accompanied by non-CTS cheques are liable to be rejected.

### **Payment into Escrow Account for Anchor Investors**

Our Company in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non Resident Anchor Investor: “[●]”

**Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Banks and the Registrar and Share Transfer Agent to the Offer to facilitate collections from the Anchor Investors.**

### **Pre-Offer Advertisement**

Subject to section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations in [●] edition of [●] (English national); (ii) [●] edition of [●] (Hindi national), each with wide circulation, and [●] edition of the Tamil newspaper, [●], a regional newspaper with wide circulation at the place where the Registered Office is located. In the pre-Offer advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

### **Signing of the Underwriting Agreement and the RoC Filing**

- a. Our Company, the Selling Shareholders, Registrar to the Offer and the Syndicate intends to enter into an Underwriting Agreement after the finalization of the Offer Price.
- b. After signing the Underwriting Agreement, an updated Red Herring Prospectus would be filed with the RoC in accordance with the applicable law, which then would be termed as the ‘Prospectus’. This Draft Red Herring Prospectus contains details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of section 38 of the Companies Act, 2013, which is reproduced below:

**“Any person who:**

- a. *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b. *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c. *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”*

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than six months but which may extend to 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 three times the amount involved in the fraud”.

## **UNDERTAKINGS BY OUR COMPANY**

### **Our Company undertakes that:**

- if our Company or Selling Shareholders do not proceed with the Offer, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- if our Company and the Selling Shareholders withdraw the Offer after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company and/or the Selling Shareholders subsequently decides to proceed with the Offer;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date;;
- the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- Allotment will be made or the application money will be refunded within six Working Days from the Bid/Offer Closing Date or such lesser time as specified by SEBI or the application money will be refunded to the Bidders forthwith, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;;
- where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- adequate arrangements shall be made to collect all Bid cum Application Forms;
- the certificates of the securities/refund orders to Eligible NRIs shall be despatched within specified time.
- no further Offer of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, undersubscription, etc.; and
- the Selling Shareholders shall not have recourse to the Offer Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought have been received.

## **UNDERTAKINGS BY SELLING SHAREHOLDERS**

### **Each Selling Shareholder jointly and severally undertakes that**

- the Equity Shares being sold by it pursuant to the Offer, have been held by it for a period of at least one year prior to the date of filing the Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialized form;
- it is the legal and beneficial owner of, and has full title to, the Equity Shares being sold in the Offer;
- the Equity Shares being sold by it pursuant to the Offer are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the time specified under applicable law;
- it shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the allotment advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Offer;
- they shall deposit their Equity Shares in an escrow account opened with the Registrar and Share Transfer Agent to the Offer at least one Working Day prior to the date of the Red Herring Prospectus or as disclosed in the Red Herring Prospectus;
- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in the Red Herring Prospectus and this Draft Red Herring Prospectus shall be made available to the Registrar to the Offer by the Selling Shareholders;
- it shall provide such reasonable support and extend such reasonable co-operation as may be required by Company in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 15 days from the Bid/ Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received;
- subject to the Offer Agreement, they shall not offer, lend, pledge, encumber, sell, contract to sell or otherwise transfer or dispose off, directly or indirectly, any of the Equity Shares held by them;
- it shall not further transfer the Equity Shares being sold by it pursuant to the Offer except in the Offer during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Offer and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Offer;
- they shall take all steps and provide all assistance to the Company and the BRLM, as may be required and necessary by the Selling Shareholders, for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date of the Offer, failing which they shall forthwith repay without interest all monies received from Bidders to the extent of the Investor Offered Shares. In case of delay, interest as per applicable law shall be paid by them to the extent of the Investor Offered Shares;
- they shall sign, and cause their authorized signatories (by way of powers of attorney or otherwise) to sign the offer documents and agreements in relation to the Offer, and confirm that their duly authorized signatories who have signed a declaration, that the statements made by them in the offer documents about or in relation to them as well as any Offer related materials are true and correct as of the date of this Draft Red Herring Prospectus and as will be included in the Red Herring Prospectus and Prospectus, or such Offer related material, as the case may be;
- they shall disclose and furnish to the BRLM all information relating to any pending litigation, arbitration, complaint or notice that may affect the ownership or title to the Equity Shares or their ability to offer the Equity Shares in the Offer for Sale;

- they shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, any of the Equity Shares held by them except the Equity Shares being offered by them in the Offer for Sale until such time that the lock-in remains effective save and except as may be permitted under the SEBI ICDR Regulations;
- they shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law.
- it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer are available for transfer in the Offer within the time specified under applicable law; and

**Utilisation of Offer Proceeds**

The Selling Shareholders along with our Company declare that all monies received out of the Offer 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, 2013.

## **PART B**

### **GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

*This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/ Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/ Applicants should rely on their own examination of the Company and the Offer, and should carefully read the Red Herring Prospectus/ Prospectus before investing in the Offer.*

#### **SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)**

*This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/ Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “SEBI ICDR Regulations”).*

*Bidders/ Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Offer and the relevant information about the Company undertaking the Offer are set out in the Red Herring Prospectus (“RHP”)/ Prospectus filed by the Company with the Registrar of Companies (“RoC”). Bidders/ Applicants should carefully read the entire RHP/ Prospectus and the Bid cum Application Form/ Application Form and the Abridged Prospectus of the Company in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/ or overlap between the disclosure included in this document and the RHP/ Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/ Prospectus of the Company is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Offer and on the website of Securities and Exchange Board of India (“SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in). For the definitions of capitalized terms and abbreviations used herein Bidders/ Applicants may refer to “Glossary and Abbreviations”.*

#### **SECTION 2: BRIEF INTRODUCTION TO IPO/FPOs**

##### **2.1 Initial Public Offer (IPO)**

An IPO means an offer of specified securities by an unlisted Company to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Company.

For undertaking an IPO, a Company is inter alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Company, Bidders/ Applicants may refer to the RHP/ Prospectus.

##### **2.2 Further Public Offer (FPO)**

An FPO means an offer of specified securities by a listed Company to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed company.

For undertaking an FPO, the company is inter alia required to comply with the eligibility requirements in terms of Regulation 26 or Regulation 27 of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the company, Bidders/ Applicants may refer to the RHP/ Prospectus.

## **2.3 Other Eligibility Requirements**

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an company proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/ Applicants may refer to the RHP/ Prospectus.

## **2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, a company can either determine the Offer Price through the Book Building Process (“Book Built Issue”) or undertake a Fixed Price Issue (“Fixed Price Issue”). A company may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price issue) /draft red herring prospectus and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The company shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-Offer advertisement was given at least five Working Days before the Bid/ Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/ Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities. Bidders/ Applicants should refer to the RHP/ Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

## **2.5 ISSUE PERIOD**

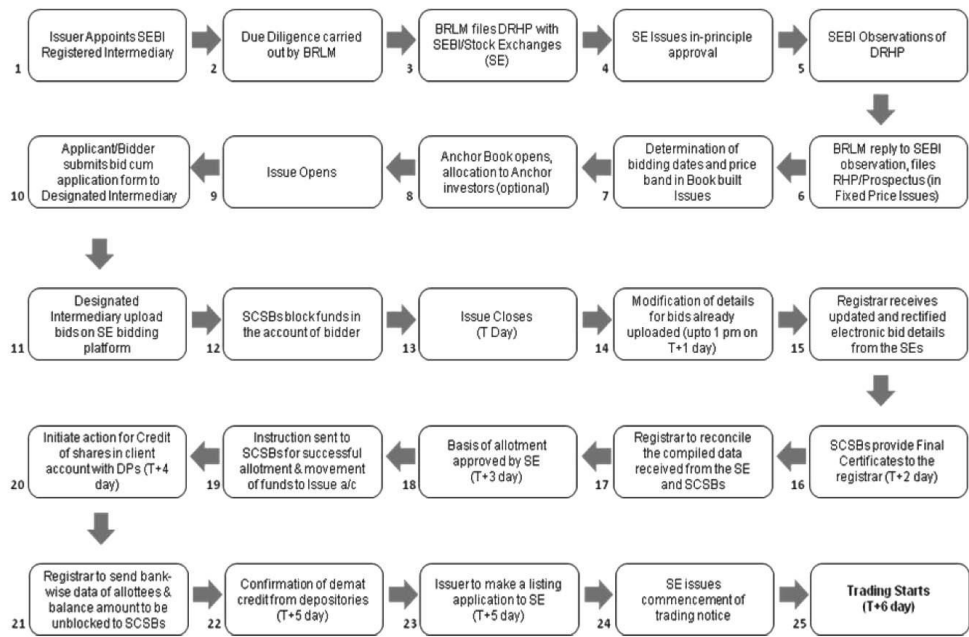
The Offer shall be kept open for a minimum of three Working Days (for all category of Bidders/ Applicants) and not more than ten Working Days. Bidders/ Applicants are advised to refer to ‘ the Bid cum Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/ Offer Period. Details of Bid/ Offer Period shall also be available on the website of Stock Exchange(s).

In case of a Book Built Offer, the company may close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Offer Period may be extended by at least three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/ Applicants may check the announcements made by the Company on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

### **1.1 FLOW CHART OF TIMELINES**

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/ Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7 : Determination of Offer Date and Price
  - ii. Step 10: Applicant submits Bid cum Application Form with Designated Branch of SCSEB.



### SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

**Each Bidder/Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

1. Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
2. Bids/ Applications belonging to an account for the benefit of a minor (under guardianship);
3. 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/
4. 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;
5. Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
6. QIBs;
7. Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
8. NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
9. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
10. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non Institutional Investors ("NIIs") category;
11. FPIs other than Category III foreign portfolio investors, Bidding under the QIBs category;
12. FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
13. Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under their respective constitutions to hold and invest in equity shares;
14. Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
15. Any other person eligible to Bid/ Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per existing regulations OCBs are not allowed to invest in the Offer.

### SECTION 4: APPLYING IN THE ISSUE

**Book Built Issue:** Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Book Running Lead Manager, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

#### **Fixed Price Issue:**

Applicants should only use the specified cum Application Form bearing the stamp of an SCSB as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category.

Securities Issued in an IPO can only be in dematerialized form in compliance with section 29 of the Companies Act, 2013. Bidders/ Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, FPI or	Blue



other eligible non resident investor	
Anchor Investors	As specified by Issuer

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

#### **4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM /APPLICATION FORM**

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form is provided below.

The samples of the Bid cum Application Form is reproduced below:

**BID CUM APPLICATION FORM FOR RESIDENTS**

Kindly note that this will be included prior to filing of the RHP.

**BID CUM APPLICATION FORM FOR NON RESIDENTS**

Kindly note that this will be included prior to filing of the RHP.

#### 4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/ APPLICANT

- a. Bidders/ Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- b. **Mandatory Fields** Mandatory Fields: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- c. **Joint Bids/ Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d. **Impersonation:** Attention of the Bidders/ Applicants is specifically drawn to the provisions of subsection (1) of section 38 of the Companies Act, 2013 which is reproduced below:  
“*Any person who:*
  - i. *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
  - ii. *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
  - iii. *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.*
  - iv. *The liability prescribed under section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.”*
- e. **Nomination Facility to Bidder/ Applicant:** Nomination facility is available in accordance with the provisions of section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/ Applicants should inform their respective DP.

#### 4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/ APPLICANT

- a. PAN (of the sole/ First Bidder/ Applicant) provided in the Bid cum Application Form/ Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- b. PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/ Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in Sikkim (“PAN Exempted Bidders/ Applicants”). Consequently, all Bidders/ Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their PAN in the Bid cum Application Form/ Application

Form, irrespective of the Bid/ Application Amount. A Bid cum Application Form/ Application Form without PAN, except in case of Exempted Bidders/ Applicants, is liable to be rejected. Bids/ Applications by the Bidders/ Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- c. The exemption for the PAN Exempted Bidders/ Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d. Bid cum Application Forms/ Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e. Bids/ Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/ MRD/ DP/ 22/ 2010. Such accounts are classified as “**Inactive demat accounts**” and demographic details are not provided by depositories.

#### **4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- a. Bidders/ Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/ Application Form. The DP ID and Client ID provided in the Bid cum Application Form/ Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Bid cum Application Form/ Application Form is liable to be rejected.
- b. Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/ Application Form is active.
- c. Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/ Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Offer.
- d. Bidders/ Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/ Applicants’ sole risk.

#### **4.1.4 FIELD NUMBER 4: BID OPTIONS**

- a. **Price or Floor Price or Price Band**, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/ RHP by the Company. The Company is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/ Offer Opening Date in case of an FPO.
- b. The Bidders may Bid at or above Floor Price or within the Price Band for IPOs / FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (section 5.6 (e)).
- c. **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

- d. **Minimum Application Value and Bid Lot:** The Company and the Selling Shareholders in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Company on basis of such minimum application value.
- e. **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may refer to the RHP/ Prospectus or the advertisement regarding the Price Band published by the Company.

#### 4.1.4.1 MAXIMUM AND MINIMUM BID SIZE

- a. The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors and Employees must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.
- b. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- c. Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/ Prospectus, or as advertised by the Company, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.
- d. For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Portion for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- e. RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- f. In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion.
- g. For Anchor Investors, if applicable, the Bid Amount shall be least 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

- h. A Bid cannot be submitted for more than the Offer size.
- i. The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- j. The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to section 5.6 (e))

#### **4.1.4.2 MULTIPLE BIDS**

- a. Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- b. Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple bids:
  - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
  - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- c. The following bids may not be treated as Multiple Bids:
  - i. Bids by Reserved Categories if any, bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.
  - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
  - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
  - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS**

- a. The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.
- b. Up to 60% of the QIB Portion can be allocated by the Company, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/ Prospectus.
- c. A Company can make reservation for certain categories of Bidders/ Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/ Applicants may refer to the RHP/ Prospectus.

- d. The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in the Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/ Applicant may refer to the RHP/ Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- a. Each Bidder/ Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- b. Certain categories of Bidders/ Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs are not be allowed to Bid/ Apply in the Offer. Bidders/ Applicants are requested to refer to the RHP/ Prospectus for more details.
- c. Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- d. Bidders/Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a. The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b. Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- c. All Bidders (except Anchor Investors) can participate in the Offer only through the ASBA mechanism.
- d. Bid Amount cannot be paid in cash, through money order or through postal order.

##### **4.1.7.1 INSTRUCTIONS FOR ANCHOR INVESTOR**

- (a) Anchor Investors may submit their Bids with a Book Running Lead Manager.
- (b) Payments should be made either by RTGS, NEFT or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (c) If the cheque or demand draft accompanying the Bid cum Application Form is not made favouring the Escrow Account, the Bid is liable to be rejected.
- (d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- (e) Anchor Investors are advised to provide the number of the Anchor Investor Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.



#### 4.1.7.2 Payment instructions for Bidders (other than Anchor Investors)

- (a) Bidders may submit the Bid cum Application Form either
  - i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
  - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
  - iii. in physical mode to any Designated Intermediary.
- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ***Bidders bidding through a member of the Syndicate*** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations.

Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) ***Bidders bidding through a Registered Broker, RTA or CDP*** should note that Bid cum Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Bid cum Application Forms.
- (h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the

SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

#### **4.1.7.2.1 Unblocking of ASBA Account**

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

#### **4.1.7.3 DISCOUNT (if Applicable)**

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer may block an amount i.e. the Bid Amount less discount (if applicable).
- (d) Bidder may note that in case the net amount blocked (post Discount) is more than two Lacs Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

#### **4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount

mentioned in the Bid cum Application Form/Application Form.

#### **4.1.9 ACKNOWLEDGEMENTS AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by a member of the Designated Intermediary, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bids/ Applications made in the Offer should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/ Applicants should contact the Registrar to the Offer.
  - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/ Applicants should contact the relevant Designated Branch of the SCSB.
  - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/ Applicants should contact the relevant Syndicate Member.
  - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/ Applicants should contact the relevant Registered Broker.
  - v. In case of Bids submitted to the RTA, the Bidders/Applicants should contact the relevant RTA.
  - vi. In case of Bids submitted to the DP, the Bidders/Applicants should contact the relevant DP.
  - vii. Bidder/ Applicant may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Offer.
- (c) The following details (as applicable) should be quoted while making any queries :
  - i. full name of the sole or First Bidder/ Applicant, Bid cum Application Form number, Applicants'/ Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the member of the Designated Intermediaries, where the Bid was submitted or
  - iii. In case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.
  - iv. In case of Anchor Investor bids cheque or draft number and the name of the issuing bank thereof.

For further details, Bidder/ Applicant may refer to the RHP/ Prospectus and the Bid cum Application Form.

#### **4.2 INSTRUCTION FOR FILING THE REVISED FORM**

- (a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids or withdraw their Bids till the Bid/Offer Close Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

## **REVISION FORM:**

**[Kindly note that same will be incorporated before filing of RHP]**

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

### **4.2.1 FIELDS 1,2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/ APPLICANT, PAN OF SOLE/ FIRST BIDDER/ APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/ APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

### **4.2.2 FIELD 4& 5: BID OPTIONS REVISION FROM AND TO**

- a. Apart from mentioning the revised options in the Revision Form, the Bidder/ Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/ Applicant has Bid for three options in the Bid cum Application Form and such Bidder/ Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- b. In case of revision, Bid options should be provided by Bidders/ Applicants in the same order as provided in the Bid cum Application Form.
- c. In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/ Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- d. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/ Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e. In case of a downward revision in the Price Band, RIIs, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

### **4.2.3 FIELD 6: PAYMENT DETAILS**

- (a) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares

Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

- (d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/ Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THE THROUGH BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

##### **4.3.1 FIELDS 1,2,3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/ APPLICANT, PAN OF THE SOLE/FIRST BIDDER/ APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraph 4.1.1, 4.1.2 and 4.1.3.

##### **4.3.2 FIELD NUMBER 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- a. The Company may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- b. **Minimum Application Value and Bid Lot:** The Company and the Selling Shareholders in consultation with the Book Running Lead Manager to the Issue (BRLM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by a Company on basis of such minimum application value.
- c. Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.
- d. Applications by Other Investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Company, as the case may be.
- e. An application cannot be submitted for more than the Offer size.
- f. The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- g. **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h. Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:
- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
- ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

- i. The following applications may not be treated as multiple Bids:
  - i. Applications by Reserved Categories, if any in their respective reservation portion, if any, as well as that made by them in the Net Offer portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

#### **4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a. The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Offer are RIIs, individual applicants other than RII's and Other Investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b. An Company can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- c. The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

#### **4.3.4 FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

#### **4.3.5 FIELD NUMBER 7: PAYMENT DETAILS**

- (a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue
- (b) Application Amount cannot be paid in cash, through money order, cheque or through postal order or through stock invest.

##### **4.3.5.2 PAYMENT INSTRUCTIONS FOR APPLICANTS**

- (a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.
- (b) Applicants must specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted. (f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

#### **4.3.5.2.1 UNBLOCKING OF ASBA ACCOUNT**

- a. Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- b. On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c. In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Offer Closing Date.

#### **4.3.5.3 DISCOUNT (IF APPLICABLE)**

- a. The Discount is stated in absolute rupee terms.
- b. RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.
- c. The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

#### **4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENTS AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

#### 4.4 SUBMISSION OF BID CUM APPLICATION FORM/REVISION FORM/APPLICATION FORM

##### 4.4.1 Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-

Mode of Investor	Submission of Bid cum Application Form
<b>Anchor Investor Application Form</b>	1) To the Book Running Lead Manager at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location  (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

#### SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

##### 5.1 SUBMISSION OF BIDS

- (a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- (c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

##### 5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.



### **5.3 BUILD UP OF THE BOOK**

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

### **5.4 WITHDRAWAL OF BIDS**

- (a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid 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.

### **5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS**

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
  - i. the Bids accepted by the Designated Intermediaries,
  - ii. the Bids uploaded by the Designated Intermediaries, and
  - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- (b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds. (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

#### **5.5.1 GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs, ; and
- (c) 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;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

- (f) Bids/Applications by persons in the United States;
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) PAN not mentioned in the Bid cum Application Form/Application Form, except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;
- (l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (m) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (o) Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account;
- (p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (q) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (r) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (t) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (u) Where no confirmation is received from SCSB for blocking of funds;
- (v) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (w) Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted 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 Offer;
- (x) Bids/Applications not uploaded on the terminals of the Stock Exchanges; and
- (y) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

## **5.6 BASIS OF ALLOCATION**

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is

disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.

- (b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion if any to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) Illustration of the Book Building and Price Discovery Process Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, offer size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at bidding.

Bid Quantity	Bid Price	Cumulative Quantity	Subscription (%)
500	24	500	16.7
1,000	23	1,500	50.0
1,500	22	3,000	100.0
2,000	21	5,000	166.7
2,500	20	7,500	250.0

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

#### e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“Alternate Book Building Process”). The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

## **SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

**Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer:** As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty Per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

## **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **7.1 ALLOTMENT TO RIIs**

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Portion at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Portion at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allotees**”). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allotees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Portion shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allotees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

### **7.2 ALLOTMENT TO NIIs**

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

### **7.3 ALLOTMENT TO QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than

5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

#### **7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- i. Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the Investor Selling Shareholder and the BRLM, subject to compliance with the following requirements: i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
- ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
- (i) Maximum of 2 such investors shall be permitted for allocation upto ₹10 crore;
  - (ii) Minimum of 2 and maximum of 15 such investors shall be permitted for allocation above Rs. 10 crore and upto ₹250 crore, subject to minimum allotment of ₹5 crore per such investor;
  - (iii) in case of allocation above Rs.250 crore; a minimum of 5 such investors and a maximum of 15 such investors for allocation upto Rs.250 crore and an additional 10 such investors for every additional Rs.250 crore or part thereof, shall be permitted, subject to a minimum allotment of Rs.5 crore per such investor.
- iv. A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- v. **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- vi. **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

#### **7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY, IF ANY, IN CASE OF OVER-SUBSCRIBED ISSUE**

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;

- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

## 7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.  
  
Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and
- (e) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Bid/Issue Close Date.

## SECTION 8: INTEREST AND REFUNDS

### 8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with CDPs, and dispatch the Allotment Advice within six Working Days of the Bid/Offer Closing Date.

## **8.2 GROUNDS FOR REFUND**

### **8.2.1 NON RECEIPT OF LISTING PERMISSION**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised. If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lacs but which may extend to ₹50 lacs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lacs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

### **8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION**

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

### **8.2.3 MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

### **8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING**

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot not less than 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

## **8.3 MODE OF REFUND**

(a) **In case of Bids/Applications (other than Anchor Investors):** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

- (c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories, the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

### 8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code (“**IFSC**”), which can be linked to the MICR of that particular branch. The IFSC 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 Anchor Investors have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (b) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (c) **RTGS**—Anchor Investors 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; and

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres, etc. Anchor Investors may refer to RHP/Prospectus.

### 8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working days of the Bid/Offer Closing Date. The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

## SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottees	An Bidder/Applicant to whom the Equity Shares are Allotted



Term	Description
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/	The book building process as provided under SEBI ICDR Regulations, 2009, in

Term	Description
Book Building Process/ Book Building Method	terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/ Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the Bid cum Application Forms to RTAs.  The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer

Term	Description
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
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 Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may issue cheques or demand drafts or transfer money through NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and

Term	Description
	which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and Other Investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	An account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/Bidding under reservation portion, if any
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual	Investors who applies or bids for a value of not more than ₹200,000 (including

<b>Term</b>	<b>Description</b>
Investors/(RIIs)	HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Portion	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> and updated from time to time
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s)/ SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in Mumbai and Chennai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and 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 FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued Consolidated FDI Policy Circular of 2016, which with effect from June 7, 2016, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, Consolidated FDI Policy Circular of 2016 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and transfer does not attract the provisions of the Takeovers Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States.

Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders 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 that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF THE ASSOCIATION

Set forth below is certain information relating to our share capital, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/ or on their consolidation/ splitting and other important terms of Articles of Association of our Company. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized/ defined terms herein have the same meaning given to them in the Articles of Association.

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

### TABLE 'F' EXCLUDED

- 1.(i) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated contained or expressly made applicable in these Articles or by the said Act.
- (ii) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

### Share capital and variation of rights

2. (a) The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association. with power to Board of Directors to reclassify, subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital or any new capital with and subject to any preferential, qualified or special rights, privileges, or conditions may be, thought fit and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.
  - (b) If and whenever the capital of the Company is divided into shares of different classes, the tights of any such class may be varied, modified, affected, extended, abrogated or surrendered as provided by the said Act or by Articles of Association or by the terms of issue, but not further or otherwise.
  - (c) 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 Board 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.
4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.
5. 1. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:
    - (a) Equity share capital:
      - (i) with voting rights; and / or
      - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
    - (b) Preference share capital.
  2. To raise money in such manner as the Company shall think fit, and in particular by the issue of fresh shares or equity or equivalent in India or abroad that would result in listing in stock exchanges in the respective places of issue of such equity or equivalent.
6. 1. Every person whose name is entered as a member in the register of members shall be

entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide

- (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 such charges as may be fixed by the Board for each certificate after the first.
- 2. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- 3. 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.
- 4. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.
- 5. 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 Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.
- 6. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.
- 7.
  - 1. The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, 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 the Act and the Rules.
  - 2. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.
  - 3. 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.
- 8.
  - 1. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
  - 2. To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.
- 9. 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.
- 10. Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.
- 11. (1) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –



- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
  - (b) employees under any scheme of employees' stock option; or
  - (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
- (2) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.
12. 1. Except as provided by the Act, the Company shall not, except by reduction of capital under the provision of Sections 66 or Section 242 of the said Act, buy its own shares nor give, whether directly or indirectly, and whether by means of a loan, guarantee, provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company. Provided that nothing in this Article shall be taken to prohibit:
- i. the provision of money in accordance with any scheme approved by the Company through Special Resolution and in accordance with the requirements specified in the relevant Rules, for the purchase of, or subscription for, fully paid up Shares in the Company, if the purchase of, or the subscription for the Shares held by trustees for the benefit of the employees or such Shares held by the employee of the Company;
  - ii. the giving of loans by the Company to persons in the employment of the Company other than its Directors or Key Managerial Personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid up Shares in the Company to be held by them by way of beneficial ownership. Nothing in this clause shall affect the right of the Company to redeem any shares issued under Section 55.
2. Notwithstanding what is stated in Articles 12.1 above, in the event it is permitted by the Law and subject to such conditions, approvals or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own shares, whether or not there is any consequent reduction of Capital. If and to the extent permitted by Law, the Company shall also have the power to re-issue the shares so bought back
13. The Company shall have power to issue Securities at a premium and shall duly comply with the provision of Sections 52 of the said Act.
14. 1. Subject to the provisions of Section 55 of the said Act, whenever any preference shares are issued which are or at the option of the Company are to be liable to be redeemed, the following provisions shall take effect
- i. No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption.
  - ii. No such shares shall be redeemed unless are fully paid.
  - iii. The premium, if any payable on redemption must be provided for out of the profits of the Company or out of the Company's Securities Premium Account before the shares are redeemed.
  - iv. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue there shall, out of profits which would otherwise have been available for dividend be transferred to the Capital Redemption Reserve Account, a sum equal to the nominal amount of the share redeemed.
2. Subject to the provisions of Section 55 of the Act and these Articles the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any such terms and conditions in such manner as the Directors may think fit.

3. The redemption of preference shares under this provision by the Company shall not be taken as reducing the amount of its authorised share capital.
4. Where the Company has redeemed or is about to redeem any preference shares, it shall never have power to issue shares up to the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the share capital of the Company shall not, for the purpose of calculating the fees payable under Section 385 of the said Act, be deemed to be increased by the issue of shares in pursuance of this Article. Provided that, where new shares are issued before the redemption of the old shares, the new shares shall not so far as related to stamp duty, be deemed to have been issued in pursuance of this Article unless the old shares are redeemed within one month after the issue of the new shares.
5. The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

## **Lien**

15. 1. 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 member, for all monies presently payable by him or his estate to the Company: Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
2. The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.
3. Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien. \* The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares
 

\* *Clause 15 (1)(3) has been amended vide Special resolution passed in the Annual General Meeting held on April 27, 2016*
16. 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 to the person entitled thereto by reason of his death or insolvency or otherwise.
17. 1. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
2. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
3. The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
4. 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 with reference to the sale.
18. 1. 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.
2. 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.

19. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.
20. The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **Calls on shares**

21. 1. 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 the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting  
  
*\* Clause 21(1) has been amended vide Special resolution passed in the Annual General Meeting held on April 27, 2016*
  2. 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.
  3. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
  4. A call may be revoked or postponed at the discretion of the Board.
22. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
24. 1. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
  2. The Board shall be at liberty to waive payment of any such interest wholly or in part.
25. 1. 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 Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
  2. In case of non-payment of such sum, all the relevant provisions of these Articles 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.
26. 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 as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

27. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

28. All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

29. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

30. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **Transfer of Shares**

31. 1. The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.

2. 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.

32. The Board may, subject to the right of appeal conferred by the Act 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.

33. In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless –

(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;

(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.

\*(d) There shall be a common form of transfer in accordance with the Act and Rules.

\* *Clause 33(d) has been inserted vide Special resolution passed in the Annual General Meeting held on April 27, 2016*

34. On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made there under, 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.

35. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

### **Transmission of Shares**

36. 1. 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 recognised by the Company as having any title to his interest in the shares.
2. Nothing in clause (1) 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.
37. 1. 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.
2. 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.
3. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.
38. 1. 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.
2. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
3. 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.
39. 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.
40. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

### **Forfeiture of Shares**

41. If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.
42. 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.
43. 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.
44. Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. \* There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- \* *Clause 44 has been amended vide Special resolution passed in the Annual General Meeting held on April 27, 2016*
45. When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.
46. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
47. 1. A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
2. At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
48. 1. 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, and shall 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.
2. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.
3. 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.
49. 1. 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;
2. The Company may receive the consideration, if any, given for the share on any sale, re allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
3. The transferee shall thereupon be registered as the holder of the share; and

4. 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, re-allotment or disposal of the share.
50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.
52. The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
53. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of 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.
54. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **Alteration of capital**

55. Subject to the provisions of the Act, the Company may, by ordinary resolution -
  - a. Increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
  - b. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:  
  
Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
  - c. Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - d. Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - e. 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.
56. 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 Articles 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 these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.

57. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules:

- a. Its share capital; and/or
- b. Any capital redemption reserve account; and/or
- c. Any securities premium account; and/or
- d. Any other reserve in the nature of share capital.

#### **Joint Holders**

58. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles :

- a. The joint -holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.
- b. On the death of any one or more of such joint -holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint -holder from any liability on shares held by him jointly with any other person.
- c. Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
- d. Only the person whose name stands first in the register of members as one of the joint -holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint -holders.
- e.
  - i. Anyone of two or more joint -holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint - holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.
  - ii. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint -holders.
- f. The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

#### **Capitalization of profits**

59. 1. The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve
- a. That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - b. That such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, 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 or other securities 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).
3. A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
4. The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
60. 1. Whenever such a resolution as aforesaid shall have been passed, the Board shall -
- a. Make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and
  - b. Generally do all acts and things required to give effect thereto.
2. The Board shall have power—
- a. To make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
  - b. To authorize 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 or other securities to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.
3. Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

61. Notwithstanding anything contained in these Articles but subject to all applicable provisions 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**

62. All general meetings other than annual general meeting shall be called extraordinary general meeting.
63. The Board may, whenever it thinks fit, call an extraordinary general meeting.

#### **Proceedings at general meetings**

64. 1. 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.
2. No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.
3. The quorum for a general meeting shall be as provided in the Act.
65. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.
66. 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.

67. 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, by poll or electronically, choose one of their members to be Chairperson of the meeting.
68. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
69. 1. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
2. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting -
- a. Is, or could reasonably be regarded, as defamatory of any person; or
  - b. is irrelevant or immaterial to the proceedings; or
  - c. is detrimental to the interests of the Company.
3. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
4. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
70. 1. The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
2. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above: Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.
71. The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.
72. 1. The Chairperson may, suo motu, adjourn the meeting from time to time and from place to place,
2. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Business at adjourned meeting,
3. 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.
4. Save as aforesaid, and save as provided in 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**

73. 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.
74. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

75. 1. 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.
2. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
76. 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. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.
77. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
78. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
79. 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 or in regard to which the Company has exercised any right of lien.
80. A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.
81. Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

### **Proxy**

82. 1. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
2. The instrument appointing a proxy and the power-of- attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
83. An instrument appointing a proxy shall be in the form as prescribed in the Rules.
84. 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**

85. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 14 (fourteen). The Company shall have the power to increase the number of Directors beyond 15 after passing a Special Resolution.
86. 1. The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

2. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.
  3. No director of the company be required to hold any qualification shares.
- 87.
1. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
  2. The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.
  3. Any one or more of the Directors shall be paid such additional remuneration as may be fixed by the Directors for services rendered by him or them and any one or more of the Directors shall be paid further remuneration if any as the Company in General Meeting or the Board of Directors shall from time to time determine. Such remuneration and/or additional remuneration may be paid by way of salary or commission on net profits or turnover or by participation in profits or by way of perquisites or in any other manner or by any or all of those modes
  4. A Director may receive remuneration by way of fee not exceeding such amount as may be permissible under the Rules for attending each meetings of the Board or Committee thereof; or of any other purpose whatsoever as may be decided by the Board. 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.
88. 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.
- 89.
1. Subject to the provisions of the Act, 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.
  2. 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.
- 90.
1. The Board may appoint an alternate director to act for a director (hereinafter in this Article Called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.
  2. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
  3. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
- 91.
1. If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
  2. The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

## **Powers of Board**

92. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

## **Proceedings of the Board**

93. 1. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means: Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting: Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.
2. The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
3. The quorum for a Board meeting shall be as provided in the Act.
4. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
94. 1. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
2. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
95. 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.
96. 1. The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
2. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
97. 1. 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.

2. 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.
  3. The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
- 98.
1. A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
  2. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 99.
1. A Committee may meet and adjourn as it thinks fit.
  2. Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
  3. In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.
100. 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 or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
101. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of 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 and Chief Financial Officer**

102. a. Subject to the provisions of the Act,—
- A chief executive officer, manager, company secretary and 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 and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- b. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

**Registers**

103. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

104. a. The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
- b. The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

### **The Seal**

105. 1. The Board shall provide for the safe custody of the seal.
2. 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 one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

### **Dividends and Reserve**

106. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.
107. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.
108. 1. 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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
2. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
109. 1. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
2. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
3. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
110. 1. 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.
2. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

111.
  1. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
  2. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
  3. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
112. 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.
113. No dividend shall bear interest against the Company.
114. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

#### **Accounts**

115.
  1. The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.
  2. No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.

#### **Winding up**

116. Subject to the applicable provisions of the Act and the Rules made thereunder
  - a. 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.
  - b. 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.
  - c. 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 where on there is any liability.

#### **Indemnity and Insurance**

117.
  - a. Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including traveling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.



- b. Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- c. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

#### **General Power**

118. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus, have been delivered to the RoC for registration and also the documents for inspection referred to hereunder, was available for inspection at the Registered Office of our Company from 10.00 am to 4.00 pm on Working Days (Monday to Friday) from the date of the Draft Red Herring Prospectus until the Bid/ Offer Closing Date.

#### a. Material Contracts to the Offer

1. Offer Agreement entered into between our Company, the Selling Shareholders and the BRLM dated June 16, 2016 and Amendment to Offer Agreement dated June 29, 2016 .
2. Agreement entered into between our Company, the Selling Shareholders and the Registrar to the Offer dated May 27, 2016 and Amendment to Agreement dated June 29, 2016.
3. Escrow Agreement dated [•] between our Company, the Selling Shareholders, the BRLM, the Bankers to the Offer and the Registrar to the Offer.
4. Syndicate Agreement dated [•], 2016 between our Company, the Selling Shareholders, the BRLM and the Syndicate Member.
5. Share Escrow Agreement dated [•], 2016 between our Company, the Selling Shareholders, the BRLM and the Demat Escrow Agent.
6. Underwriting Agreement dated [•] 2016 between our Company, the Selling Shareholders, the BRLM and the Syndicate Member.

#### b. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
2. Certified copies of our certificate of incorporation dated November 21, 2005.
3. Certificate dated April 21, 2016 issued by the RoC Chennai for change in Name of the Company and Certificate dated May 12, for conversion of private company to public Company.
4. Certified copy of the Board Resolution authorising the Offer dated May 23, 2016 and copy of Board resolution dated July 4, 2016, 2016 approving the Draft Red Herring Prospectus.
5. Letters from Selling Shareholders approving the Offer for Sale and consenting to include up to 1,45,79,560 Equity Shares held by them, as part of the Offer for Sale.
6. The examination reports of the Statutory Auditors, on our Company's Restated Financial Information dated July 2, 2016, included in this Draft Red Herring Prospectus.
7. Statement of Tax Benefits and report dated July 2, 2016 from, M/s. RAJ AND RAVI , Chartered Accountants.
8. Annual Reports of the Company for fiscal years 2011-2012, 2012-2013, 2013-2014, 2014-2015 and 2015-2016.
9. Consent of the Directors, Promoters, the BRLM, the Syndicate member, CFO, Legal Counsel to Offer, Selling Shareholders, Registrar to the Offer, named in this Draft Red Herring Prospectus, Escrow Collection Banks, Bankers to the Offer, Bankers/ Lenders to our Company, IRR Advisory Services Pvt Ltd, Company Secretary and Compliance Officer as referred to in their specific capacities.
10. Due Diligence Certificate dated July 4, 2016 addressed to SEBI from the BRLM.
11. In-principle listing approvals dated [•], 2016 and [•], 2016 issued by the BSE and the NSE respectively.
12. Tripartite Agreement between NSDL, our Company and the Registrar to the Offer dated May 12, 2016, 2016.
13. Tripartite Agreement between CDSL, our Company and the Registrar to the Offer dated May 4, 2016. 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, 2013 and other relevant statutes.

## **DECLARATION**

I , P. Sundarapariipooranan, hereby declare and certify that all statements made, and undertakings provided, in this Draft Red Herring Prospectus about or in relation to myself and the Equity Shares being offered by me in the Offer are true and correct. I assume no responsibility for any of the statements made, or undertakings provided by the Company or any other Selling Shareholder or any expert or any other persons in this Draft Red Herring Prospectus.

**Signed By P. Sundarapariipooranan**

**Date:** July 4, 2016

**Place:** Chennai

## **DECLARATION**

I, P Murali, hereby declare and certify that all statements made, and undertakings provided, in this Draft Red Herring Prospectus about or in relation to myself and the Equity Shares being offered by me in the Offer are true and correct. I assume no responsibility for any of the statements made, or undertakings provided by the Company or any other Selling Shareholder or any expert or any other persons in this Draft Red Herring Prospectus.

**Signed by Dr. P. Murali**

**Date:** July 4, 2016

**Place:** Chennai

## **DECLARATION**

I , V. A. Deepa, authorised representative of Avon Cycles Limited, , hereby declare and certify that all statements made, and undertakings provided, in this Draft Red Herring Prospectus about or in relation to Avon Cycles Limited and the Equity Shares being offered by it in the Offer are true and correct. Avon Cycles Limited assume no responsibility for any of the statements made, or undertakings provided by the Company or any other Selling Shareholder or any expert or any other persons in this Draft Red Herring Prospectus.

Signed by V.A. Deepa  
On behalf of Avon Cycles Limited

**Date:** July 4, 2016  
**Place:** Chennai

## **DECLARATION**

I , R. Srinivasan, hereby declare and certify that all statements made, and undertakings provided, in this Draft Red Herring Prospectus about or in relation to myself and the Equity Shares being offered by me in the Offer are true and correct. I assume no responsibility for any of the statements made, or undertakings provided by the Company or any other Selling Shareholder or any expert or any other persons in this Draft Red Herring Prospectus.

Signed By R. Srinivasan,

**Date:** July 4, 2016

**Place:** Chennai

## **DECLARATION**

I, Mallika Murali, hereby declare and certify that all statements made, and undertakings provided, in this Draft Red Herring Prospectus about or in relation to myself and the Equity Shares being offered by me in the Offer are true and correct. I assume no responsibility for any of the statements made, or undertakings provided by the Company or any other Selling Shareholder or any expert or any other persons in this Draft Red Herring Prospectus.

**Signed by Mallika Murali**

**Date:** July 4, 2016

**Place:** Chennai

## **DECLARATION**

We, the Directors, hereby declare and certify that all relevant provisions of the Companies Act (including the rules made thereunder) and the rules, regulations, and guidelines issued by the Government of India or the SEBI, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules, regulations, and guidelines made thereunder, as the case may be. We further certify that all the statements and disclosures in this Draft Red Herring Prospectus are true and correct.

**Mr. N. Gopalaswami**  
Chairman

**Dr. P. Murali**  
Managing Director

**Mr. E. S. Chandrasekaran**  
Executive Director

**Dr. P. Perumalsamy**  
Non- Executive Independent Director

**Mrs. Lakshmi V Iyer**  
Non- Executive Independent Director

Signed by Chief Financial Officer  
**Mr. E. Mullaivalavan**

**Date:** July 4, 2016

**Place:** Chennai