



EARUM PHARMACEUTICALS LIMITED
Corporate Identity Number: U24230GJ2012PLC071299

Our Company was originally incorporated as "Earum Pharmaceuticals Private Limited" on July 26, 2012 vide Registration no. 071299 (CIN: U24230GJ2012PTC071299) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on January 10, 2019, our company was converted into a Public Limited Company and consequently the name of our Company was changed from "Earum Pharmaceuticals Private Limited" to "Earum Pharmaceuticals Limited" vide a fresh Certificate of Incorporation dated January 23, 2019 issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company post conversion is U24230GJ2012PLC071299. For further details please refer to chapter titled "History and Certain Corporate Matters" beginning on page 92 of this Draft Prospectus.

Registered Office: G1, Ground Floor, V R Complex, Near Sanathal Cross Road, SP Ring Road, Sanathal, Ahmedabad, Gujarat-382210, India

Corporate Office: A-1106, Empire Business Hub, Nr. AUDA Water Tank, Science City Road, Sola, Ahmedabad 380060, Gujarat, India.

Contact Person: Mr. Parsotam Kantilal Purohit, Company Secretary & Compliance Officer **Tel No:** +91-79-48402525

E-mail: cs@earumpharma.com ; **Website:** <https://www.earumpharma.com>

Promoters of Our Company: Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel

THE ISSUE

INITIAL PUBLIC OFFER OF 18,48,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF EARUM PHARMACEUTICALS LIMITED ("OUR COMPANY" OR "EPL" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HERE IN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 29.96% AND [●] % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER "ISSUE PROCEDURE" ON PAGE 181 OF THIS DRAFT PROSPECTUS.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 181 of this Draft Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 181 of this Draft Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 68 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares Issued through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, as amended from time to time. Our Company has received an approval letter dated [●] from BSE Limited ("BSE") for using its name in the Offer Document for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE")

LEAD MANAGER TO THE ISSUE

 **Hem Securities Ltd.**

HEM SECURITIES LIMITED
904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, India
Tel. No.: +91- 022- 49060000 **Fax No.:** +91- 022- 22625991
Website: www.hemsecurities.com
Email: ib@hemsecurities.com
Investor Grievance Email: redressal@hemsecurities.com
Contact Person : Mr. Anil Bhargava
SEBI Regn. No. INM000010981

REGISTRAR TO THE ISSUE

 **Bigshare Services Pvt. Ltd.**

BIGSHARE SERVICES PRIVATE LIMITED
Address:- 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai - 400059
Tel No.: +91-022-62638200 **Fax No.:** +91-022-62638299
Website: www.bigshareonline.com
Email: ipo@bigshareonline.com
Contact Person: Mr. Ashok Shetty
SEBI Regn. No.: INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1992(“ SCRA”), the Depositories Act or the rules and regulations made there under.

Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on pages 71, 112 and 202 respectively, shall have the meaning ascribed to such terms in such sections.

General Terms

Terms	Description
“EPL”, “the Company”, “our Company”, “Issuer” and “Earum Pharmaceuticals Limited”	Earum Pharmaceuticals Limited, a Company incorporated in India under the Companies Act, 1956, having its Registered office at G1, Ground Floor, V R Complex, Near Sanathal Cross Road, SP Ring Road, Sanathal, Ahmedabad, Gujarat 382210, India
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
“you”, “your” or “yours”	Prospective investors in this Issue

Company related and Conventional terms

Term	Description
AOA / Articles / Articles of Association	Articles of Association of Earum Pharmaceuticals Limited as amended from time to time.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 as described in the chapter titled “Our Management” beginning on page 95 of this Draft Prospectus
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s J M Patel & Bros. Chartered Accountants (Firm Registration No. as 107707W)
Bankers to our Company	State Bank of India
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “Our Management” beginning on page 95 of this Draft Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Ms. Ashna Sangwan.
CIN	Corporate Identification Number
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Mr. Parsotam Kantilal Purohit.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository’s Participant’s Identity Number
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of the Company of Face Value of ₹ 10/- each unless otherwise specified in the

	context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
GIR Number	General Index Registry Number.
Group Companies	Such Companies as are included in the Chapter titled “Our Group Company” beginning on page 163 of this Draft Prospectus.
HNI	High Networth Individual
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see “Our Management” on page 95 of this Draft Prospectus.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	International Securities Identification Number. In this case being INE060601015.
IT Act	The Income Tax Act, 1961 as amended till date
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled “Our Management” on page 95 of this Draft Prospectus.
LLP	Limited Liability Partnership
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on April 02, 2019, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Earum Pharmaceuticals Limited as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled “Our Management” beginning on page 95 of this Draft Prospectus.
Non-Executive Director	A Director not being an Executive Director.
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Promoter(s)	Shall mean promoters of our Company i.e. Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel. For further details, please refer to section titled “Our Promoters & Promoter Group” beginning on page 106 of this Draft Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section “Our Promoters and Promoter Group” beginning on page 106 of this Draft Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The registered office of our Company situated at G1, Ground Floor, V R Complex, Near Sanathal Cross Road, SP Ring Road, Sanathal, Ahmedabad Gujarat 382210, India.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Statements	The Restated Financial statements of our Company’s Assets and Liabilities as at December 31, 2018, March 31 2018, 2017 and 2016 and the restated statements of profit and loss and cash flows for the period ended December 31, 2018, March 31, 2018, 2017 and 2016 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI(ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Registrar of Companies, Ahmedabad.

SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR) Regulations	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled " Our Management " beginning on page 95 of this Draft Prospectus.
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited (SME Platform).
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel

Issue Related Terms

Terms	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of Allotment sent to successful Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue to the successful Applicants.
Allottee(s)	The successful Applicant to whom the Equity Shares are allotted
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares in terms of the Draft Prospectus/ Prospectus.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Draft Prospectus.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by an ASBA Bidder to make an application authorizing an SCSB to block the application amount in the specified bank account maintained with such SCSB including the bank account linked with UPI ID.
ASBA Account	A Bank Account linked with or without UPI ID, maintained by the Applicant/Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the Applicant/Investor.
Bankers to the Issue/ Sponsor Bank	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [●].
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Applicants under the Issue and

	which is described under the Chapter titled " Issue Procedure " beginning on page 181 of this Draft Prospectus.
Broker Centre	A broker centre of the Stock Exchanges with broker terminals, wherein a Registered Broker may accept Bid-cum-Application Forms, a list of which is available on the websites of the Stock Exchanges.
Business Day	Monday to Friday (except public holidays)
CAN/ Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 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 the SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the Applicants' father/husband, investor status and occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the Stock Exchange.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Form, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time
Designated Branches	Such branches of the SCSBs which shall collect the Bid-cum-Application Forms used by the ASBA Applicants, a list of which is available on the website of SEBI at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the 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 Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated Date	The date on which funds will be transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, and instructions for transfer of the amount blocked by the SCSB from the bank account of the ASBA Applicant to the Public Issue Account are provided, after the Prospectus is filed with the RoC.
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	[●]
Designated Stock Exchange	BSE Limited (SME Platform)
DP	Depository Participant
DP ID	Depository Participant's Identity number
Draft Prospectus	This Draft Prospectus dated April 09, 2019 prepared in accordance with the SEBI (ICDR) Regulations, 2018 and Companies Act, 2013
Eligible NRI	The NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the Equity Shares.
Equity Shares	Equity Shares of our Company of face value of ₹ 10.00 each
Electronic Transfer of Funds	Refunds through NACH, ECS, NEFT, Direct Credit or RTGS as applicable.

Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the issue and in relation to whom the Draft Prospectus constitutes an invitation to purchase the Equity Share Issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
FII/ Foreign Institutional Investor	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable law in India.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 notified by the SEBI and available on the website of BSE and AIBI
HSL	Hem Securities Limited
IPO	Initial Public Offering
Issue / Public Issue / Issue size / Initial Public Issue/ Initial Public Offer / Initial Public Offering / IPO	The Public Issue of 18,48,000 Equity shares of ₹ 10/- each at issue price of [●] per Equity share aggregating to ₹ [●]
Issue Opening Date	The date on which Issue opens for subscription. In this case being [●]
Issue Closing Date	The date on which Issue closes for subscription. In this case being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective Investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company under the Prospectus being Rs. [●] per Equity Share of face value of Rs.10 each fully paid up.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled " Objects of the Issue " at page 64 of this Draft Prospectus
Issue Agreement	The Agreement dated April 01, 2019 between our Company and the Lead Manager, Hem Securities Limited.
Listing Agreement/ Equity Listing Agreement	The Listing Agreement to be signed between our Company and BSE Limited (BSE)
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited (HSL).
Mandate Request	Mandate request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case [●] is the sole Market Maker
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹ 10 each at an Issue price of [●] each aggregating up to Rs. [●] Lakh to be subscribed by Market Maker in this issue.
Market Making Agreement	The Market Making Agreement dated [●] between our Company and Market Maker, [●]
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of ₹10 each at a price of [●] per Equity Share (the " Issue Price ") aggregating up to [●] lakhs.
Net Proceeds	The proceeds of the Issue less the Issue related expenses. For further information about use of Issue Proceeds and the Issue expenses, please refer to section titled " Objects of the Issue " beginning on page 64 of this Draft Prospectus.
Non-Institutional Investors /	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity

Applicant	Shares of a value of more than ₹ 2,00,000/-
Other Investor	Investors other than Retail Individual Investors. These include individual Applicant(s) other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The prospectus to be filed with the Registrar of Companies, Ahmedabad in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI (ICDR) Regulations, containing amongst other things, the Issue Price as determined before filing the Prospectus with ROC.
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of ₹ 25.00 Crore; 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, 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.
Registered Broker	Individuals or companies registered with SEBI as “ Trading Members ” (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.bseindia.com
Registrar Agreement	The agreement dated April 01, 2019 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfers Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Location in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 Issued by SEBI
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Bigshare Services Private Limited
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s)
Specified Securities	Equity Shares are being offered through this Draft Prospectus.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time
SEBI(PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Self-Certified Syndicate	Banks which are registered with SEBI under the Securities and Exchange Board of India

Bank(s) / SCSB(s)	(Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
SME Exchange/ Platform	SME Platform of BSE Limited
Specified Locations	Bidding centers where the Syndicate shall accept ASBA Forms from Applicants
Transaction Registration Slip/ TRS	The slip or document issued by the member(s) of the Syndicate to the Applicant as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended from time to time
Underwriters	[●] who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated [●] between the Underwriters [●] and our Company.
UPI	UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request / Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI PIN	Password to authenticate UPI transaction
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter	Wilful Defaulter is defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018, means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
Working Day	All days, other than second and fourth Saturday of a month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical and Industry Related Terms

Term	Description
ACA	The Affordable Care Act
ACOs	Accountable Care Organizations
AIIMS	All India Institute of Medical Sciences
ANDAs	Abbreviated New Drug Applications
API	Active Pharmaceutical Ingredient
ARVs	Antiretrovirals
DMFs	Drug Master Files
EDQM	European Directorate for the Quality of Medicines
FPP	Finished Pharmaceutical Product
GCP	Good Clinical Practice
GLP	Good Laboratory Practice
GMP	Good Manufacturing Practice

HIV	Human Immunodeficiency Virus
IP	Indian pharmacopoeia
IPA	Indian Pharmaceutical Association
ISPE	International Society for Pharmaceutical Engineering
R&D	Research and development
FDA	The Food and Drug Administration
PIC/S	The Pharmaceutical Inspection Co-operation Scheme
WHO	World Health Organization
MRP	Maximum Retail Price
OHSAS	Occupational Health and Safety Assessment Series
R&D	Research and Development
Sq. Ft.	Square Feet
U.S.	Unites States of America
USFDA	US Food and Drug Administration

Abbreviations

Abbreviation	Full Form
₹ / ₹/ Rupees/ INR	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as the Bombay Stock Exchange Limited)
BSE SENSEX	Sensex is an index; market indicator of the position of stock that is listed in the BSE
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CAD	Canadian Dollar
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer

CSR	Corporate Social Responsibility
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities

IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
BSE	BSE Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity

R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
UIN	Unique identification number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, ()	Represent Outflow

The words and expressions used but not defined in this Draft Prospectus will have the same meaning as assigned to such terms under the Companies Act, 1956 & Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

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

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

Certain Conventions

All references in the Draft Prospectus to “India” are to the Republic of India. All references in the Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Use of Financial Data

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Prospectus is derived from our financial statements prepared and restated for the period ended 31st December 2018 and financial year ended 31st March 2018, 2017 and 2016 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 112 of this Draft Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018 as stated in the report of our Statutory Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 112 of this Draft Prospectus. There are no subsidiaries of our Company as on date of the Draft Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

For additional definitions used in this Draft Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 202 of the Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

Use of Industry & Market Data

Unless stated otherwise, industry and market data and forecast used throughout the Draft Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled “*Basis for Issue Price*” on page 68 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

Currency of Financial Presentation

All references to “Rupees” or “INR” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “*Industry Overview*” throughout the Draft Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” on page 20, 80 and 147 respectively in this Draft Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

The Draft Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

FORWARD LOOKING STATEMENTS

This Draft Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Fluctuations in operating costs;
3. Changes in consumer demand;
4. Failure to successfully upgrade our product portfolio, from time to time;
5. any change in government policies resulting in increases in taxes payable by us;
6. our ability to retain our key managements persons and other employees;
7. Changes in laws and regulations that apply to the industries in which we operate.
8. our failure to keep pace with rapid changes in technology;
9. our ability to grow our business;
10. our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
11. general economic, political and other risks that are out of our control;
12. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. Company’s ability to successfully implement its growth strategy and expansion plans ;
14. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
15. inability to successfully obtain registrations in a timely manner or at all;
16. occurrence of Environmental Problems & Uninsured Losses;
17. conflicts of interest with affiliated companies, the promoter group, group Companies and other related parties;
18. any adverse outcome in the legal proceedings in which we are involved; and
19. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”; “*Our Business*” & and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 20, 80 and 147 respectively of the Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the LM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

SECTION II – SUMMARY OF DRAFT PROSPECTUS

A. OVERVIEW OF BUSINESS

Incorporated in the year 2012, Our Company is engaged in the pharmaceutical business involving marketing, trading and distribution of wide range of pharmaceutical formulation products such as anti-biotic drugs, anti-malarial drugs, anti-allergic & anti cold drugs, analgesic/ anti-pyretic & anti inflammatory drugs, dermatology products, cerebral activator drugs, neurological drugs, gastro intestinal drugs, steroids, gynecology drugs, calcium, multivitamins, anti-oxidants and injections. As on date of Draft Prospectus, we offer around 125 pharmaceutical formulation products, of which around 24 products are marketed by us under our own brand name, the manufacturing of which is outsourced by us to third parties.

OVERVIEW OF THE INDUSTRY

Indian Pharmaceutical Industry

The Indian pharmaceutical industry has contributed immensely not just to Indian but to global healthcare outcomes. India continues to play a material role in manufacturing various critical, high - quality and low - cost medicines for Indian and global markets. It supplies 50 to 60% of global demand for many vaccines (including ARVs), 40% of generics consumed in the US and 25% of all the medicines dispensed in the UK. Over the last 5 years, 35 to 38% of total ANDAs approved (including 25 to 30 percent of total injectable ANDAs) have been filed from Indian sites.

B. PROMOTERS

Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel are the Promoters of our Company.

C. DETAILS OF THE ISSUE

This is an Initial Public Fresh Issue of 18,48,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating up to Rs. [●] lakhs (“The Issue”), out of which [●] Equity Shares of face value of Rs. 10 each for cash at a price of [●] per Equity Share aggregating up to Rs. [●] lakhs will be reserved for subscription by the market maker to the issue (the "Market Maker Reservation Portion"). The Issue less Market Maker Reservation Portion i.e. Issue of up to [●] Equity Shares of face value of Rs. 10 each, at an issue price of Rs. [●] per Equity Share for cash, aggregating up to Rs. [●] lakhs is hereinafter referred to as the "Net Issue". The Public Issue and Net Issue will constitute [●]% and [●]% respectively of the post- issue paid-up Equity Share capital of our Company.

D. OBJECTS OF THE ISSUE

Our Company intends to utilize the Proceeds of the Issue to meet the following objects:-

S. No	Particulars	Amt (Rs. in lakhs)
1.	Working Capital requirement	[●]
2.	General Corporate Purpose	[●]
3.	To meet Issue Expenses	[●]
	Total	[●]

E. PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

Our Promoters and Promoter Group collectively holds 43,19,882 equity shares of our Company aggregating to 99.99% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Draft Prospectus:-

Sr. No	Names	Pre IPO	
		Shares Held	% Shares Held
	Promoters		

1.	Mr. Bhumishth Narendrabhai Patel	17,51,330	40.54
2.	Mrs. Payal Bhumishth Patel	17,51,330	40.54
	Sub Total (A)	35,02,660	81.08
	Promoter Group		
1.	Mr. Narendrakumar Gangaramdas Patel	408,590	9.46
2.	Mrs. Sushilaben Narendrakumar Patel	408,618	9.46
3.	Auxilia Pharmaceuticals Private Limited	14	0.00
	Sub Total (B)	817,222	18.92
	Grand Total (A+B)	43,19,882	100.00

F. SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the period ended December 31, 2018 and financial years ended on March 31, 2018, 2017 and 2016:

Particulars	Amt. (Rs. in lakhs)			
	December 31, 2018	March 31, 2018	March 31, 2017	March 31, 2016
Share Capital	30.86	30.86	10.74	10.74
Net Worth	507.59	421.08	152.58	136.59
Revenue	3,450.35	3,584.65	2,369.27	1,863.00
Profit after tax	86.51	85.65	15.98	9.76
Earnings per Share (based on Weighted Average Number of Shares and after taking effect of bonus shares issued on April 09, 2019)	2.00	3.50	1.06	0.88
Net Asset Value per Share (based on Actual Number of Shares)	164.50	136.46	142.03	127.15
Total Borrowings	789.24	722.71	208.27	189.76

G. AUDITOR QUALIFICATIONS

The Statutory Auditor's Report does not contain any qualification which requires any adjustment in the restated financial statements.

H. SUMMARY OF OUTSTANDING LITIGATIONS

Our Company is involved in certain legal proceedings. A brief detail of such outstanding litigations as on the date of this Draft Prospectus are as follows:

Litigations/Matters against our Company:-

Nature of Cases	No. of Outstanding Cases	Amount Involved (in ₹ Lacs)
Negotiable Instruments Act, 1881	1	(See Note Below)
Direct tax Matters	2	16.36
Indirect tax Matters	1	Not determined

Note:- The liability amount of case made under Negotiable Instruments Act, 1881 against our Company by Mr. Rakesh Kumar Karshandas Shiroya Partner of H.D. Pharmachem could not be determined, as case documents are not available with us.

Litigations filed by our Company:-

Nature of Cases	No. of Outstanding Cases	Amount Involved (in ₹ Lacs)
Negotiable Instruments Act, 1881	1	13.46

For further details of Statutory or legal proceedings involving our Company, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page 156 of this Draft Prospectus.

I. RISK FACTORS

For details on the risks involved in our business, please see the Chapter titled “*Risk Factors*” beginning on page 20 of the Draft Prospectus.

J. SUMMARY OF CONTINGENT LIABILITIES

Following is the summary of the Contingent Liabilities of the Company for the period ended on December 31, 2018 and financial years ended on March 31, 2018, 2017 and 2016:-

Particulars	For the period ended on December 31, 2018	For the year ended on		
		March 31, 2018	March 31, 2017	March 31, 2016
Claims against the company not acknowledged as debts (Income tax Appeal (disputed demand) for A.Y. 2016-17 and TDS Defaults)	16.36	-	-	-

For further details on the Contingent Liabilities, please see the Annexure XXXII under Chapter titled “*Financial Information of the Company*” beginning on page 112 of the Draft Prospectus.

K. SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related party transactions entered by the Company for the period ended on December 31, 2018 and financial years ended on March 31, 2018, 2017 and 2016:-

List of Related parties

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Sr. No.	Name of the Person / Entity	Relation
1	Mr. Bhumishth Narendrabhai Patel	Managing Director
2	Mrs. Payal Bhumishth Patel	Whole Time Director
3	Mr. Narendrakumar Gangaramdas Patel	Relative of Director
4	Mrs. Sushilaben Narendrakumar Patel	Relative of Director
5	M/s Shivam Chemist	Firm in which Directors/ relatives of Directors are interested
6	M/s Arvind Traders	Firm in which Directors/ relatives of Directors are interested
7	Narendrakumar Gangaramdas Patel HUF	Firm in which Directors/ relatives of Directors are interested
8	M/s Devita Healthcare	Firm in which Directors/ relatives of Directors are interested

a) Transactions with related parties

(₹ In Lakhs)

Nature of Transactions	For the period ended Dec. 31, 2018	For the Year Ended		
		31-03-18	31-03-17	31-03-16
Remuneration Paid to Directors				
Mr. Bhumishth Narendrabhai Patel	7.20	11.20	6.98	15.57
Mrs. Payal Bhumishth Patel	7.20	11.20	6.98	
Purchase				
M/s Arvind Traders	-	421.28	341.09	-

M/s Devita Healthcare	12.43			1.53
M/s Shivam Chemist		178.73		
Narendra Patel HUF		3.89		
Sales				
M/s Shivam Chemist			0.28	
Sales Commission				
Mr. Narendrakumar Gangaramdas Patel				2.7
Mrs. Sushilaben Narendrakumar Patel				1.2
Loans Received				
Mr. Bhumishth Narendrabhai Patel	118.16	145.07	94.46	50.43
Mrs. Payal Bhumishth Patel	24.34	10.09	25.89	33.47
Mr. Narendrakumar Gangaramdas Patel	30.25	45.25	68.34	30.35
Mrs. Sushilaben Narendrakumar Patel			45.70	5.15
Loans Repaid/ Given				
Mr. Bhumishth Narendrabhai Patel	26.98	218.66	81.14	49.81
Mrs. Payal Bhumishth Patel	22.00	25.14	13.42	32.52
Mr. Narendrakumar Gangaramdas Patel	30.12	45.75	109.30	26.58
Mrs. Sushilaben Narendrakumar Patel	-	6.47	48.52	0.43
Balances at the end of year (LOAN)				
Payables/ (Receivables)				
Mr. Bhumishth Narendrabhai Patel	41.53	(49.65)	23.94	10.62
Mrs. Payal Bhumishth Patel	6.67	4.33	19.38	6.91
Mr. Narendrakumar Gangaramdas Patel	(37.56)	(37.69)	(37.19)	3.77
Mrs. Sushilaben Narendrakumar Patel	(4.57)	(4.57)	1.90	4.72

L. DETAILS OF FINANCING ARRANGEMENTS

There are no financing arrangements whereby the promoters, members of the promoter group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Prospectus

M. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS

During the preceding one year from the date of the Draft Prospectus, our Promoters, Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel has been allotted 16,26,235 Equity Shares each, pursuant to bonus issue of Equity Shares made by the Company on April 09, 2019. Since the bonus allotment does not involve any consideration, the weighted average price of such Equity Shares is "Nil".

N. AVERAGE COST OF ACQUISITION OF SHARES

The average cost of acquisition of Equity Shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1	Mr. Bhumishth Narendrabhai Patel	17,51,330	6.53
2.	Mrs. Payal Bhumishth Patel	17,51,330	6.53

O. PRE IPO PLACEMENT

Our Company is not considering any pre-IPO placement of equity shares of the Company.

P. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Our Company has not issued any Equity Shares for consideration other than cash during last one year from the date of this Draft Prospectus.

Q. SPLIT/ CONSOLIDATION OF EQUITY SHARES

Our Company has not done any split or consolidation of Equity Shares during the last one year from the date of this Draft Prospectus.

SECTION III: RISK FACTORS

*An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 112, 80 and 147 respectively of this Draft Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Materiality

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

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

Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

*In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “**Risk Factors**” on page 20 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 147 of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “**Audited Financial Statements, as restated**” prepared in accordance with the Indian Accounting Standards*

- 1. We do not have our own manufacturing facility and we have to rely on third parties for procuring pharmaceutical products sold by our Company.*

We are a pharmaceutical company engaged in marketing, trading and distribution of wide range of pharmaceutical formulation products. As on date of Draft Prospectus, we do not have our own manufacturing facility, and we have to rely on third parties for manufacturing the formulation products, which are marketed by us under our own brand names. Any decline in the quality of products manufactured by third parties or delay in delivery of products by such parties, may adversely affect our operations. Further there can be no assurance that such parties shall continuously provide their products to us or would not cater to demand of our competitors. Any withdrawal of services from such manufacturers or supply of services to competitors at better rates may adversely affect our result of operations and future prospects.

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

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

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

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

- 3. *Significant portion of our revenue is generated from few of our key clients. The loss of any such key clients, significant reduction in the demand for our services from such clients or deterioration in their financial condition may adversely affect our business, financial condition, result of operations and cash flows.***

We derive and may continue to derive a significant portion of our revenue from a relatively limited number of clients. During the nine months period ended December 2018 and fiscal year ended 2018, we derived 95.51% and 76.64% of our total revenue (including taxes) respectively from our top five clients. Significant dependence on certain clients may increase the potential volatility of our results of operations, if we are unable to expand the volumes of our business with our existing clients, maintain our relationship with our key clients or diversify our client base. Further, any significant reduction in demand for our products from our key clients, any requirement to lower the price offered by these clients, or any loss or financial difficulties caused to these clients, or bad debts of the dues from these clients, or change in relationship with the clients could have a material adverse effect on our business, result of operations, financial conditions and cash flow.

We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change as we strive to add new customers in the normal course of business. While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods, or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

- 4. *Our trading activities are exposed to fluctuations in the prices of materials. Further, Our Company has no formal supply agreement or contract with our vendors/suppliers for the uninterrupted supply of traded or marketed goods. Our business may be adversely affected if there is any disruption in the supply of traded or marketed goods.***

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

Our top five suppliers for the period ended Dec.'18 and F.Y. 2017-18 constituted approximately 96% and 61% of our total purchases (including taxes) for the respective periods. We do not have any formal agreements with our vendors/suppliers as we operate on a purchase

order system. Due to the absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations. In the event of any disruption in the goods supply or the non-availability of goods, the purchase and distribution schedule may be adversely affected impacting the sales and profitability of the Company. In the event the prices of such goods were to rise substantially, we may find it difficult to make alternative arrangements for supplies of our goods, on the terms acceptable to us, which could materially affect our business, results of operations and financial condition.

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

Being a pharmaceutical company, we operate in an industry which is highly regulated and controlled. There are stringent and restrictive norms in relation to quality standards. We expect to be or continue to be subject to extensive and increasingly stringent laws and regulations such as The Drugs and Cosmetics Act, 1940, The Drugs and Cosmetics Rules, 1945 etc. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being initiated against us, third party claims or the levy of regulatory fines, which may adversely affect our business, results of operations and financial condition. Further amendments to such statutes may impose additional provisions to be followed by our Company and accordingly our Company may need to discontinue any range of product, incur damages, payment of fines or other penalties, other liabilities and related litigation, which could adversely affect our business, prospects, financial condition and results of operations.

Further, Our Company is yet to apply for registration under Gujarat Shop & Establishment Act, 1948 for our registered office and corporate office situated at Ahmedabad. Any failure to apply for and obtain the required consents and registrations or any cognizance being taken by the concerned authorities for non registration could result in levy of penalties and other legal proceedings which may adversely affect our business, financial condition, results of operations and prospects.

Further, pursuant to conversion into Limited Company, the name of our Company has been changed from “Earum Pharmaceuticals Private Limited” to “Earum Pharmaceuticals Limited” subsequently to which we need to apply for change in name in all our registrations and statutory approvals which are in previous name of our Company. Also, we need to change address in some of our registration certificates pursuant to change in address of Registered Office & Corporate Office of our Company. Any delay or failure to do so could have an adverse effect on our business and results of operations.

For further details, please refer to Chapter titled “**Government and Other Approvals**” beginning on page 160 of the Draft Prospectus.

- 6. Our company has not complied with certain statutory provisions of the Companies Act. Such non-compliance may attract penalties and prosecution against our Company and its Directors which could impact the financial position of us to that extent.**

Our Company has not complied with certain statutory provisions under the Companies Act 2013, such as:-

- Our Company in the past has not filed certain ROC forms such as MGT-14 for special resolution passed by the Company to raise loan from Directors with an option attached to convert such loan into equity shares, ADT-1 for appointment of Statutory Auditor, ADT-3 for resignation of Statutory Auditor, however, the requisite resolutions has been passed by our Company. Further, our Company has not complied with the provision of Section 139(1) regarding the appointment of auditor for a consecutive period of 5 years.
- Our Company in the past has inadvertently advanced loan to Directors/ relatives of Directors which is non compliance of Section 185 of the Companies Act, 2013. As per Restated Financial Statements, such advance amount stands at Rs. 42.13 lakhs as on December 31, 2018.
- Our Company has not complied with section 42(6) of the Companies Act, 2013 regarding share application money to be kept in separate bank account for share allotment made on February 21, 2018.
- Our Company in the past has inadvertently borrowed certain amount which is termed as deposits under the purview of Section 73 of Companies Act, 2013. However the same have been repaid and there are no such deposits outstanding as on December 31, 2018

- There are few discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies, which inter-alia includes erroneous selection of category of Directors in Form 32 at the time of incorporation, inadequate disclosure on letterheads of the Company as per Section 12 of the Companies Act, 2013 etc.
- Our Company has not fully complied with some Accounting Standards such as AS-18 & AS-22 in the past. However, now the Company has made necessary compliance in the restated financial statements of the Company. Further, vehicle appearing in our books of accounts having written down value as Rs. 8.18 lakhs is registered in the name of our Director/Promoter, and our Company has entered into a Vehicle Purchase Agreement with such Director for using such vehicle.
- In the past, Our Company has appointed Mrs. Komalben Vashishthbhai Patel as Additional Independent Director in the Board meeting dated December 14, 2018 who at the time of appointment was not qualified to be Independent Director by virtue of Section 149(6) of the Companies Act, 2013; however, later on she resigned from the Company on March 05, 2019.

Further, there are certain forms which are filed with delayed fees in the past. Although, no show cause notice has been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its directors, in which event the financials of the Company and its directors shall be affected.

7. *There are certain outstanding legal proceedings filed against Our Company. Any failure to defend these proceedings successfully may have an adverse effect on our business prospects, financial condition and result of ongoing operations and reputation.*

Our Company is involved in certain outstanding legal proceedings/matters which if determined, against us could have adverse impact on the business and financial results of our Company. For details kindly refer chapter titled “*Outstanding Litigation and Material Developments*” on page 156 of this Draft Prospectus. A brief detail of such outstanding litigations as on the date of this Draft Prospectus are as follows:

Litigations/Matters against our Company:-

Nature of Cases	No. of Outstanding Cases	Amount Involved (in ₹ Lacs)
Negotiable Instruments Act, 1881	1	(See Note Below)
Direct tax Matters	2	16.36
Indirect tax Matters	1	Not determined

Note:- The liability amount of case made under Negotiable Instruments Act, 1881 against our Company by Mr. Rakesh Kumar Karshandas Shiroya Partner of H.D. Pharmachem could not be determined, as case documents are not available with us.

Litigations/Matters filed by our Company:-

Nature of Cases	No. of Outstanding Cases	Amount Involved (in ₹ Lacs)
Negotiable Instruments Act, 1881	1	13.46

For further details of Statutory or legal proceedings involving our Company, please refer to the chapter titled “*Outstanding Litigation and Material Developments*” on page 156 of this Draft Prospectus.

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

Any deficiency in the pharmaceutical products marketed by us, could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity. Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including any mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

9. *We have not entered into long-term contracts with our majorly customers and typically operate on the basis of purchase orders, which could adversely impact our revenues and profitability.*

We generate sales generally by our continuing relationships with our customers as we do not enter in any long-term contract with our customers. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations. Although we believe that we have satisfactory business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

10. *Any delay or default in payment from our customers could result in the reduction of our profits and affect our cash flows.*

Our operations involve extending credit, ranging typically from 110 to 150 days to our customers in respect of our sales. For the nine months period ended December 31, 2018 and Fiscal Years ended 31st March 2018 our trade receivables were Rs. 14.59 crores and Rs. 10.89 crores respectively, which constituted 42.3% and 30.73% respectively of our revenues from operations as per Restated Financial Statements. Further, as stated in the Notes to the Restated Financial Statements, the balance appearing of our trade receivables and trade payables in the restated financial statements are subject to confirmation by the respective parties. Consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Accordingly, we had and may continue to have high levels of outstanding receivables. In case of any delay or default is made in payment by our Customers or if our management fails to accurately evaluate the credit worthiness of our customers, the same may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in case of increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

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

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

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

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

13. *Our Promoter Group Entity is engaged in the line of business similar to our Company. There are no non - compete agreements between our Company and such Promoter Group Entity. We cannot assure that our Promoter will not favour the interests of such entity over our interest or that the said entities will not expand, which may increase our competition and may adversely affect business operations and financial condition of our Company.*

Our Promoter Group Entity namely, Auxilia Pharmaceuticals Private Limited and Salus Life Science and Research Private Limited are engaged in similar line of business as of our Company. We have not entered into any non compete agreement with the said entity. We cannot assure that our Promoter who has common interest in said entity will not favour the interest of the said entity. As a result, conflicts of interests can arise on account of common suppliers/customers and in allocating business opportunities amongst our Company and our Promoter Group entity in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other entity/entities in which our Promoter has interests. There can be no assurance that our Promoter or our Promoter Group entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their

interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

14. We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.

Our success heavily depends upon the continued services of our Key managerial personnel, along with support of our Promoters. We also depend significantly on our Key Managerial Persons for executing our day to day activities. The loss of any of our Promoter and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section **“Our Management”** on page 95 of this Draft Prospectus.

15. Our Promoters, Directors and Key Management Personnel have interest in our Company, other than reimbursement of expenses incurred or remuneration.


Our Promoters, Directors and Key Management Personnel can be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement, or loans advanced, lease rent for properties given on rent by them to the Company and personal guarantee, provided by them for the Company, and benefits deriving from the directorship in our Company. Our Promoters are interested in the transactions entered into our Company and our Promoter Group. For further information, please refer to the chapters/section titled **“Our Business”**, **“Our Promoter and Promoter Group”** and **“Annexure W - Related Party Transactions”**, beginning on pages 80, 106 and 140 respectively of this Draft Prospectus.


16. We do not own our Registered office and Corporate Office from which we carry out our business activities. Any termination or dispute in relation to these rental agreements may have an adverse effect on our business operations and results thereof.

We do not own the Registered Office and Corporate Office from which we operate. The said offices are taken by us on lease basis. As per the leave & licence agreements, non-payment or default in payment of rentals or violation of any term of rent agreement may require us to vacate the said premises which may cause disruption in our corporate affairs and business and impede our effective operations and thus adversely affect our profitability. We also cannot assure that lessor will not terminate the rental agreement prior to expiry or at the time of expiry of the agreement, which would require us to locate to another premise and may have an adverse effect on conducting our business operations. For further details regarding the premises, please refer to chapter **“Our Business”** on page 80 of this Draft Prospectus.

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

Some of our agreements such as leave and licence agreements entered by us for Registered and Corporate Office, vehicle purchase agreement and loan agreement entered in the past with our Directors have irregularities of enforceability, such as non registration and inadequate payment of stamp duty which may affect the evidentiary value of the relevant lease or license agreements in specific performance or other injunctive procedures in a court of law, and could impair our operations. Further, it may result in levy of penal charges, in case cognizance being taken by concerned Authorities. In the event of any dispute arising out of such unstamped and/or unregistered agreements, we may not be able to effectively enforce our rights arising out of such agreements which may have a material adverse impact on our business.

18. Our Company’s logo  is not registered under Trade Marks Act, 1999, as on date of Draft Prospectus. We may be unable to adequately protect our intellectual property.

As on date of Draft Prospectus, we have not registered our logo  under the Trade Marks Act, 1999, hence, we do not enjoy the statutory protections accorded to a registered logo. Further, our Company is in use of 4 trademarks which was applied for registration under Trademarks Act, 1999 but the same is abandoned. There is no guarantee that the application for registration of our logo will be accepted in favour of the Company. This may affect our ability to protect our trademark in the event of any infringement of our intellectual property. Further, there can be no assurance that third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. We may not be able to detect any unauthorized use or our efforts to protect our intellectual

property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed.

19. Our Company has taken unsecured loans that may be recalled by the lenders at any time.

Our Company have availed unsecured loans which may be called by their lenders at any time. As on December 31, 2018 the unsecured loan amounting Rs 48.20 Lacs were due to lenders, which may be called at any time. In the event that lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Also there is no formal agreement with any of our lenders. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, please refer chapter titled “*Statement of Financial Indebtedness*” beginning on page 145 of Draft Prospectus.

20. Our net cash flows from operating, investing and financing activities have been negative in some years in the past. Any negative cash flow in the future may affect our liquidity and financial condition.

Our cash flow from our operating, investing and financing activities have been negative in the past. Following are the details of our cash flow position during the last three financial years and nine months period ended Dec. 31, 2018 based on restated financial statements:-

Particulars	For the year/ period ended (in ₹ Lakhs)			
	31.12.2018	31.03.2018	31.03.2017	31.03.2016
Net cash flow from/ (used in) Operating activities	87.46	(626.20)	8.64	(26.31)
Net cash flow from/ (used in) Investing activities	(19.34)	(4.78)	(1.85)	(14.85)
Net cash flow from/ (used in) Financing activities	(44.77)	615.28	(24.76)	76.70

For details, please see the chapter titled “*Financial Information of Our Company*” on page 112 of this Draft Prospectus. Any negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

21. Our Contingent Liability and Commitments could affect our financial position.

As on December 31st, 2018 we had Contingent Liability of Rs.16.36 lakhs, the provision of which has not been provided in our financial statements and which could affect our financial position. Details of Contingent Liabilities and commitments are as follows:-

Particulars	Amount (Rs. in lakhs)
Claims against the company not acknowledged as debts (Income tax Appeal (disputed demand) for A.Y. 2016-17 and TDS Defaults)	16.36
Total	16.36

22. We have issued Equity Shares during the last one year at a price that will be below the Issue Price.

In the preceding 12 months, we have made an allotment of 40,11,345 Equity Shares as bonus issue on April 09, 2019 For details relating to list of allottees, date of allotment etc. please refer to section titled “*Capital Structure*” on page 46 of this Draft Prospectus.

23. Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors, and inventories. As on December 31, 2018, we have been sanctioned working capital limit of Rs. 575 lakhs from State Bank of India Limited. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

24. We have entered into certain related-party transactions, and we may continue to do so in the future.

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group. These transactions, inter-alia includes issue of shares, remuneration, rent payments, loans and advances, sales, purchase, reimbursement of expenses etc. Our Company has entered into such transactions due to easy proximity and quick execution. While we believe that all such transactions have been conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.

Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

For details of transactions, please refer to “*Annexure W - Related Party Transactions*” of the Auditor's Report under Section titled “*Financial Information of the Company*” and Chapter titled “*Capital Structure*” beginning on page 140 and 46 respectively of this Draft Prospectus.

25. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.

Our Company has obtained insurance coverage in respect of certain risks which consists of Fire, Earthquake and Burglary on our pharmaceutical formulation stock kept at our warehouse in Ahmedabad. However, we have not taken any insurance for assets located at Registered Office and Corporate Office of our Company. In addition, we have not taken keyman insurance for our Directors or insurance for goods/ cash in transit. If any uncertainty arises including losses arising on account of third party claims or if claim made by us in respect of an insurance, is not accepted or any loss occurred by us is in excess of the insurance coverage, the same may adversely affect our operation, results and financials. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our results of operations and financial condition may be affected. For further information, see the section titled “*Our Business*” on page 80 of this Draft Prospectus.

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

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on December 31, 2018, our total outstanding indebtedness was ₹ 789.24 lakhs.

Our significant indebtedness results in substantial amount of debt service obligations which could lead to:

1. increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. affecting our credit rating;
4. limiting our ability to borrow more money both now and in the future; and
5. increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “*Statement of Financial Indebtedness*” on page 145 of this Draft Prospectus.

27. Loans availed by Our Company has been secured on personal guarantees of our Directors. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Directors.

Our Promoters and/or Directors, Mr. Bhumishth Narendrabhai Patel, Mrs. Payal Bhumishth Patel and Mr. Narendrakumar Gangaramdas Patel have provided personal guarantees to secure a significant portion of our existing borrowings taken from State Bank of India Limited, and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by our Director may be invoked which could negatively impact the reputation and net worth of our Directors.

Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer "*Statement of Financial Indebtedness*" on page 145 of this Draft Prospectus.

28. *We depend on third parties for a major portion of our transportation needs. Any disruptions may affect our operations, business and financial condition.*

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation of our finished products to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third party transport service providers and engage them on a needs basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. The cost of our goods carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost efficient manner. Accordingly, our business is vulnerable to increased transportation costs including as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other events.

Although we have not experienced any disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby affecting our operations, profitability, reputation and market position.

29. *We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.*

The proposed fund requirement for additional working capital requirement, as detailed in the section titled "*Objects of the Issue*" is to be funded from the proceeds of this IPO. However, we have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule, and we may have to obtain additional borrowings. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled "*Objects of the Issue*" beginning on page 64 of this Draft Prospectus.

30. *The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution.*

We intend to use Issue Proceeds towards meeting the Working Capital Requirements. We intend to deploy the Net Issue Proceeds in financial year 2019-20 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled "*Objects of the Issue*" beginning on page 64 of this Draft Prospectus.

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled 'Objects of the Issue' beginning on page 64 of this Draft Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue. However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue.

However, in accordance with Section 27 of the Companies Act, 2013, and relevant provisions of SEBI (ICDR) Regulations, 2018, a company shall not vary the objects of the Issue without our Company being authorize to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholders shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

31. *We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.*

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

For further details on the Cash Credit Limits and other banking facilities, please see “*Statement of Financial Indebtedness*” on page 145 of the Draft Prospectus.

32. *Excessive dependence on State Bank of India Limited for obtaining financial facilities.*

Most of our fund based financial assistance has been sanctioned by State Bank of India Limited. We have been sanctioned the financial assistance on the security of assets and personal guarantee of our Directors. Any default under such arrangement or non renewal or renewal of the sanction on adverse term with such lender may result into difficulty in arranging of funds for re-payment and may also adversely affect our operations and financials.

33. *Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.*

Our Company is engaged in business of trading of Pharmaceutical products, which attracts tax liability such as Goods and Service tax, Income tax, and professional tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

34. *We may not be able to sustain effective implementation of our business and growth strategy.*

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

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

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

36. *Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.*

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “*Dividend Policy*” on page 111 of the Draft Prospectus.

37. *There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.*

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹10,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

38. *Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.*

Our promoters along with the promoter group will continue to hold collectively 70.04% of the equity share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

39. *We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.*

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

The issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "**Basis for Issue Price**" beginning on page 68 of the Draft Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

41. Investors other than retail (including non institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.

Pursuant to the SEBI (ICDR) Regulations, 2018 Investors other than retail (including non institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant's ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

42. Certain data mentioned in this Draft Prospectus has not been independently verified.

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

EXTERNAL RISK FACTORS

43. Our business is dependent on the Indian economy.

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

44. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

45. 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 160 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.

46. Instability in financial markets could materially and adversely affect our results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

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

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

48. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

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

49. Our performance is linked to the stability of policies and the political situation in India.

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies. However there can be no assurance that such policies will be continued and a significant change in the government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse affect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

SECTION IV – INTRODUCTION

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS	
Equity Shares Offered through Public Issue⁽¹⁾	18,48,000 Equity Shares aggregating up to Rs. [●] lakhs
Of which:	
Issue Reserved for the Market Makers	[●] Equity Shares aggregating up to Rs. [●] lakhs
Net Issue to the Public	[●] Equity Shares aggregating up to Rs. [●] lakhs
Of which	
A. Retail Individual Investors	At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors ^(a) .
B. Other than Retail Individual Investors (including Non- Institutional Investors and Qualified Institutional Buyers)	Not more than [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to investors other than Retail Individual Investors including Non- Institutional Investors and Qualified Institutional Buyers ^(b) .
Pre and Post – Issue Equity Shares	
Equity Shares outstanding prior to the Issue	43,19,910 Equity Shares
Equity Shares outstanding after the Issue	61,67,910 Equity Shares
Use of Net Proceeds by our Company	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 64 of this Draft Prospectus.

⁽¹⁾This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to “*Issue Structure*” on page 179 of this Draft Prospectus. The present Issue has been authorized pursuant to a resolution of our Board dated March 05, 2019 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on March 30, 2019.

Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, shall be made as follows:

^(a)Retail Individual Investors will be allocated not less than fifty (50) percent; and

^(b)Non-Institutional investors and qualified institutional buyers will be allocated not more than fifty (50) percent

Note: If the retail individual investor category is entitled to more than the allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

SECTION IV – SUMMARY OF FINANCIAL INFORMATION

**ANNEXURE - I
RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in lakhs)

Particulars	Annexures	As at December 31, 2018	As at March 31,		
			2018	2017	2016
A) EQUITY AND LIABILITIES					
1. Shareholder's Funds					
(a) Share Capital	A	30.86	30.86	10.74	10.74
(b) Reserves & Surplus	A	476.73	390.23	141.84	125.85
(c) Share Application Money		-	52.59	-	-
		507.59	473.67	152.58	136.59
2. Non-Current Liabilities					
(a) Long Term Borrowings	B	159.51	150.49	56.19	39.12
(b) Deferred Tax Liabilities(net)	C	1.62	0.87	0.59	0.52
(c) Long-Term Provisions		-	-	-	-
		161.14	151.36	56.79	39.64
3. Current Liabilities					
(a) Short Term Borrowings	D	581.08	504.43	149.55	150.64
(b) Trade Payables	E	1,375.08	810.98	498.91	497.23
(c) Other Current Liabilities	F	48.65	72.38	237.05	43.66
(d) Short-Term Provisions	G	67.46	40.03	13.57	10.94
		2,072.27	1,427.83	899.08	702.48
TOTAL		2,741.00	2,052.88	1,108.45	878.71
B) ASSETS					
1. Non-Current Assets					
(a) Fixed Assets					
I. Tangible Assets	H				
(i) Gross Block		45.23	25.89	20.24	18.39
(ii) Depreciation		9.11	6.79	4.65	2.28
(iii) Net Block		36.13	19.10	15.60	16.11
II. Intangible Assets					
(i) Gross Block		0.56	0.56	0.56	0.56
(ii) Depreciation		0.19	0.16	0.11	0.06
(iii) Net Block		0.37	0.40	0.45	0.50
		36.50	19.50	16.04	16.61
(b) Non-Current Investments		-	-	-	-
(c) Deferred Tax Asset (Net)		-	-	-	-
(d) Long-Term Loans and Advances		-	-	-	-
(e) Other Non-Current Assets		-	-	-	-
2. Current Assets					
(a) Trade receivables	I	1,458.84	1,088.89	358.18	445.17
(b) Cash and Cash Equivalents	J	25.57	2.23	17.91	35.88
(c) Inventories	K	1,108.46	829.19	653.94	360.73
(d) Short-Term Loans And Advances	L	111.37	112.80	49.26	10.39
(e) Other Current Assets	M	0.26	0.26	13.11	9.94
		2,704.50	2,033.38	1,092.41	862.10
TOTAL		2,741.00	2,052.88	1,108.45	878.71

ANNEXURE - II
RESTATED STATEMENT OF PROFIT AND LOSS

(Rs. in lakhs)

Particulars	Annexures	For the period ended December 31, 2018	For the Year Ended March 31,		
			2018	2017	2016
1. Revenue From Operations	N	3,449.85	3,543.67	2,333.95	1,856.66
2. Other Income	O	0.50	40.99	35.32	6.34
Total Revenue (1) + (2)		3,450.35	3,584.65	2,369.27	1,863.00
3. EXPENDITURE:					
a. Purchase of Material	P	3,447.61	3,492.99	2,494.43	1903.79
b. Change In Inventory	Q	(279.27)	(175.25)	(293.22)	(212.36)
c. Employee Benefit Expenses	R	23.90	32.22	30.39	40.38
d. Finance Costs	S	77.86	69.34	40.74	38.49
e. Depreciation and Amortisation Expense	T	2.35	2.19	2.41	2.07
f. Other Expenses	U	58.23	39.01	70.85	74.60
4. Total Expenditure 3(a) to 3(f)		3,330.69	3,460.51	2,345.60	1,846.96
5. Profit/(Loss) Before Exceptional & extraordinary items & Tax (2-4)		119.66	124.14	23.67	16.04
6. Exceptional Items		-	-	-	-
7. Profit / (Loss) before tax(5) – (6)		119.66	124.14	23.67	16.04
8. Tax Expenses					
(a) Tax Expense for Current Year		32.40	38.21	7.61	5.76
(b) Short/(Excess) Provision of Earlier Year					
(c) Deferred Tax		0.75	0.28	0.08	0.52
Net Current Tax Expenses		33.15	38.49	7.69	6.28
Restated Profit/(Loss) for the year		86.51	85.65	15.98	9.76

ANNEXURE - III
RESTATED SUMMARY STATEMENT OF CASH FLOWS

(Rs. in lakhs)

PARTICULARS	For Period ended	For the Year ended		
	31-12-2018	31-03-2018	31-03-2017	31-03-2016
A) Cash Flow From Operating Activities :				
Net Profit before tax	119.66	124.14	23.67	16.04
Adjustment for :				
Depreciation and amortization	2.35	2.19	2.41	2.07
Interest Paid	77.86	69.34	40.74	38.49
Interest Income	-	(0.87)	-	-
Dividend Income	-	-	-	-
Deferred Tax Liabilities (Net)	0.75	0.28	0.08	
Provision For gratuity Expenses	-	-	-	-
Operating profit before working capital changes	200.61	195.08	66.91	56.61
Changes in Working Capital				
(Increase)/Decrease in Trade Receivables	(369.96)	(730.71)	86.99	(143.29)
(Increase)/Decrease in Inventory	(279.27)	(175.25)	(293.22)	(212.36)
(Increase)/Decrease in Short Term Loans & Advances	1.43	(63.54)	(38.87)	(9.60)
(Increase)/Decrease in Other Current Assets	-	12.85	(3.18)	(19.47)
Increase/(Decrease) in Trade Payables	564.10	312.08	1.67	200.14
Increase/(Decrease) in Other Current Liabilities	(23.73)	(164.67)	193.39	91.42
Increase/(Decrease) in Short Term Provisions, etc	27.42	26.46	2.63	16.52
Cash generated from operations	120.63	(587.70)	16.33	(20.03)
Less:- Income Taxes paid	(33.17)	(38.50)	(7.69)	(6.28)
Net cash flow from operating activities (A)	87.46	(626.20)	8.64	(26.31)
B) Cash Flow From Investing Activities :				
Purchase of Fixed Assets including of CWIP	(19.34)	(5.65)	(1.85)	(14.85)
Sale of Fixed Assets	-	-	-	-
Investment made/Sold during the year	-	-	-	-
Dividend Income	-	-	-	-
Interest Income	-	0.87	-	-
Net cash flow from investing activities (B)	(19.34)	(4.78)	(1.85)	(14.85)
C) Cash Flow From Financing Activities :				
Proceeds from Issue of Share Capital		182.86	-	39.95
Increase/(Decrease) in Short Term Borrowings	76.65	354.88	(1.09)	-
Increase/(Decrease) in Long Term Borrowings	9.02	94.29	17.07	75.25
Interest Paid	(77.86)	(69.34)	(40.74)	(38.49)
Share Money Pending Allotment	(52.59)	52.59	-	-
Increase/(Decrease) in Long Term Loans and Advances	-	-	-	(0.11)
Net cash flow from financing activities (C)	(44.77)	615.28	(24.76)	76.70
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	23.34	(15.67)	(17.97)	35.54

Cash equivalents at the beginning of the year	2.23	17.91	35.88	0.44
Cash equivalents at the end of the year	25.57	2.23	17.91	35.88
Notes :-				
	31-12-18	31-03-2018	31-03-2017	31-03-2016
1. Component of Cash and Cash equivalents				
Cash on hand	14.63	1.42	-	34.96
Balance With banks	10.94	0.81	4.04	0.92
Other Bank Balance	-	-	13.88	-
Total	25.57	2.23	17.91	35.88
2. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.				
3. The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated summary financial information (Annexure IV) are an integral part of this statement.				

GENERAL INFORMATION

Our Company was originally incorporated as “Earum Pharmaceuticals Private Limited” on July 26, 2012 vide Registration no. 071299 (CIN: U24230GJ2012PTC071299) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on January 10, 2019, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from “Earum Pharmaceuticals Private Limited” to “Earum Pharmaceuticals Limited” vide a fresh Certificate of Incorporation dated January 23, 2019 having U24230GJ2012PLC071299 issued by the Registrar of Companies, Ahmedabad.

Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel were the initial subscribers to the Memorandum of Association of our Company.

For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 92 of this Draft Prospectus.

Registered Office

G1, Ground Floor, V R Complex, Near Sanathal Cross Road,
 SP Ring Road, Sanathal. Ahmedabad - 382210, Gujarat, India
 Tel. No. +91-79-48402525
 E-mail: info@earumpharma.com
 Website: <https://www.earumpharma.com>
 Corporate Identity Number: U24230GJ2012PLC071299
 Registration Number: 071299

Corporate Office

A-1106, Empire Business Hub, Nr. AUDA Water Tank,
 Science City Road, Sola, Ahmedabad - 380060, Gujarat, India
 Tel. No. +91-79-48402525
 E-mail: info@earumpharma.com

Address of the RoC

Registrar of Companies, Ahmedabad, Gujarat

ROC Bhavan , Opp Rupal Park Society,
 Behind Ankur Bus Stop,
 Naranpura, Ahmedabad-380013
 Phone: 079-27437597,
 Fax: 079-27438371
 Email: roc.ahmedabad@mca.gov.in
 Website: <http://www.mca.gov.in>

Board of Directors of our Company

The Board of Directors of our Company as on the date of filing of this Draft Prospectus consists of:

Name	Designation	Address	DIN
Mr. Bhumishth Narendrabhai Patel	Chairman & Managing Director	6, Rushabh Flat, Behind Surjan Tower, Gurukul Road, Memnagar, Ahmedabad 380052 Gujarat, India	02516641
Mrs. Payal Bhumishth Patel	Whole Time Director	6, Rushabh Flat, Behind Surjan Tower, Gurukul Road, Memnagar, Ahmedabad 380052 Gujarat, India	05300011
Mr. Narendra kumar Gangaramdas Patel	Non-Executive Director	6, Rushabh Flat, Behind Surjan Tower, Gurukul Road, Memnagar, Ahmedabad 380052 Gujarat,	07017438

		India	
Mr. Hetarth Ashok kumar Patel	Independent Director	2 Shanti Palace, Near Plam Beach Bungalows, Hebatpur Road, Thaltej, Ahmedabad, Bodakdev – Gujarat	07356470
Mr. Alpesh Fatehsingh Purohit	Independent Director	46, Devkutir Bangalows - 1 Opp. Ambli Gam Ambli- Bopal Road – Bopal, Ahmedabad 380058 - Gujarat, India	07389212

For further details in relation to our Directors, please refer to chapter titled “*Our Management*” on page 95 of this Draft Prospectus.

Chief Financial Officer

Ms. Ashna Sangwan

Earum Pharmaceuticals Limited

A-1106, Empire Business Hub, Nr. AUDA Water Tank, Science City Road, Sola, Ahmedabad - 380060, Gujarat, India

Tel. No.: +91-79-48402525

E-mail: finance@earumpharma.com

Company Secretary & Compliance Officer

Mr. Parsotam Kantilal Purohit

Earum Pharmaceuticals Limited

A-1106, Empire Business Hub, Nr. AUDA Water Tank, Science City Road, Sola, Ahmedabad - 380060 Gujarat, India

Tel. No.: +91-79-48402525

E-mail: cs@earumpharma.com

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the LM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, noncredit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

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

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

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Applicant, Bid cum Application Form number, Applicants DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Applicant, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant LM where the Anchor Investor Application Form was submitted by the Anchor Investor. For all Issue related queries and for redressal of complaints, investors may also write to the LM.

Details of Key Intermediaries pertaining to this Issue and Our Company:

Lead Manager of the Issue	Legal Advisor to the Issue
Hem Securities Limited Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India	Singhi & Singhi Law Chambers LLP Address: “Amolak”, 17, VivekVihar, J.L.N Marg, Near Vidhyashram School, Jaipur -302015, Rajasthan, India Tel: +91- 141 -2701199 , 2709555, 9414052225

Tel No.:+91-22-4906 0000 Fax No.:+91-22-22625991 Email: ib@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website: www.hemsecurities.com Contact Person: Mr. Anil Bhargava SEBI Regn. No.:INM000010981	Fax: +91- 141 -2709555 Email: anuroopsinghi@yahoo.com Contact Person: Mr. Anuroop Singhi
Registrar to the Issue	Statutory Auditors
Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri (East), Mumbai 400059, India. Telephone: +91 22 6263 8200 Facsimile: +91 22 6263 8299 Email: ipo@bigshareonline.com Contact Person: Mr. Ashok Shetty Website: www.bigshareonline.com SEBI Registration Number: INR000001385 CIN: U99999MH1994PTC076534	M/s. J M Patel & Bros. Chartered Accountants, Address: 204 Harsh Avenue, Navjivan Press Rd, Nr. Old high Court Crossing, Ahmedabad-030161 Gujarat, India Phone : 079-27541460 Email: jmpatelca@yahoo.co.in Firm Registration No.: 107707W Contact Person: CA Jashwant M Patel
Bankers to the Company	Bankers to the Issue
State Bank of India Address: Ground Floor, Signa-II, Opp Himalaya Mall, Ahmedabad, Gujarat, India Phone : +91-7600069713 Email: nabankur.goswami@sbi.co.in Contact Person: Nabankur Goswami Designation: Relationship Manager (Medium Enterprises)	[•]
Advisor to the Issue	
Pinnacle Risk Advisory LLP Address: B-301, Safal Pegasus Opp. Shell Petrol Pump, Prahladnagar, Ahmedabad 380015, Gujarat, India Mob. No.: +91 -9725196979 Email: alpesh@pinnacleadvisory.co.in Website:- http://www.pinnacleadvisory.co.in/ LLPIN: AAG-1904 Contact Person: Mr. Alpesh Fatehsingh Purohit	

Designated Intermediaries

Self-Certified Syndicate Banks (SCSB's)

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid-cum-Application Forms, refer to the above mentioned SEBI link.

Syndicate SCSB Branches

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For more information on such branches collecting Bid-cum-Application Forms from the Syndicate at Specified Locations, refer to the above mentioned SEBI link.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of SEBI i.e. (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), as updated from time to time.

Expert Opinion

Except the report of the Auditor on statement of special tax benefits and report on restated financials for the period ended December 31, 2018 and financial year ended March 31, 2018, 2017 and 2016 as included in this Draft Prospectus, our Company has not obtained any expert opinion.

Inter-se Allocation of Responsibilities

Since, Hem Securities Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Manager is not applicable.

Monitoring Agency

Since the proceeds from the Fresh Issue do not exceed ₹ 1,000 million, in terms of Regulation 262(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

Appraising Entity

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

Credit Rating

As this is an issue of Equity Shares, there is no credit rating for the Issue.

IPO Grading

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

Trustees

As this is an issue of Equity Shares, the appointment of trustees is not required.

Filing of Draft Prospectus

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the Draft Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018; a copy of the Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus along with copy of material contracts and material documents as mentioned on page 231 of this Draft Prospectus, will be delivered to the Registrar of Companies, ROC Bhavan , OppRupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, India.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the LM, reserve the right to not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

UNDERWRITING

The Company and the Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriter [•].

Pursuant to the terms of the Underwriting Agreement dated [•] entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
[•]	[•]	[•]	[•]

**Includes up to [•] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker [•] in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

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

CHANGES IN AUDITORS DURING LAST THREE FINANCIAL YEARS

Change in Auditors during the last three (3) years

Except as stated below, there have been no changes in our Company's auditors in the last three (3) years:

Details of Auditor	Date of Change	Reason
Ladha & Associates CHARTERED ACCOUNTANTS Address: 311, Anand Milan Complex, Navrangpura, Jain Temple, Ahmedabad-380009, Gujarat, India Tel. No.: - 079- 2970277 Email: cammladha@gmail.com Firm Registration No.: 136083W Contact Person: Mukesh Ladha Membership No.:153773	August 24, 2017	Resignation due to Pre Occupation in other audit assignments
Harshit Jain Amrutlal CHARTERED ACCOUNTANTS Address: 1, Harsiddhi Flat, Hirajain Society, Ramnagar, Sabarmati, Ahmedabad 380005 Gujarat, India Firm Registration No.:0145473W Tel. No.: +91-7383709179 Email: caharshitjain194@yahoo.com Contact Person: Harshit A Jain Membership No.: 178026	September 30, 2017	Appointment
	February 04, 2019	Resignation due to pre-occupation in other assignment.
J. M. Patel & Bros. CHARTERED ACCOUNTANTS Address: 204 Harsh Avenue, Navjivan Press Road, Nr. Old high Court Crossing, Ahmadabad, Gujarat, India Firm Registration No.: 107707W Tel. No.:+079-27541460 Email: jmpatelca@yahoo.co.in Contact Person: J M Patel Membership No.: 30161	March 05, 2019	Appointment

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the LM has entered into Market Making Agreement dated [•] with the following Market Maker, to fulfill the obligations of Market Making for this issue:

Name	[•]
Correspondence Address:	
Tel No.:	
Fax No.	
E-mail:	
Website:	
Contact Person:	
SEBI Registration No.:	
BSE Market Maker Registration No.	

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

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

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the SME Platform of BSE and SEBI from time to time.

- The minimum depth of the quote shall be ₹ 1,00,000/- . However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform of BSE (in this case currently the minimum trading lot size is [•] equity shares; however the same may be changed by the SME Platform of BSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final
- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the LM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106 V of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the LM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

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

- **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹20 Crore	25%	24%
₹20 to ₹50 Crore	20%	19%
₹50 to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

- 1) The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
 - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

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

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

CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft Prospectus.

(₹ in Lacs, except share data)			
Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	Authorized Share Capital 70,00,000 Equity Shares having Face Value of ₹ 10/- each	700.00	-
B	Issued, Subscribed & Paid-up Share Capital prior to the Issue 43,19,910 Equity Shares having Face Value of ₹10/- each	43.19	-
C	Present Issue in terms of this Draft Prospectus* 18,48,000 Equity Shares having Face Value of ₹ 10/-each at a Premium of ₹[●] per share	184.80	[●]
	<i>Which comprises of:</i>		
D	Reservation for Market Maker Portion [●] Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share reserved as Market Maker Portion	[●]	[●]
E	Net Issue to Public Net Issue to Public of [●] Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share to the Public	[●]	[●]
	<i>Of which:</i>		
(i)	At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
(ii)	Not more than [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to investors other than Retail Individual Investors including Non- Institutional Investors and Qualified Institutional Buyers	[●]	[●]
F	Issued, Subscribed and Paid up Equity Share Capital after the Issue 61,67,910 Equity Shares of face value of ₹10/- each		[●]
G	Securities Premium Account		
	Before the Issue (as on date of this Draft Prospectus)		Nil
	After the Issue		[●]

*The present Issue of 18,48,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board dated March 05, 2019 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on March 30, 2019.

Classes of Shares-

Our Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. Changes in Authorised Equity Share Capital of our Company:

S. No.	Particulars of increase	Cumulative No. of Equity Shares	Cumulative Authorized Share Capital (Rs. in lakhs)	Date of Meeting	Whether AGM/EGM
1.	On incorporation	10,000	1.00	N.A.	N.A.
2.	Increase in Authorised Share Capital from ₹ 1.00 Lakh to ₹ 20.00 Lakhs	2,00,000	20.00	26.03.2015	EGM
3.	Increase in Authorised Share Capital from ₹20.00 Lakh to ₹ 100.00 Lakhs	10,00,000	100.00	26.06.2015	EGM
4.	Increase in Authorised Share Capital from	30,00,000	300.00	12.09.2018	EGM

	₹ 100 Lakh to ₹ 300 Lakhs				
5.	Increase in Authorised Share Capital from ₹300 Lakh to ₹ 500 Lakhs	50,00,000	500.00	05.03.2019	EGM
6.	Increase in Authorised Share Capital from ₹500 Lakh to ₹700 Lakhs	70,00,000	700.00	30.03.2019	EGM

2. Equity Share Capital History of our Company:

a) The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable (₹))	Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid Up Capital (₹)
Upon Incorporation	10,000	10	10	Cash	Subscription to MOA ⁽ⁱ⁾	10,000	Nil	1,00,000
July 16, 2015	97,425	10	118	Cash	Further Allotment ⁽ⁱⁱ⁾	1,07,425	Nil	10,74,250
June 02, 2017	64,000	10	125	Cash	Further Allotment ⁽ⁱⁱⁱ⁾	1,71,425	Nil	17,14,250
February 21, 2018	1,37,140	10	75	Cash	Further Allotment ^(iv)	3,08,565	Nil	30,85,650
April 09, 2019	40,11,345	10	Nil	Bonus Issue	Bonus Issue in the ratio of 13:1 i.e. Thirteen (13) fully paid Bonus Shares for every One (1) existing fully paid up equity share ^(v)	43,19,910	Nil	4,31,99,100

All the above mentioned shares are fully paid up since the date of allotment.

(i) Initial Subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	Mr. Bhumishth Narendrabhai Patel	5,000
2.	Mrs. Payal Bhumishth Patel	5,000
	Total	10,000

(ii) Further allotment of 97,425 Equity shares of Face Value of Rs. 10/- each with a premium of Rs. 108/- per Equity share were made to:-

S. No.	Name of Allottees	Number of Shares Allotted
1.	Mr. Bhumishth Narendrabhai Patel	27,526
2.	Mrs. Payal Bhumishth Patel	27,526

3.	Mr. NarendrakumarGangaramdas Patel	21,186
4.	Mrs. SushilabenNarendrakumar Patel	21,187
	Total	97,425

(iii) Further allotment of 64,000 Equity shares of Face Value of Rs. 10/- each with a premium of Rs. 115/- per Equity share were made to:-

S. No.	Name of Allottees	Number of Shares Allotted
1.	Mr. Bhumishth Narendrabhai Patel	24,000
2.	Mrs. Payal Bhumishth Patel	24,000
3.	Mr. NarendrakumarGangaramdas Patel	8,000
4.	Mrs. SushilabenNarendrakumar Patel	8,000
	Total	64,000

(iv) Further allotment of 1,37,140 Equity shares of Face Value of Rs. 10/- each with a premium of Rs. 65/- per Equity share were made to:-

S. No.	Name of Allottees	Number of Shares Allotted
1	Mr. Bhumishth Narendrabhai Patel	68,570
2	Mrs. Payal Bhumishth Patel	68,570
	Total	1,37,140

(v) Bonus issue of 40,11,345 Equity Shares of Face Value of Rs. 10/-each in the ratio of 13:1 i.e. Thirteen (13) Bonus Equity Shares for every One (1) Equity Share held by shareholders. (refer point no. 4 below for allottees list)

b) As on the date of this Draft Prospectus, our Company does not have any Preference Share Capital.

3. Details of Allotment made in the last two years preceding the date of the Draft Prospectus:

Date of Allotment / Date of fully Paid up	No of Equity Shares	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Securities Premium Account	Cumulative Paid up Capital (Rs.)	Consideration	Nature of Issue and Category of Allottees
June 02, 2017	64,000	1,71,425	10	125	--	17,14,250	Cash	Further Allotment
February 21, 2018	1,37,140	3,08,565	10	75	--	30,85,650	Cash	Further Allotment
April 09, 2019	40,11,345	43,19,910	10	-	-	4,31,99,100	Bonus Issue	Bonus in the ratio of 13:1 i.e. 13 Equity Share for every 1 Equity Shares held

4. Issue of Equity Shares for consideration other than cash

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
April 09, 2019	40,11,345	10	Nil	Bonus in the ratio of 13:1	Capitalization	Mr. Bhumishth Narendrabhai Patel	16,26,235

				i.e. 13 Equity Share for every 1 Equity Shares held	of Reserves & Surplus*	Mrs. Payal Bhumishth Patel	16,26,235
						Mr. Narendrakumar Gangaramdas Patel	3,79,405
						Mrs. Sushilaben Narendrakumar Patel	3,79,431
						Auxilia Pharmaceuticals Private Limited	13
						Mr. Sharma Shashikant Vedprakash	13
						Mrs. Sharma Himanshi Shashikant	13
						Total	40,11,345

**Above allotment of shares has been made out of Reserve & Surplus available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.*

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
7. Except for the Bonus Issue made on April 09, 2019 for 40,11,345 Equity Shares as mentioned in point no. 4 above, no Equity shares have been issued which may be at price below the Issue price within last one year from the date of the Draft Prospectus.
8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
9. **Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Prospectus:

I - Our Shareholding Pattern:-

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of Rs.10/- each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII	XIII	XIV		
(A)	Promoter & Promoter Group	5	43,19,882	-	-	43,19,882	100.00	43,19,882	-	43,19,882	100.00	-	100.00	-	-	308,563		
(B)	Public	2	28	-	-	28	0.00	28	-	28	0.00	-	0.00	-	-	2		
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Total	7	43,19,910	-	-	43,19,910	100.00	43,19,910	-	43,19,910	100.00	-	100.00	-	-	308,565		

Notes-

*As on date of this Draft Prospectus 1 Equity share holds 1 vote.

We have only one class of Equity Shares of face value of Rs. 10/- each.

We have entered into tripartite agreement with CDSL & NSDL.

Our Company has made allotment of 40,11,345 bonus shares to its Equity Shareholders in demat form on April 09, 2019 which are in the process of being dematerialized.

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the BSE before commencement of trading of such Equity Shares.

II – Shareholding pattern of the Promoter and Promoter Group

S.No.	Category & Name of the Shareholders	No. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) as a % of A+B+C2	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI=IV+V+VI	VII	VIII				IX	X = VI+ IX	XI		XII		XIII
(1)	Indian																	
(a)	Individuals/ Hindu undivided Family	4	43,19,868	-	-	43,19,868	100.00	43,19,868	-	43,19,868	100.00	-	100.00	-	-	-	-	308,563
	Mr. Bhumishth Narendrabhai Patel	1	17,51,330	-	-	17,51,330	40.54	17,51,330	-	17,51,330	40.54	-	40.54	-	-	-	-	125,095
	Mrs. Payal Bhumishth Patel	1	17,51,330	-	-	17,51,330	40.54	17,51,330	-	17,51,330	40.54	-	40.54	-	-	-	-	125,095
	Mr. Narendrakumar Gangaramdas Patel	1	4,08,590	-	-	4,08,590	9.46	4,08,590	-	4,08,590	9.46	-	9.46	-	-	-	-	29,185
	Mrs. Sushilaben Narendrakumar	1	4,08,618	-	-	4,08,618	9.46	4,08,618	-	4,08,618	9.46	-	9.46	-	-	-	-	29,187

	Patel															
(b)	Central Government/ State Government(s)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other															
	Body Corporate	1	14	-	-	14	0.00	14	-	14	0.00	-	0.00	-	-	1
	Auxilia Pharmaceuticals Private Limited	1	14	-	-	14	0.00	14	-	14	0.00	-	0.00	-	-	1
	Sub-Total (A)(1)	5	43,19,882	-	-	43,19,882	100.00	43,19,882	-	43,19,882	100.00	-	100.00	-	-	308,563
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=	5	43,19,882	-	-	43,19,882	100.00	43,19,882	-	43,19,882	100.00	-	100.00	-	-	308,563

(A)(1)+(A)(2)																			
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*As on date of this Draft Prospectus 1 Equity share holds 1 vote.

III- Shareholding pattern of the Public shareholder

S.No.	Category & Name of the Shareholders	No. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total shares held (b)	No. (not applicable) (a)	As a % of total shares held (not applicable) (b)	
								Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI=III+IV+V	VII	VIII				IX	X= VI+IX	XI		XII		XIII
(1)	Institutions																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Banks																
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-institutions																
(a)	Individuals																
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	2	28	-	-	28	0.00	28	-	28	0.00	-	0.00	-	-	-	2
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Depositories (holding DRs) (balancing figure)															
(e)	Any Other Body Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(3)	2	28	-	-	28	0.00	28	-	28	0.00	-	0.00	-	-	2
	Total Public Shareholding (B)= (B)(1)+(B)(2) +(B)(3)	2	28	-	-	28	0.00	28	-	28	0.00	-	0.00	-	-	2

IV - Shareholding pattern of the Non Promoter- Non Public shareholder

S.No.	Category & Name of the Shareholders	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in Share dematerialized form (Not applicable)	
								No of Voting Rights					Total as a % of Total Voting rights	No.	As a % of total Shares held	No. (not applicable)		As a % of total shares held (not applicable)
								Class Equity Shares of Rs.10/- each	Class Y	Total								
	I	II	III	IV	V	VI=III+IV +V	VII	VIII			IX	X= VI+IX	XI	XII		XIII		
(1)	Custodian/DR Holder																	
(a)	Name of DR Holder (if available)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total (c) (1)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (C) (2)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Promoter Non-Public shareholding (C) = (C)(1)+ (C) (2)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-

10. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company:-

a) As on the date of filing of this Draft Prospectus:-

S.No.	Names of Shareholder	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Mr. Bhumishth Narendrabhai Patel	17,51,330	40.54
2.	Mrs. Payal Bhumishth Patel	17,51,330	40.54
3.	Mr. Narendrakumar Gangaramdas Patel	4,08,590	9.46
4.	Mrs. Sushilaben Narendrakumar Patel	4,08,618	9.46
5.	Auxilia Pharmaceuticals Private Limited	14	0.00
6.	Mr. Shashikant Vedprakash Sharma	14	0.00
7.	Mrs. Himanshi Shashikant Sharma	14	0.00
	Total	43,19,910	100.00

b) Ten days prior to the date of filing of this Draft Prospectus:-

S.No.	Names of Shareholder	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Mr. Bhumishth Narendrabhai Patel	125,095	40.54
2.	Mrs. Payal Bhumishth Patel	125,095	40.54
3.	Mr. Narendrakumar Gangaramdas Patel	29,185	9.46
4.	Mrs. Sushilaben Narendrakumar Patel	29,187	9.46
5.	Auxilia Pharmaceuticals Private Limited	1	0.00
6.	Mr. Shashikant Vedprakash Sharma	1	0.00
7.	Mrs. Himanshi Shashikant Sharma	1	0.00
	Total	3,08,565	100.00

c) One Year prior to the date of filing of this Draft Prospectus:-

S.No.	Names of Shareholder	Shares Held (Face Value of Rs. 10 each)	% of Paid Up Equity Shares as on date 1 year prior to the date of filing of the Draft Prospectus*
1.	Mr. Bhumishth Narendrabhai Patel	1,25,096	40.54
2.	Mrs. Payal Bhumishth Patel	1,25,096	40.54
3.	Mr. Narendrakumar Gangaramdas Patel	29,186	9.46
4.	Mrs. Sushilaben Narendrakumar Patel	29,187	9.46
	Total	3,08,565	100.00

*Details of shares held on April 09, 2018 and percentage held has been calculated based on the paid up capital of our Company as on April 09, 2018.

d) Two Years prior to the date of filing of this Draft Prospectus:-

S.No.	Names of Shareholder	Shares Held (Face Value of Rs. 10 each)	% of Paid Up Equity Shares as on date 2 years prior to the date of filing of the Draft Prospectus*
1.	Mr. Bhumishth Narendrabhai Patel	32,526	30.28
2.	Mrs. Payal Bhumishth Patel	32,526	30.28
3.	Mr. Narendrakumar Gangaramdas Patel	29,186	19.72
4.	Mrs. Sushilaben Narendrakumar Patel	29,187	19.72
	Total	3,08,565	100.00

*Details of shares held on April 09, 2017 and percentage held has been calculated based on the paid up capital of our Company as on April 09, 2017.

11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter

its capital structure within six months from the date of opening of the offer, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

13. Capital Buildup in respect of Shareholding of our Promoters

As on the date of this Draft Prospectus, our Promoters, Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel holds 35,02,660 Equity Shares each respectively of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

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

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
(A) Mr. Bhumishth Narendrabhai Patel							
July 26, 2012	5000	10	10	Cash	Subscriber to MOA	0.12	0.08
July 16, 2015	27,526	10	118	Cash	Acquisition of share by way of further allotment	0.64	0.45
June 02, 2017	24,000	10	125	Cash	Acquisition of share by way of further allotment	0.56	0.39
February 21, 2018	68,570	10	75	Cash	Acquisition of share by way of further allotment	1.59	1.11
December 20, 2018	(1)	10	10	Cash	Transfer ⁽ⁱ⁾	(0.00)	(0.00)
April 09, 2019	16,26,235	10	-	Bonus Issue	Bonus in the ratio of 13:1 i.e. 13 Equity Share for every 1 Equity Share held	37.65	26.37
Total (A)	17,51,330					40.54	28.40
(B) Mrs. Payal Bhumishth Patel							
July 26, 2012	5,000	10	10	Cash	Subscriber to MOA	0.12	0.08
July 16, 2015	27,526	10	118	Cash	Acquisition of share by way of further allotment	0.64	0.45
June 02, 2017	24,000	10	125	Cash	Acquisition of share by way of further allotment	0.56	0.39
February 21, 2018	68,570	10	75	Cash	Acquisition of share by way of further allotment	1.59	1.11
December 20, 2018	(1)	10	10	Cash	Transfer ⁽ⁱⁱ⁾	(0.00)	(0.00)
April 09, 2019	16,26,235	10	-	Bonus Issue	Bonus in the ratio of 13:1 i.e. 13 Equity Share for every 1 Equity Share held	37.65	26.37
Total (B)	17,51,330					40.54	28.40
Grand Total(A+B)	35,02,660					81.08	56.79

Note: None of the Shares has been pledged by our Promoters

(i) Details of transfer of 1 Equity Share by Bhumishth Narendrabhai Patel dated December 20, 2018

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	December 20, 2018	Mr. Bhumishth Narendrabhai Patel	1	Mr. Narendrakumar Gangaramdas Patel
		Total	1	

(ii) Details of transfer of 1 Equity Share by Payal Bhumishth Patel dated December 20, 2018

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	December 20, 2018	Mrs. Payal Bhumishth Patel	1	Mrs. Sushilaben Narendrakumar Patel
		Total	1	

14. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1	Mr. Bhumishth Narendrabhai Patel	17,51,330	6.53
2.	Mrs. Payal Bhumishth Patel	17,51,330	6.53

15. Shareholding of Promoters & Promoters Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoter and Promoter Group”:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	Promoters				
1.	Mr. Bhumishth Narendrabhai Patel	17,51,330	40.54	17,51,330	28.39
2.	Mrs. Payal Bhumishth Patel	17,51,330	40.54	17,51,330	28.39
	Sub Total (A)	35,02,660	81.08	35,02,660	56.79
	Promoter Group				
3.	Mr. Narendrakumar Gangaramdas Patel	408590	9.46	408590	6.62
4.	Mrs. Sushilaben Narendrakumar Patel	408618	9.46	408618	6.62
5.	Auxilia Pharmaceuticals Private Limited	14	0.00	14	0.00
	Sub Total (B)	817222	18.92	817222	13.25
	Grand Total (A+B)	43,19,882	100.00	43,19,882	70.04

16. Except as provided below, no Equity Shares acquired/ purchased/ sold by the Promoter and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Prospectus.

Date of Allotment	Name of Shareholder	No. of Equity Share allotted	% of Pre-issue Capital	Subscribed/ Acquire/ Transfer	Category of Allottees (Promoter/ Promoter Group/ Director)
December 20, 2018	Mr. Bhumishth Narendrabhai Patel	(1)	0.00	Transfer	Promoter and Director
December 20, 2018	Mrs. Payal Bhumishth Patel	(1)	0.00	Transfer	Promoter and Director
April 09, 2019	Mr. Bhumishth Narendrabhai Patel	16,26,235	37.65	Bonus Issue	Promoter and Director
April 09, 2019	Mrs. Payal Bhumishth Patel	16,26,235	37.65	Bonus Issue	Promoter and Director
April 09, 2019	Mr. Narendrakumar Gangaramdas Patel	3,79,405	8.78	Bonus Issue	Director and Promoter Group
April 09, 2019	Mrs. Sushilaben Narendrakumar Patel	4,08,618	8.78	Bonus Issue	Promoter Group
April 09, 2019	Auxilia Pharmaceuticals Private Limited	13	0.00	Bonus Issue	Promoter Group

17. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.

18. Details of Promoters' Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of 20% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Prospectus, our Promoters collectively hold 35,02,660 Equity Shares constituting 56.79% of the Post – Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters have given written consent to include 12,72,000 Equity Shares held by them and subscribed by them as part of Promoters Contribution constituting 20.62% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ transfer and made fully paid up	No. of Equity Shares locked-in*	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
Mr. Bhumishth Narendrabhai Patel						
April 09, 2019	6,36,000	10	Nil	Bonus Issue	10.31%	3 years
Mrs. Payal Bhumishth Patel						
April 09, 2019	6,36,000	10	Nil	Bonus Issue	10.31%	3 years
Total	12,72,000	10	Nil		20.62%	3 years

*Assuming full subscription to the Issue

The minimum Promoter's contribution has been brought in 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, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. Hence Eligible
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible
237 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at	The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible.

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	which specified securities are being offered to public in the initial public offer	
237(1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible.
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible.

Details of Promoters' Contribution Locked-in for One Year

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 30,47,910 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

- a) In terms of Regulation 242 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
 - b) In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
 - c) Further in terms of Regulation 243 of the SEBI ICDR Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
24. Neither, we nor our Promoters, Directors and the LM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
 25. As on the date of this Draft Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up Equity shares.
 26. The LM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of Draft Prospectus.

27. As on the date of this Draft Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
28. We have 7(Seven) shareholders as on the date of filing of the Draft Prospectus.
29. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
30. Our Company has not raised any bridge loan against the proceeds of the Issue.
31. As on the date of this Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
32. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
33. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
34. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
35. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
36. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
37. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
38. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
39. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
40. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
41. There are no Equity Shares against which depository receipts have been issued.
42. Other than the Equity Shares, there is no other class of securities issued by our Company.
43. There are no safety net arrangements for this public issue.
44. As per RBI regulations, OCBs are not allowed to participate in this issue.
45. Our Promoters and Promoter Group will not participate in this Issue.
46. This Issue is being made through Fixed Price Issue.
47. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

48. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
49. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
50. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of up to 18,48,000 Equity Shares of our Company at an Issue Price of Rs. [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:-

1. To meet Working Capital requirements
2. General Corporate Purpose
3. To meet issue expenses

(Collectively referred as the “Objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of BSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Our Company is engaged in the pharmaceutical business involving marketing, trading and distribution of wide range of pharmaceutical formulation products. The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amt (₹ in Lacs)
Gross Proceeds of the Issue	[●]
Less: Issue related expenses in relation to Issue	[●]
Net Proceeds	[●]

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

S. No	Particulars	Amt (Rs. in Lacs)
1.	To meet Working Capital requirements	[●]
2.	General Corporate Purpose	[●]
	Total	[●]

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

Means of Finance

We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt (₹ in Lacs)
Net Issue Proceeds	[●]
Total	[●]

Since, the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals.

However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 20 of the Draft Prospectus.

Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

1. To Meet Working Capital Requirement

Our business is working capital intensive as the major capital is invested in trade receivables and inventories. The Company will meet the requirement to the extent of ₹ [●] from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(₹ In Lacs)

S. No.	Particulars	Actual (Restated)	Actual (Restated)	Estimated	Estimated
		31-March-17	31-March-18	31-March-19	31-March-20
I	Current Assets				
	Inventories	653.94	829.19	[●]	[●]
	Trade receivables	358.18	1,088.89	[●]	[●]
	Cash and cash equivalents	17.91	2.23	[●]	[●]
	Short Term Loans and Advances	49.26	112.80	[●]	[●]
	Other Current Assets	13.11	0.26	[●]	[●]
	Total(A)	1092.41	2033.38	[●]	[●]
II	Current Liabilities				
	Trade payables	498.91	810.98	[●]	[●]
	Other Current Liabilities	237.05	72.38	[●]	[●]
	Short Term Provisions	13.57	40.03	[●]	[●]
	Total (B)	749.53	923.40	[●]	[●]
III	Total Working Capital Gap (A-B)	342.88	1109.98	[●]	[●]
IV	Funding Pattern				
	Short Term borrowings	149.55	504.43	[●]	[●]
	Internal Accruals	193.33	605.55	[●]	[●]
	IPO Proceeds				[●]

Justification:

S. No.	Particulars
Inventories	We expect Inventories turnover days to be at [●] Days for F.Y. 2019-20 based on [●]
Debtors	We expect Debtors Holding days to be at [●] Days for F.Y. 2019-20 based on [●]
Creditors	We expect Creditors payments days to be [●] days for F.Y. 2019-20 due to [●]

2. General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹[●] towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing

capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in the Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

3. Public Issue Expenses

The total estimated Issue Expenses are Rs. [●], which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

Activity	(Rs .in Lakh)*	As a % of Estimates Issue Expenses	As a % of Issue Size
Lead Manger Fees	[●]	[●]	[●]
Underwriting Commission	[●]	[●]	[●]
Market Making Charges for first year of Listing	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable to Advertising and Marketing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Distribution, Postage, etc	[●]	[●]	[●]
Others (Fees Payable to Statutory Auditor, Fees to Legal Advisors, Marketing Expenses, Brokerage*, Processing Fees for Application and Miscellaneous Expenses)	[●]	[●]	[●]
Total	[●]	[●]	[●]

* Includes commission/Processing fees of Rs. [●] per valid application forms for SCSB"s. In case the total processing fees payable to SCSBs exceeds Rs. [●] lakh, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total Processing Fees payable does not exceed Rs. [●] lakh.

Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in
		F.Y. 19-20
1.	To meet Working Capital Requirements	[●]
2.	General Corporate Purpose	[●]
	Total	[●]

Funds Deployed and Source of Funds Deployed:

[●], Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lakh)
Issue Expenses	[●]
Total	[●]

Sources of Financing for the Funds Deployed:

[●], Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lakh)
Internal Accruals	[●]
Total	[●]

Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

Bridge Financing Facilities

As on the date of the Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in the Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

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

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

Other confirmations

There is no material existing or anticipated transactions with our Promoter, our Directors and our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled "**Risk Factors**", the details about our Company under the section titled "**Our Business**" and its financial statements under the section titled "**Financial Information of the Company**" beginning on page 20, 80 and 112 respectively of the Draft Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price will be determined by our Company in consultation with the LM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is Rs. [●] times of the face value.

QUALITATIVE FACTORS

We believe the following business strengths allow us to successfully compete in the industry:

- Diversified Product Portfolio
- Experienced Promoter and Management Team
- Quality Assurance

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled "**Our Business**" beginning on page 80 of the Draft Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled "**Financial Information of the Company**" on page 112 of this Draft Prospectus.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1. Basic & Diluted Earnings per share (EPS) (Face value of Rs. 10 each), as adjusted for change in capital (including effect of bonus issue of shares made on April 09, 2019):

As per the Restated Financial Statements;

Sr. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2015-16	0.88	1
2.	FY 2016-17	1.06	2
3.	FY 2017-18	3.50	3
	Weighted Average	2.25	6
	For the period ended December 31, 2018*	2.00	

*Not Annualized

Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹ 10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – "Earnings per Share" issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
- vi. Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.

Price Earning (P/E) Ratio in relation to the Issue Price of Rs. [●]

Particulars	(P/E) Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2017-18.	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]

Industry P/E Ratio*		
1	Highest, Lowest and Average (Vaishali Pharma Limited)*	30.96

*We believe that except for Vaishali Pharma Limited there are no other listed Companies engaged in the similar business of trading and marketing of pharmaceutical formulations and API's.

Note:

i. The P/E ratio has been computed by dividing Issue Price with EPS.

3. Return on Net worth (RoNW)*

Sr. No	Period	RONW (%)	Weights
1	FY 2015-16	7.14%	1
2	FY 2016-17	10.48%	2
3	FY 2017-18	20.34%	3
	Weighted Average	14.85%	6
	For the period ended December 31, 2018**	17.04%	

*Restated Profit after tax /Net Worth

**Not Annualised

Note:

i. The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Network as at the end of the year/period

4. Net Asset Value (NAV) per Equity Share:

Sr. No.	NAV per Equity Share	Amt. in Rs.
1.	As at March 31, 2018	136.46
2.	As at December 31, 2018	164.50
3.	NAV per Equity Share after the Issue	[●]
4.	Issue Price	[●]

Note:

i. The NAV per Equity Share has been computed by dividing restated network with total number of equity shares outstanding at the end of the year/period.

6. Comparison of Accounting Ratios with Industry Peers

Name of Company	Current Market Price (Rs.)	Face Value (Rs.)	EPS(Rs.)	PE	RoNW (%)	Book Value (Rs.)	Total Income (Rs. in crores)
Earum Pharmaceuticals Limited	[●]	10	3.50	[●]	20.34	136.46 ^(v)	35.85
Peer Group							
Vaishali Pharma Ltd.*	43.65	10	1.41	30.96	3.87	25.83	69.42

*We believe that except for Vaishali Pharma Limited there are no other listed Companies engaged in the similar business of trading and marketing of pharmaceutical formulations and API's.

Notes:

i) Current Market Price (CMP) is taken as the closing price of respective scrips as on April 05, 2019 at National Stock Exchange of India Limited. For our Company, we have taken CMP as the issue price of equity share. Further, P/E Ratio is based on the

CMP of the respective scrips.

ii) The EPS, NAV, RonW and revenue from operations of the Company are taken as per Restated Financial Statement for the Financial Year 2017-18

iii) The Figures of Vaishali Pharma Limited as at March 31, 2018 are taken from the Annual Reports (Standalone results) uploaded on the website of the Stock Exchange(s).

iv) NAV per share is computed as the closing net worth divided by the closing outstanding number of paid up equity shares.

v) P/E Ratio has been computed based on the closing market price of peer group's equity shares on November 2, 2018 at National Stock Exchange of India Limited, as divided by the Basic EPS provided.

vi) RoNW has been computed as net profit after tax divided by closing net worth.

vii) Net worth has been computed in the manner as specifies in Regulation 2(1)(hh) of SEBI (ICDR) Regulations, 2018.

viii) The face value of Equity Shares of our Company is Rs. 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

The Issue Price of ₹ [●] will be determined by our Company in consultation with the LM and will be justified by us in consultation with the LM on the basis of the above information. Investors should read the abovementioned information along with **"Our Business", "Risk Factors" and "Restated Financial Statements"** on pages 80, 20 and 112, 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

To,
The Board of Directors,
Earum Pharmaceuticals Limited
G1, Ground Floor, V R Complex, Near Sanathal Cross Road,
SP Ring Road, Sanathal. Ahmedabad - 382210, Gujarat, India

Sub: Statement of Possible Tax Benefits ('The Statement') available to Earum Pharmaceuticals Limited ("The Company") and its shareholders prepared in accordance with the requirement of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended ("The Regulation")

We hereby report that the enclosed annexure prepared by Earum Pharmaceuticals Limited, states the possible special Tax benefits available to Earum Pharmaceuticals Limited ("the Company") and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives, the Company may or may not choose to fulfill.

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

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

- a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been / would be met with.

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

For, M/s. J M Patel & Bros,
FRN: 107707W

Sd/-
CA Jashwant M Patel
(M. No: 030161)

Place: Ahmedabad
Date: 29/03/2019

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

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

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

A. SPECIAL TAX BENEFITS TO THE COMPANY	NIL
B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER	NIL

Note:

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

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

SECTION V: ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

OVERVIEW OF GLOBAL ECONOMY

Global growth is moderating as the recovery in trade and manufacturing activity loses steam. Despite ongoing negotiations, trade tensions among major economies remain elevated. These tensions, combined with concerns about softening global growth prospects, have weighed on investor sentiment and contributed to declines in global equity prices. Borrowing costs for emerging market and developing economies (EMDEs) have increased, in part as major advanced-economy central banks continue to withdraw policy accommodation in varying degrees. A strengthening U.S. dollar, heightened financial market volatility, and rising risk premiums have intensified capital outflow and currency pressures in some large EMDEs, with some vulnerable countries experiencing substantial financial stress. Energy prices have fluctuated markedly, mainly due to supply factors, with sharp falls toward the end of 2018. Other commodity prices—particularly metals—have also weakened, posing renewed headwinds for commodity exporters.

Economic activity in advanced economies has been diverging of late. Growth in the United States has remained solid, bolstered by fiscal stimulus. In contrast, activity in the Euro Area has been somewhat weaker than previously expected, owing to slowing net exports. While growth in advanced economies is estimated to have slightly decelerated to 2.2 percent last year, it is still above potential and in line with previous forecasts.

EMDE growth edged down to an estimated 4.2 percent in 2018—0.3 percentage point slower than previously projected—as a number of countries with elevated current account deficits experienced substantial financial market pressures and appreciable slowdowns in activity. More generally, as suggested by recent high frequency indicators, the recovery among commodity exporters has lost momentum significantly, largely owing to country-specific challenges within this group. Activity in commodity importers, while still robust, has slowed somewhat, reflecting capacity constraints and decelerating export growth. In low-income countries (LICs), growth is firming as infrastructure investment continues and easing drought conditions support a rebound in agricultural output. However, LIC metals exporters are struggling partly reflecting softer metals prices. Central banks in many EMDEs have tightened policy to varying degrees to confront currency and inflation pressures.

In all, global growth is projected to moderate from a downwardly revised 3 percent in 2018 to 2.9 percent in 2019 and 2.8 percent in 2020-21, as economic slack dissipates, monetary policy accommodation in advanced economies is removed, and global trade gradually slows. Growth in the United States will continue to be supported by fiscal stimulus in the near term, which will likely lead to larger and more persistent fiscal deficits. Advanced-economy growth will gradually decelerate toward potential, falling to 1.5 percent by the end of the forecast horizon, as monetary policy is normalized and capacity constraints become increasingly binding.

Softening global trade and tighter financing conditions will result in a more challenging external environment for EMDE economic activity. EMDE growth is expected to stall at 4.2 percent in 2019—0.5 percentage point below previous forecasts, partly reflecting the lingering effects of recent financial stress in some large economies (e.g., Argentina, Turkey), with a sharply weaker-than-expected pickup in commodity exporters accompanied by a deceleration in commodity importers. EMDE growth is projected to plateau at an average of 4.6 percent in 2020-21, as the recovery in commodity exporters levels off. Per capita growth will remain anemic in several EMDE regions—most notably, in those with a large number of commodity exporters—likely impeding further poverty alleviation.

The projected gradual deceleration of global economic activity over the forecast horizon could be more severe than currently expected given the predominance of substantial downside risks. A sharper-than-expected tightening of global financing conditions, or a renewed rapid appreciation of the U.S. dollar, could exert further downward pressure on activity in EMDEs, including in those with large current account deficits financed by portfolio and bank flows. Government and/or private sector debt has also risen in a majority of EMDEs over the last few years, including in many LICs, reducing the fiscal room to respond to shocks and heightening the exposure to shifts in market sentiment and rising borrowing costs.

(Source - <http://www.worldbank.org/en/publication/global-economic-prospects>)

INDIAN ECONOMY OVERVIEW:

India is in a period of unprecedented opportunity, challenge and ambition in its development. Already the world's third largest economy in purchasing parity terms, India aspires to better the lives of all its citizens and become a high-middle income country by 2030, well before the centenary of its independence.

Long-term GDP growth has become more stable, diversified, and resilient. Over the next few years, India is expected to grow at well over 7 percent per year, with progress being buttressed by dynamic reforms in the macroeconomic, fiscal, tax and business environments.

In recent years, the country has made a significant dent in poverty levels, with extreme poverty dropping from 46 percent to an estimated 13.4 percent over the two decades before 2015. While India is still home to 176 million poor people, it is seeking to achieve better growth, as well as to promote inclusion and sustainability by reshaping policy approaches to human development, social protection, financial inclusion, rural transformation, and infrastructure development.

While the country's development trajectory is strong, challenges remain. Economic performance has been strong, but development has been uneven, with the gains of economic progress and access to opportunities differing between population groups and geographic areas. Despite regulatory improvements to spur competitiveness, levels of private investment and exports continue to be relatively low, undermining prospects for longer term growth. The country's human development indicators – ranging from education outcomes to a low and declining rate of female labor force participation - underscore its substantial development needs.

India's ability to achieve rapid, sustainable development will have profound implications for the world. India's success will be central to the world's collective ambition of ending extreme poverty and promoting shared prosperity, as well as for achieving the 2030 Sustainable Development Goals (SDGs). Indeed, the world will be only able to eliminate poverty if India succeeds in lifting its citizens above the poverty line.

For international trade and the health of the global economy too, India's growth will be an ever more important. In addition, the carbon footprint India leaves as it propels its high growth will have a significant influence on the planet's ability to keep global warming within the 2-degree threshold.

On crucial issues ranging from managing scarce water resources, to modernizing food systems, to improving rural livelihoods, to ensuring that megacities become engines of sustainable economic growth and inclusion, India's development trajectory will have a major influence on the rest of the world.

At the same time, India's growing economic and political stature and the relevance of its experience, know-how and investments for the development efforts of other nations well-position the country to play a greater leadership role in the global arena.

(Source : <https://www.worldbank.org/en/country/india/overview#1>)

After registering GDP growth of over 7 per cent for the third year in succession in 2016-17, the Indian economy is headed for somewhat slower growth, estimated to be 6.5 per cent in 2017- 18. This is slightly lower than the range of 6.5 per cent to 6.75 per cent being currently projected based on recent developments. Even with this lower growth for 2017-18, GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. That this growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio makes it all the more creditable. In addition to the introduction of GST, the year also witnessed significant steps being undertaken towards resolution of problems associated with non-performing assets of the banks, further liberalization of FDI, etc., thus strengthening the momentum of reforms. After remaining in negative territory for a couple of years, growth of exports rebounded into positive one during 2016-17 and strengthened further in 2017-18. There was an augmentation in the spot levels of foreign exchange reserves to close to US\$ 414 billion, as on 12th January 2018.

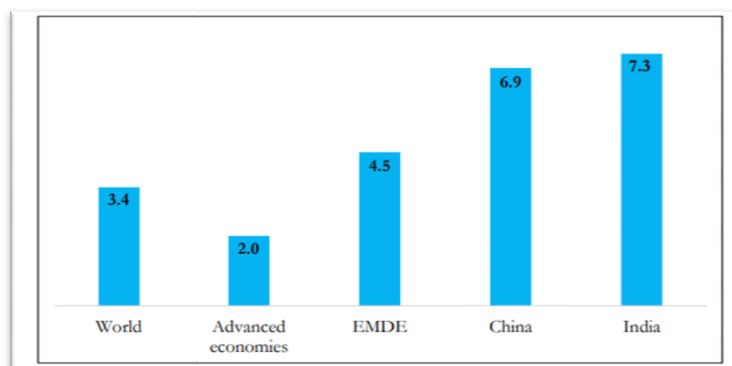
With Gross Domestic Product (GDP) growth averaging 7.5 per cent between 2014- 15 and 2016-17, India can be rated as among the best performing economies in the world on this parameter. Although growth is expected to decline to 6.5 per cent in 2017-18, bringing the 4-year average to 7.3 per cent, the broad story of India's GDP growth to be significantly higher than most economies of the world does not alter. The growth is around 4 percentage points higher than global growth average of last 3 years and nearly 3 percentage points more than the average growth achieved by emerging market & developing economies (EMDE).

The past year has been marked by some major reforms. The transformational Goods and Services Tax (GST) was launched in July 2017. With a policy change of such scale, scope, and complexity, the transition unsurprisingly encountered challenges of policy, law, and information technology systems, which especially affected the informal sector. Expedient responses followed to rationalize and reduce rates, and simplify compliance burdens.

Macroeconomic developments this year have been marked by swings. In the first half, India's economy temporarily "decoupled," decelerating as the rest of the world accelerated – even as it remained the second-best performer amongst major countries, with strong macroeconomic fundamentals. The reason lay in the series of actions and developments that buffeted the economy: demonetization, teething difficulties in the new GST, high and rising real interest rates, an intensifying overhang from the TBS challenge, and sharp falls in certain food prices that impacted agricultural incomes.

In the second half of the year, the economy witnessed robust signs of revival. Economic growth improved as the shocks began to fade, corrective actions were taken, and the synchronous global economic recovery boosted exports. Reflecting the cumulative actions to improve the business climate, India jumped 30 spots on the World Bank's Ease of Doing Business rankings, while similar actions to liberalize the foreign direct investment (FDI) regime helped increase flows by 20 percent. And the cumulative policy record combined with brightening medium-term growth prospects received validation in the form of a sovereign ratings upgrade, the first in 14 years.

These solid improvements were tinged with anxieties relating to macro-economic stability. Fiscal deficits, the current account, and inflation were all higher than expected, albeit not threateningly so, reflecting in part higher international oil prices—India's historic macroeconomic vulnerability.



Average growth of GDP during 2014-17

(Source: Economic Survey 2017-18- www.indiabudget.nic.in)

THE INDIAN PHARMACEUTICAL INDUSTRY: AN OVERVIEW

The Indian pharmaceutical industry has contributed immensely not just to Indian but to global healthcare outcomes. India continues to play a material role in manufacturing various critical, high - quality and low - cost medicines for Indian and global markets. It supplies 50 to 60 percent of global demand for many vaccines (including ARVs), 40 percent of generics consumed in the US and 25 percent of all the medicines dispensed in the UK. Over the last 5 years, 35 to 38 percent of total ANDAs approved (including 25 to 30 percent of total injectable ANDAs) have been filed from Indian sites. Affordable anti-retroviral (ARV) drugs from India were a major factor in AIDS patients getting greater access to treatment. India supplies 60 percent of global ARV drugs and 30 percent of the annual UNICEF requirement.

However, over the last few quarters many Indian pharmaceutical companies (like other global peers) have registered much lower growth and profitability. Many have experienced significant value erosion, which to a large extent has posed a hindrance to industry's capacity expansion and R&D plans.

Even in these circumstances, the industry has grown in value with an average annual growth rate of ~ 6-7 percent over the last 5 years. This has been driven by the following enabling factors:

- **Increasing demand in global markets:** Generic penetration in high value healthcare markets (e.g., US) has grown significantly, with India supplying 20+ percent of the generics demand in major geographies.
- **Stable growth in domestic market consumption:** India's pharmaceutical market has grown rapidly over the last decade. Despite recent headwinds, a stable growth of 5-7% was observed last year. India is likely to become one of the Top 3 pharma markets by 2030
- **Low cost and at scale manufacturing capability in India:** India has the second highest number of US FDA approved facilities and labour costs in Indian have been lower than other manufacturing hubs by up to 40 percent.

While the headwinds are likely to continue for the next 2 to 3 years, Indian pharmaceutical companies need to adapt to the changing landscape, and emerge stronger.

Global market dynamics & implications for India pharma

Even though companies anticipated a fair set of challenges in last few quarters, the sheer speed and impact of these has been overwhelming. Many leading generics players—in India and globally—shed up to 40 percent of their market capital in mere months due to a range of reasons⁸—from regulatory sanctions to litigation, impairment charges to generics market dynamics in the US, and raw material price volatility in China to evolving regulatory landscape in India, etc.

Various dynamics in international markets are eroding value from the generic value pools. These are:

- **Further consolidation among distributors and pharmacy chains:** This has continued to cause a steep fall in generic drug prices in the US—the largest healthcare market in the world.
- **Increased product approvals, and resultant competition in the generics space:** The number of filings and drug approvals is rising sharply, with an increasing number of Indian companies (e.g., accounting for around 40 percent of the ANDA approvals in 2017) vying for a share of the same pie⁹. This will keep up the competition (and consequently, price erosion) in the coming years.
- **Drop in new launch sales:** The average new launch sales per year has dropped due to lower value of drugs going off patent. This trend is also likely to sustain for the next couple of years.
- **Increasing price control and protectionism in various global markets:** Protectionism could significantly impact the value of exports, which contribute around half of India pharmaceutical industry's value.

Despite the likely severe impact of these factors in the short term, the industry could eventually be buoyed up by a sustainable cost advantage, a robust new product pipeline, completion of pricing corrections, the launch of next - gen assets and scaling up of the rest - of - world business. Technology and emerging business model innovations, too, could prompt a transformation.

In the coming year, we expect to see Indian pharmaceutical companies possibly adopting many of the following five priorities to capture the full potential of these opportunities:

- **Driving Profitability and cost leadership through operational excellence:** Indian pharma manufacturers have been ceding ground on cost due to increasing complexity, remediation costs, additional controls, global supply market disruptions (particularly in China owing to environmental regulations), etc. To cope up with these margin pressures, the industry needs to improve manufacturing efficiencies across the network and drive cost excellence initiatives across the spend base. Some successful pharmaceutical companies have pruned their cost structures by approximately 10 percent in a relatively short span of time.
- **Focusing on strategic M&A for value buys:** The current operating environment could lead to several attractive opportunities through distressed divestitures and fewer strategic buyers with available cash at scale. Strategically pursuing and shaping deals could allow companies to make additions to the portfolio (products, business lines) that might support short-term top line buoyancy and create platforms for future strategic expansion.
- **Advancing the specialty / differentiated drugs business model:** While pharmaceutical companies could optimize the core generic portfolio across dosage forms, most have begun to embrace the “next-gen” specialty/differentiated assets portfolio. This will require purposefully reinventing the operating model for generics companies, pursuing a systematic portfolio and investment strategy (using partnership, analytics, technology, etc.), strengthening development and launch processes (efficiency in trial design, setup and execution) and building new innovator-like functional strengths (pricing, launch, market access, regulatory, etc.).
- **Embracing Digital and advanced analytics for accelerated growth:** The recent technological shift has prompted the rapid rise of Advanced Analytics (AA), which is enabling companies to surface insights even with complex and unstructured data sets. Globally, in the pharma industry we have seen use cases of AA driving growth and productivity across the pharmaceuticals value chain including R&D (over 10 percent increase in clinical trial productivity), Manufacturing (more than 30 percent improvement in yields and throughput), Quality (over 15 percent reduced deviations), Supply Chain (over 20 percent increase in customer service levels), Sales (around 30 percent improvement in sales force conversion rate), etc. In 2017, some India pharma companies experimented with AA through pilot scale test cases with promising results. We expect that they will advance the Digital and AA agenda on a larger scale in the years to come.
- **Organization and linking Talent to Value:** As portfolios become more complex, competition and regulatory scrutiny intensify, and external demand and supply situations tighten, companies will need to rethink how they organize for delivery. The capabilities in the Indian pharmaceutical industry will need to be upgraded to cope with the challenges

ahead. Companies will need to follow a “Talent to Value” approach, linking business value to the most critical roles and then actively managing these roles. This is the right time to take a tough look at organization hierarchies and redesign for agility by de-layering and delegate decisions, and strengthening cross-functional interfaces to ensure collaboration in the most important areas.

India market dynamics & implications for India pharma:

The growth rate for the Indian pharmaceutical market has slowed down consistently over the last five quarters—from 12-15 percent in 2015 to 5-6 percent in 2017. The market growth is driven largely by volume (2016-17 volume growth was 3-4 percent) with an average price increase of 1-2 percent.

Despite the slowing pace of growth, companies have continued to cater to healthcare needs, thereby enriching the quality of lives. Few recent entrants have rapidly achieved top line growth¹³. Institutions (both hospitals and government) have become much larger customers - Government expenditure on healthcare has increased from 22 Bn USD in 2012 to 53 Bn USD in 2016.

The volumes could possibly keep growing due to India’s high disease burden, increasingly better access to healthcare (and hence better diagnosis rates) and greater affordability. But the market is also likely to be impacted in the near term due to several forces.

- **Evolving regulatory landscape:** The recently proposed pharma policy and several other interventions have an impact across the value chain- from development, manufacturing and supply chain to pricing and customer engagement. There is still potential to systematically strengthen and stabilize the Pharma policy of 2012, and improve the ease of doing business going forward. As the Government continues to play a more proactive role in shaping broader healthcare reforms, the industry environment could see some uncertainty in the near term.
- **Alternate means of engagement with doctors:** While doctors are likely to remain the single largest influencer of treatment and medicine choice, alternative means of engaging physicians could gradually become the norm. Doctors’ behaviour is evolving with increasing time spent online to gain information. Technology-based remote healthcare will continue to expand, significantly increasing the reach and influence of the doctors. The proposed UCPMP will also move to mandatory compliance with oversight.
- **Increased patient involvement:** As patients want to be more involved and empowered, their preferences will continue to influence healthcare choices. While this shift is visible across the country, with the trend being much stronger in metro cities –a recent survey in Gurgaon showed that over 60 percent of patients check their doctor / hospital choices on Google before deciding, and the prescribed products thereafter.
- **Greater role of pharmacists:** Pharmacists will grow more powerful (e.g., due to INN name) and the market may see another wave of consolidation giving rise to pharmacy chains. E-pharmacies will see a surge with easing regulation and increasing private investment in this space, causing a dramatic shift in generic brands and substitution ability.

The anticipation of these shifts, while causing some uncertainty, could also create various opportunities for pharmaceutical companies to grow by innovating on their business model.

- Companies could innovate the doctor engagement model by focusing on multiple touch points with doctors across the entire customer journey. Successful pharma companies globally have stitched together a partnership-led ecosystem to engage the physician, leveraging digital and other channels. The model could require fewer but more capable sales representatives, who can have scientific discussions with doctors and build a long-term relationship. Managing talent and attrition among the field force could become a key differentiator in the market.
- As patients become more involved in healthcare choices, companies may need to develop a new consumer engagement model, using digital as a systematic channel instead of an ad-hoc top-up. This can be a significant growth driver, helping to meet several needs in the market. For example, diabetes lifetime compliance is only 3 months in India. Engaging patients directly—for education, counselling or compliance support—could play an important role in therapy adoption and adherence. Targeted partnerships can also be explored with other players in the healthcare space.
- As pharmacists gain influence in final dispensing, strengthening channel management capabilities and resources to ensure availability can be a key differentiator for pharma companies. There is a need for a uniform quality standard in India, and building capabilities for pharmacists is crucial to enable them to play a greater role in the market.

Opportunities for India as a global supply destination

India’s strong position as a pharma supplier rests on its ability to provide high quality medicines backed by strong innovation capabilities and a structural cost advantage.

The cost of manufacturing formulations in India remains 30-40 percent lower than other comparative manufacturing hubs such as China and Eastern Europe, notwithstanding low productivity levels. This is driven by lower labour costs vis-à-vis other geographies. Despite inflationary trends, India’s labour cost advantage will sustain in the medium to long term, especially if Indian companies can improve productivity through operational excellence and digital initiatives.

The supply of local talent into the pharma industry (e.g., B.Pharm, M.Pharm, B.Sc.) is stronger than in countries such as China. Indian pharma companies are foraying into complex products (e.g., microspheres, liposomes, emulsions), building capabilities in R&D and the manufacturing of these products while still ensuring the required quality.

However, the industry is also facing several challenges in supplying to export markets, which must be addressed going forward.

- The increasing pricing pressure in the regulated market is squeezing margins and profitability. Key drivers include customer consolidation, greater competition in commoditized, easy-to- manufacture products with increased ANDA approvals, and a slowdown in new launches.
- Another key challenge stems from compliance issues affecting the reliability of supply. While many Indian companies have fared well in regulatory audits over the last year and seem to be emerging out of remediation, others continue to face challenges.
- India continues to rely on imports of key starting materials, intermediates and API’s for, China with the share of dependence increasing over time. This potentially exposes us to raw material supply disruptions and pricing volatility.

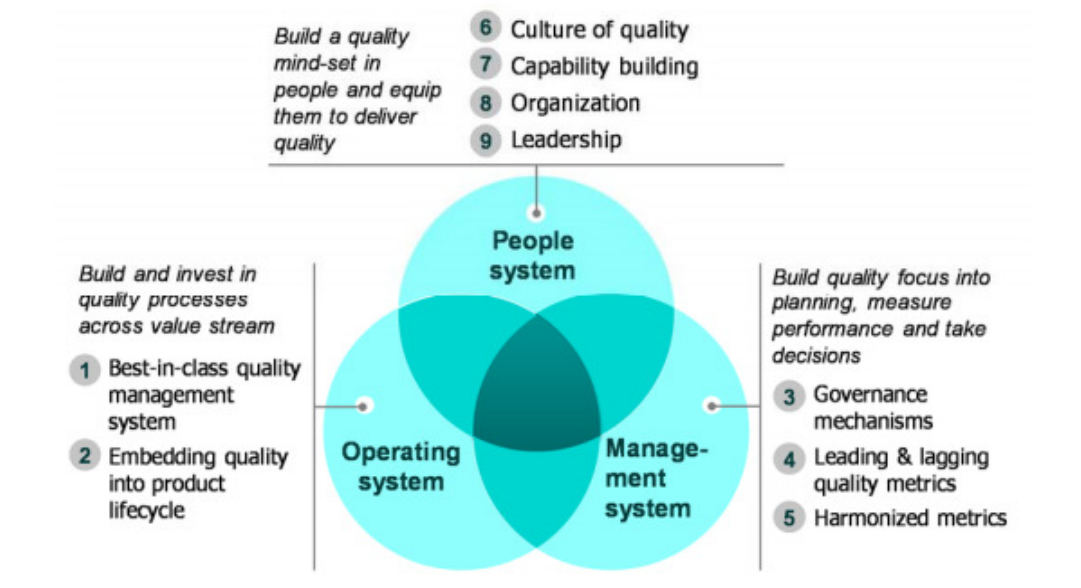
There is an opportunity for India Pharma to drive growth by building on the cost advantage, and improving reliability of supply—major buying criteria for customers. Three priority areas thus emerge for Indian pharmaceutical companies:

- Build stronger quality systems and achieve full compliance
- Re-focus efforts on operational excellence
- Alternate sourcing and self-sufficiency in APIs / intermediates

Institutionalizing quality and compliance excellence

The last few years have seen Indian pharmaceutical manufacturers experience intense regulatory scrutiny and numerous compliance challenges in meeting the evolving cGMP requirements. However, similar trends are seen at leading pharma companies in other major manufacturing hubs as well China, Europe, North America. Many global pharma companies have gone through a similar learning curve of multi-year and network-wide remediation.

Exhibit 3: Outstanding quality involves building quality in the organization’s operating systems, management systems and people systems



Some Indian pharma companies have addressed the issues and built strong quality systems by deploying India-specific interventions in addition to global best practices. The interventions required span across 3 elements of a good quality system i.e., operating system, management system and the people system.

- **Expanding and upskilling the quality talent pool:** Building capabilities across all levels, particularly at the middle management layer; leveraging emerging technologies to build experiential training modules
- **Building a culture of Quality at the shop floor level:** Addressing India-specific cultural challenges and building an environment of ownership, openness and collaboration
- **Leveraging technology to fool-proof key processes and performance management systems:** Some Indian pharma companies are already looking to identify Quality Management System (QMS) risks and reducing OOS and deviations through the deployment of Advanced Analytics techniques.
- **Continuing to strengthen critical technical elements** of the QMS such as data reliability, good documentation practices, process validation and investigations.

Building operational excellence

While the overall cost of manufacturing in India is likely to remain competitive, productivity in Indian pharma sites continues to be 40-50 percent lower than the global median. This presents a significant opportunity to drive efficiencies and offset some of the cost pressures.

While the traditional Lean applications continue to drive efficiencies, advances in availability of data coupled with disruptions in computational power and advanced analytics allow pharmaceutical companies to uncover new opportunities for performance improvements. While on average, the pharmaceutical industry lags advanced industries in the adoption of digital & advanced analytics, players who have merely piloted these applications have seen 10-30% improvement in conversion costs, deviations, yields and equipment efficiencies.

Alternate sourcing and self-sufficiency in APIs / intermediates

Ensuring India's self-sufficiency in API/intermediates will be critical to maintain the competitiveness of Indian players and to ensure supply security for the local market. Investing in next-generation APIs can help India pharma be at the forefront of these technologies and differentiate itself from other players. The industry could also explore alternate sourcing locations (such as Vietnam, Indonesia) while indigenous capabilities & capabilities ramp up.

The government can play a crucial role to help the industry achieve self-sufficiency in APIs / intermediates. It could explore setting up three to five dedicated clusters across the country for the API / intermediate industry. These clusters could offer benefits such as subsidised land and utilities, common resources for effluent treatment, quality assurance, etc. to help improve cost competitiveness of Indian players. It could further support by offering additional incentives to players for R&D investments in these areas. It could also offer grants to academic institutions and public- sector undertakings to invest in this area, or set up dedicated centres for such research.

(Source: <http://ficci.in/spdocument/22944/india-pharma-2018-ficci.pdf>)

OUR BUSINESS

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

All financial information included herein is based on our “Financial information of the Company” included on page 112 of this Draft Prospectus.

OVERVIEW

Incorporated in the year 2012, Our Company is engaged in the pharmaceutical business involving marketing, trading and distribution of wide range of pharmaceutical formulation products such as anti-biotic drugs, anti-malarial drugs, anti-allergic & anti cold drugs, analgesic/ anti-pyretic & anti inflammatory drugs, dermatology products, cerebral activator drugs, neurological drugs, gastro intestinal drugs, steroids, gynecology drugs, calcium, multivitamins, anti-oxidants and injections. As on date of Draft Prospectus, we offer around 125 pharmaceutical formulation products, of which around 24 products are marketed by us under our own brandname, the manufacturing of which is outsourced by us to third parties. Apart from pharmaceutical formulation products, we also deals in trading of active pharmaceutical ingredients (API’s) such as Levofloxacin Hemihdrate IP, Albendazol IP, Amoxicillin Trihydrate IP etc.

Our Company has its registered office, corporate office and warehouse situated at Ahmedabad (Gujarat). Mr. Bhumishth Narendrabhai Patel, Chairman and Managing Director and one of the Promoters of our Company has an overall experience of over 11 years in various segments of pharmaceutical business. Our Key Managerial Personnel is backed up with sales and marketing team who are dedicated to pursue and enhance our business activities in formulations.

As per Restated Financial statements for the nine (9) months period ended December 31, 2018 and fiscal 2018, 2017 and 2016, our total revenues were ₹ 3450.35 lakhs, ₹ 3584.65 lakhs, ₹ 2369.27 lakhs, and ₹ 1863.00 lakhs, respectively. Our Profit after Tax for the similar period mentioned above was ₹ 86.51 lakhs, ₹ 85.65 lakhs, ₹ 15.98 lakhs, and ₹ 9.76 lakhs, respectively.

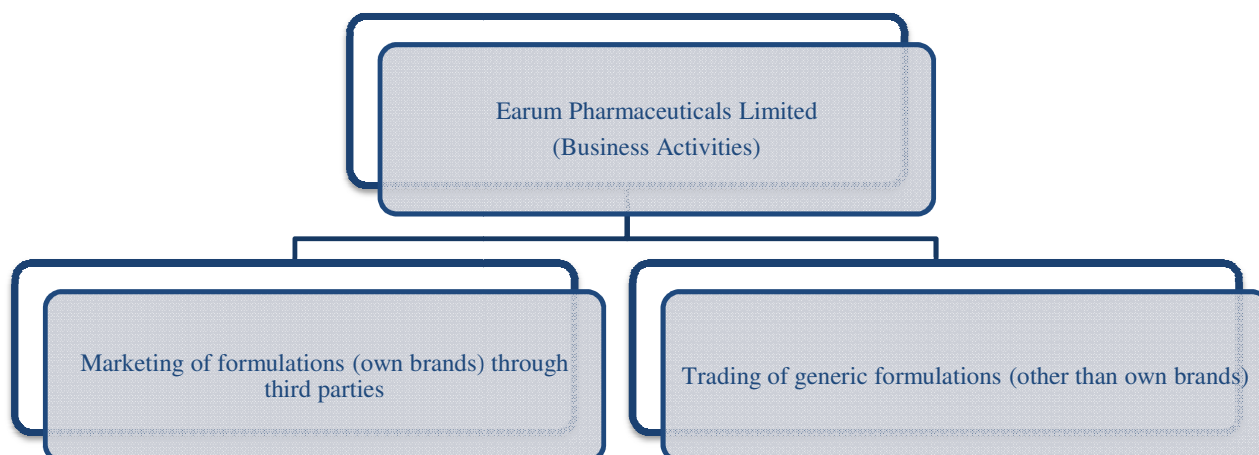
OUR PRODUCTS

Segment	Products				
Anti-Biotic	Erocefux-250/500 Tablets	Eropod 100/200 Tablets	Eroclave – 625 Tablets	Eroclave – 625 (Lb) Tablets	Erothro 250/500 Tablets
	Erofixime – 200 Tablets	Erofixime 200 Tablets	Erofixime – Oz Tablets	Erofixime – Of Tablets	Erofixime- Oz Tablets
	Erolev – Oz Tablets	Erofixime- CV Tablets	Eropod – CV Tablets	Eroclave Dry Syrup	Eroclave (Lb) with WFI Dry Syrup
	Eroclave Forte Dry Syrup				
Anti-Malarial	Artynet Kit Tablets	Artymet – L Tablets	Artymet – L Forte Tablets		
Analgesic/ Anti – Pyretic & Anti – Inflammatory	Erofanac P Tablets	Erofanac P Suspension	Erofanac SP Tablets	Erofanac – MR Tablets	Erodol Gel
	Nimolsy Tablets	Nimicool Tablets	Colcid – A Tablets	Etercox – 90 Tablets	Etolchy Tablets
	Glucosem Tablets	Dretin – M Tablets	Mefnamol Suspension	Mefnamol Plus Suspension	Parsitol Suspension
	Aalkaz Syrup				
Anti-Allergic & Anti-Cold	Trexodine Syrup	Erocoff Syrup	Erocoff – DM Syrup	Erocoff – T Syrup	Erozine 5 tablets
	Erozine – M Syrup	Erozine M Tablets	Erofix – M Tablets	Erocold Tablets	Erocold Syrup

	Broncophylline Capsules				
Dermatology	Ketnizal 200 tablets	Itranz 100 capsules	Chlordent mouth wash liquid	Clonicom Gel	Ketnizal Shampoo
	Sulfoxy Cream	Goggles Lotion	Moistzer Cream	Ketnizal Soap	Benprox Soap
	Erofixime	Eropod Dry Syrup	Eropod Forte Dry Syrup	Eropod CV Dry Syrup	Erofixime Dry Syrup
	Erofixime CV Dry Syrup	Erolev 500 Tablets	Eroflox Suspensions		
Cerebral Activators	Behesta – 8 Tablets	Behesta – 16 tablets			
Calcium, Multi-vitamins & anti-oxidants	Calcybar D3 Tablets	Calcybar K27 Tablets	Calcybar Tablets	Calcybar Syrup	Ero D3 Chewable tablet/ Powder
	Silvee Syrup	Silvee Capsules	Lycony Capsule/ Syrup	Emoga 369 Capsules	Lycyn Syrup
	Erohim – Xt Syrup	Chocostar Syrup	Earovit Tablet/ Syrup	Earovit Drops	Earovit Fort Tablets
	Beecops Tablets	Vitajing Capsules	Glowing tablets	Eropro – SF Powder	Cypum Syrup
	Orangey/ Mangoes Powder				
Neurological	Ero BDF Tablets	Mecolba – G Tablets	Mecolba – P Capsules	Mycolba Syrup	
Gastro Intestinal	Eropanta 40 Tablets	Eropanta – DM Tablets	Eropanta – DSR Capsules	Megnafinn Suppository	Erorabe 20 Tablets
	Erorabe – DSR Capsules	Erorabe – LS Capsules	Prebiotics Capsule/ Powder	Earozym Syrup/ Drops	Erocid Suspension
	Cralsate – O Syrup	Lexatu			
Steroids	Cortdef 6 Tablets	Metpredy 8/4 Tablets	Metpredy Tablets		
Gynecology	Erohim XT Tablets	Vominos Tablets	Trenixa – M Tablets	Pyrinos Plus	Erostron Tablets
Injections	Eroxon 1	Ceftixon 1	Ceftixon - S 1.5	Eroxone S 1.5	Erozone S 1.5
	Erodol AQ	Mycolba 1500	Mycolba Pluse	Rosered	Erostron
	Artnet	Erother	Eropanta 40		

OUR BUSINESS ACTIVITIES

As on date of Draft Prospectus, our business activities can be summarized as per below table:-



OUR LOCATIONS

Registered Office & Warehouse	G1, Ground Floor, V R Complex, Near Sanathal Cross Road, SP Ring Road, Sanathal, Ahmedabad -382210
Corporate Office	A 1106, Empire Business House, Near Auda Water Tank, Science City Road, Sola, Ahmedabad-380060

OUR COMPETITIVE STRENGTHS

1. *Diversified Product Portfolio*

Our Company has diverse product portfolio across various segments to fulfill customer's requirements. Our offerings includes wide range of finished formulations. We supply products on the basis of trends, needs and requirements in the market. Our product range in formulations allows our existing customers to source majority of their product requirements from us and also enables us to expand our business from existing customers as well as address a larger base of potential new customers.

2. *Experienced Promoter and Management team*

The Promoter of our Company, Mr. Bhumishth Narendrabhai Patel has significant industry experience and has been instrumental in the consistent growth of our Company's performance. Mr. Patel has an overall experience of over 12 years in various segments of pharmaceutical business. Further our Company is managed by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team's experience and their understanding of the pharmaceutical business will enable us to continue to take advantage of both current and future market opportunities.

3. *Quality assurance*

We believe that quality is an ongoing process of building and sustaining relationships. Our strength lies in understanding the requirements of the customer and our execution capabilities. This has enabled us to get repeated orders from our existing customers and attract new customers.

OUR BUSINESS STRATEGIES

1. *Make our presence in Global Market*

Currently, we carry our business operations in India. We believe that our footsteps in international market will help us mitigate risk for any unforeseen circumstances in the domestic market and expand our business operations. Currently we have presence in Indian States such as Gujarat, Maharashtra, Chhattisgarh, Uttar Pradesh, Mizoram, Andhra Pradesh, Rajasthan, Madhya Pradesh, Manipur, Assam, Meghalaya, Kerala, Telangana etc. We intend to grow our sales by offering new products in the international markets. Our growth strategy will vary from country to country depending on their specific regulatory requirements.

2. *Leveraging our Marketing skills and Relationships*

This is a continuous process in our organization and the skills that we impart in our people to give prime importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers base by supplying orders in hand on time, maintaining and renewing our relationship with existing clients.

3. *Focus on dealing in quality standard products*

Quality of the product is very important for the company from both customer point of view and growth point of view. Our Company is focused on dealing in the products which meets with the requisite quality standards as per the applicable regulatory norms. Providing the desired and good quality products help us in enhancing our Company's image and maintaining long term relationships with customers.

4. *To build-up a professional organization*

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound and strong in times to come.

5. Develop cordial relationship with our Suppliers, Customer and employees

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over number of years. We bag and place repetitive order with our customers as well as with our suppliers respectively. For us, establishing strong, mutually beneficial long-term relationships and strategic supplier relationship management are critical steps in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

MANUFACTURING PROCESS

As on date of Draft Prospectus, we are not engaged in any manufacturing activities.

CAPACITY UTILIZATION

As we do not have any own manufacturing facility and we are mainly engaged in trading business, thus any specific data relating to capacity and capacity utilization does not exist.

PLANT & MACHINERIES

As on date of Draft Prospectus, Our Company does not possess any major plant & machineries.

COLLABORATIONS/TIE UPS/ JOINT VENTURES

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

EXPORT OBLIGATION

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

SALES AND MARKETING

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our sales channels that are associated with our Company. Our sales and marketing team is dedicated to pursue and enhance our business interest in finished dosage forms. Our team through their experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating new sales orders and expanding the current volume of our business year on year. In order to maintain good relation with customers, our promoters and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. Our prime consideration for customer selection is timely payments and consistency in purchases.

MARKETING STRATEGY

We intend to focus on following marketing strategies:

1. Focus on entering into international markets
2. To expand our existing distribution base
3. Continuously holding market trends
4. Supply of Quality Products
5. Fulfillment of Order in a timely manner
6. Adapting to market dynamics

COMPETITION

Pharmaceutical being a global industry, we face competition from various domestic and international manufacturers and traders. Competition emerges from small as well as big players in the pharmaceutical industry. The organized players in the industry compete with each other by providing high quality, consistent and time bound products and value added services. We have a number of competitors offering products similar to us. We believe the principal elements of competition in pharmaceutical business are consistent and quality products, their prompt availability and strong relations with formulators and pharmaceutical manufacturers. We compete against our competitors by establishing ourselves as a knowledge-based pharmaceutical company and we focus on providing products that would be in consonance with technical and quality requirements of our customer as well as we try to offer a competitive pricing model without compromise on the quality.

UTILITIES & INFRASTRUCTURE

Our registered office, warehouse and corporate office is at Ahmedabad, Gujarat which are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly. Our both the offices has facilities of water and electricity provided by respective authorities.

Human Resource: We believe that our employees are key contributors to our business success. Our Company looks for specific skill-sets, interests and background that would be an asset for our business. As at February 28, 2019, Our Company has employed 8 permanent full time employees (excluding Directors) at various levels of the Organization.

INSURANCE

The details of the major Insurance Policies taken by the company are as follows:

S. No.	Name of Insurance Policy	Assets/Location of Assets	Sum Insured (Rs. in crores)	Premium (in Rs.)	Valid upto
1.	Business Suraksha Classik	G1, Ground Floor, V R Complex, Near Sanathal Cross Road, SP Ring Road, Sanathal, Ahmedabad - 382210, Gujarat, India	Material Damage (Fire) – Rs. 5.75 crores Burglary and Housebreaking – Rs. 5.75 crores	109,340	20.11.2019

PROPERTIES:-

Intellectual Properties:-

Our intellectual property rights are important to our business. As on date of Draft Prospectus, we own 10 trademark registrations relating to finished dosage/formulations which are registered under the Trademarks Act, 1999, details of which are as follows:-

S. No.	Trademark	Class	Registration No.	Date of validity
1.	ERO-BDF	5	2903162	February 17, 2025
2.	EROCLAVE	5	2903159	February 17, 2025
3.	ERO – D3	5	2903161	February 17, 2025
4.	ERODOL	5	2903158	February 17, 2025
5.	EROFIXIME	5	2903152	February 17, 2025
6.	EROLEV	5	2903157	February 17, 2025
7.	ERO-OTC	5	2903160	February 17, 2025
8.	EROPANTA	5	2903156	February 17, 2025
9.	ERORABE	5	2903155	February 17, 2025
10.	EROTHRO	5	2903154	February 17, 2025

Further, our Company is in use of 4 trademarks which was applied for registration under Trademarks Act, 1999 but the same is abandoned. Also, we are yet to register our Corporate Logo  under Trademarks Act, 1999.

Immovable Properties:-

S. No.	Address of Property	Use	Owned/ Leased	Name of the Seller/Lessor	Consideration/ Lease Rental/ License Fees
1.	G1, Ground Floor, V R Complex, Near Sanathal Cross Road, SP Ring Road, Sanathal, Ahmedabad - 382210, Gujarat, India	Registered Office and Warehouse	Licensed	Mr. Shashikant V Sharma (Licensor)	Leave and Licence Agreement dated Feb. 20, 2017 entered between Mr. Shashikant V Sharma (Licensor) and our Company for a period of 59 months and 29 days at consideration of Rs. 2,000 p.m.

2.	A 1106, Empire Business House, Near Auda Water Tank, Science City Road, Sola, Ahmedabad-380060, Gujarat, India	Corporate Office	Licensed	Mrs. Payal Bhumishth Patel (Licensor)	Leave and Licence Agreement dated March 16, 2019 entered between Mrs. Payal Bhumishth Patel (Licensor) and our Company for a period of 59 months and 28 days at consideration of Rs. 20,000 p.m.
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KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “*Government and other Approvals*” on page 160 of this Draft Prospectus.

BUSINESS/TRADE RELATED LAWS/REGULATIONS

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

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

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

Essential Commodities Act, 1955 (the “ECA”)

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

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

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

composition, packing materials, process losses, overhead allocation and appointment, capacity utilization, technical data on manufacturing work orders and packing work orders.

Drug Policy, 2002

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

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

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

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

The DPCO was issued by the Central Government under section 3 of the ECA and in supersession of the Drugs (Prices Control) Order, 1995, thereby giving effect to the 2012 Policy. The DPCO 2013, inter alia, provides that the Central Government may issue 94 directions to the manufacturers of active pharmaceutical ingredients or bulk drugs and formulations to increase production or sell such active pharmaceutical ingredient or bulk drug to such manufacturer of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency, procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, method of implementation of prices fixed by Government and penalties for contravention of its provisions. The Government has the power under the DPCO 2013 to recover amounts charged in excess of the notified price from the manufacturer, importer or distributor and the said amounts are to be deposited in the Drugs Prices Equalization Account. The DPCO 2013 prescribes certain instances in which case the provision of the DPCO 2013 will not be applicable. These provisions are applicable to all scheduled formulations irrespective of whether they are imported or patented, unless they are exempted. However, the prices of other drugs can be regulated, if warranted in public interest.

National Pharmaceuticals Pricing Policy, 2012 (the “2012 Policy”)

The 2012 Policy replaces the drug policy of 1994 and presently seeks to lay down the principles for pricing of essential drugs specified in the National List of Essential Medicines – 2011 (NLEM) declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time, so as to ensure the availability of such medicines at reasonable price, while providing sufficient opportunity for innovation and competition to support the growth of the Industry. The prices would be regulated based on the essential nature of the drugs rather than the economic criteria/market share principle adopted in the drug policy of 1994. Further, the 2012 Policy will regulate the price of formulations only, through market based pricing which is

different from the earlier principle of cost based pricing. Accordingly, the formulations will be priced by fixing a ceiling price and the manufacturers of such drugs will be free to fix any price equal to or below the ceiling price.

ANTI TRUST LAW

Competition Act, 2002

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

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

GENERAL CORPORATE COMPLIANCE

The Companies Act, 2013

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Arbitration and Conciliation Act, 1996

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimise the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

The Competition Act, 2002

The Competition Act, 2002 came into effect on January 14, 2003 and has been enacted to “prohibit anti-competitive agreements, abuse of dominant positions by enterprises” and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

Transfer of Property Act, 1882

The Transfer of Property Act, 1882 (the “TP Act”) establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The TP Act also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

Registration Act, 1908

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

The Indian Stamp Act, 1899

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

Indian Contract Act, 1872

The Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them.

EMPLOYMENT AND LABOUR LAWS**Payment of Bonus Act, 1965**

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

Minimum Wages Act, 1948

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

Maternity Benefit Act, 1961

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

Equal Remuneration Act, 1976

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

Child Labour Prohibition and Regulation Act, 1986

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

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

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

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

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

TAX RELATED LEGISLATIONS

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

Income Tax Act, 1961

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

The Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. The Gujarat State Tax on Professions, Traders, Callings and Employments Rules, 1976 have also been notified by the Government.

OTHER LAWS

The Gujarat State Tax on Professions, Trade, Callings and Employments Act, 1976

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. The Gujarat State Tax on Professions, Traders, Callings and Employments Rules, 1976 have also been notified by the Government.

Gujarat Shops and Establishment Act, 1948

The Gujarat Shops and Establishment Act, 1948 regulates the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

INTELLECTUAL PROPERTY LEGISLATIONS

Trade Marks Act, 1999

The Trade Marks Act, 1999 (the **-Trade Marks Act**) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

FOREIGN INVESTMENT REGULATIONS

Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto.

Foreign Exchange Management Act, 1999 (“The Fema”) And Rules And Regulations

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”), read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 (“Export of Goods and Services Regulations 2015”) issued by the RBI on January 12, 2016 [last amended on June 23, 2017]. The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.

HISTORY AND CORPORATE STRUCTURE

BRIEF HISTORY AND BACKGROUND

Our Company was originally incorporated as “Earum Pharmaceuticals Private Limited” on July 26, 2012 vide Registration no. 071299 (CIN: U24230GJ2012PTC071299) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on January 10, 2019, our company was converted into a Public Limited Company and consequently the name of our Company was changed from “Earum Pharmaceuticals Private Limited” to “Earum Pharmaceuticals Limited” vide a fresh Certificate of Incorporation dated January 23, 2019 issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company post conversion is U24230GJ2012PLC071299.

Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the sections titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Financial information of the Company*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 80, 73, 95, 112 and 147 respectively of this Draft Prospectus.

ADDRESS OF REGISTERED & CORPORATE OFFICE

Corporate Office	A-1106, Empire Business Hub, Nr. AUDA Water Tank, Science City Road, Sola , Ahmedabad 380060, Gujarat, India.
Registered Office	G1, Ground Floor, V R Complex, Near Sanathal Cross Road, SP Ring Road, Sanathal, Ahmedabad, Gujarat-382210,India.

CHANGES IN REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

Except as mentioned below, there has not been any change in our Registered Office since inception till the date of the Draft Prospectus.

From	To	Effective Date	Reason for Change
6, Rushabh Flat, Behind Surjan Tower, Near Sharda School, Memnagar, Ahmedabad - 380052, Gujarat, India	G1, Ground Floor, V R Complex, Near Sanathal Cross Road, SP Ring Road, Sanathal, Ahmedabad, Gujarat 382210,India	June 07, 2017	To increase Operational Efficiency

OUR MAIN OBJECTS

The main objects of our Company, as set forth in our Memorandum of Association, of our company are as follows:

1. To carry on business as manufactures, producers, processors, makers, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, consultants, liasioner, jobbers, brokers, concessionaires or otherwise deal in all kinds, specification, strengths of pharmaceuticals in all its branches, tonics, vitamins, Bulk drugs, vaccines, medical gases, diagnostic agents, surgical & non-surgical articles, A.P.I, Drugs Intermediates, medical, Pharmaceutical Chemicals, preparations and compound drugs and formulations, solvents, catalyst and ayurvedic, homeopathic, herbal, unani, siddha, bio-chemic Health care products.

CHANGES IN MEMORANDUM OF ASSOCIATION

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Date of Meeting	Type of Meeting	Amendment
March 26, 2015	EGM	Increase in the authorized share Capital of the Company from ₹ 1.00 Lakhs divided into 10,000 Equity Shares of ₹ 10/- each to ₹ 200.00 Lakhs divided into 2,00,000 Equity Shares of ₹ 10/- each.

June 26, 2015	EGM	Increase in the authorized share capital of the company from ₹ 20.00 Lakhs divided into 2,00,000 Equity Shares of ₹ 10/- each to ₹ 100.00 Lakhs divided into 10,00,000 Equity Shares of ₹ 10/- each.
September 12, 2018	EGM	Increase in the authorized share capital of the company from ₹ 100.00 Lakhs divided into 10,00,000 Equity Shares of ₹ 10/- each to ₹ 300.00 Lakhs divided into 30,00,000 Equity Shares of ₹ 10/- each.
January 10, 2019	EGM	Conversion of our Company from Private Limited to Public Limited Company. Consequently name of the Company has been changed from Earum Pharmaceuticals Private Limited to Earum Pharmaceuticals Limited and a fresh Certificate of Incorporation dated January 23, 2019 bearing CIN U24230GJ2012PLC071299 was issued by Registrar of Companies, Ahmedabad.
March 05, 2019	EGM	Increase in the authorized share capital of the company from ₹ 300.00 Lakhs divided into 30,00,000 Equity Shares of ₹ 10/- each to ₹ 500 Lakhs divided into 50,00,000 Equity Shares of ₹ 10/- each.
March 30, 2019	EGM	Increase in the authorized share capital of the company from ₹ 500.00 Lakhs divided into 50,00,000 Equity Shares of ₹ 10/- each to ₹ 700 Lakhs divided into 70,00,000 Equity Shares of ₹ 10/- each.

ADOPTING NEW ARTICLES OF ASSOCIATION OF THE COMPANY

Our Company has adopted a new set of Articles of Association of the Company in accordance with applicable provisions of the Companies Act 2013, in the Extra Ordinary General Meeting of the Company dated March 05, 2019.

KEY EVENTS AND MILESTONES

The Table below sets forth some of the major events in the history of our company:

Year/F.Y.	Key Events / Milestone / Achievements
2012	Incorporation of the Company in the name of "Earum Pharmaceuticals Private Limited"
2014-15	Total turnover of the Company reached to Rs. 8 crores
2015-16	Crossed Turnover of Rs. 18 crores
2016-17	Crossed Turnover of Rs. 23 crores
2017-18	Crossed Turnover of Rs. 35 crores
2019	Conversion of the Company from Private Limited to Public Limited Company.

OTHER DETAILS ABOUT OUR COMPANY

For details of our Company's activities, products, growth, capacity, location of plants, technology, marketing strategy, competition and our customers, please refer section titled "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Basis for Issue Price*" on pages 80, 147 and 68 respectively of this Draft Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "*Our Management*" and "*Capital Structure*" beginning on page 95 and 46 of the Draft Prospectus respectively.

CAPITAL RAISING (DEBT / EQUITY)

For details in relation to our capital raising activities through equity, please refer to the chapter titled "*Capital Structure*" beginning on page 46 of the Draft Prospectus.

For a description of our Company's debt facilities, see "*Statement of Financial Indebtedness*" on page 145 of the Draft Prospectus.

CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Draft Prospectus.

HOLDING COMPANY

As on the date of the Draft Prospectus, our Company is not a subsidiary of any company.

SUBSIDIARY OF OUR COMPANY

As on the date of this Draft Prospectus, our Company does not have any subsidiary Company.

INJUNCTION OR RESTRAINING ORDER

There are no injunctions/restraining orders that have been passed against the Company.

DETAILS REGARDING ACQUISITION OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS ETC

In the last 10 years, there are no mergers, amalgamation, revaluation of assets etc. with respect to our company and we have not acquired any business/undertaking in the said period.

NUMBER OF SHAREHOLDERS OF OUR COMPANY:

Our Company has Seven (7) shareholders as on the date of this Draft Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled "*Capital Structure*" beginning on page 46 of the Draft Prospectus.

CHANGES IN THE MANAGEMENT

For details of change in Management, please see chapter titled "*Our Management*" on page 95 of the Draft Prospectus.

SHAREHOLDERS AGREEMENTS

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Prospectus.

COLLABORATION AGREEMENTS

As on date of this Draft Prospectus, Our Company is not a party to any collaboration agreements.

MATERIAL AGREEMENT

Our Company has not entered into any material agreement, other than the agreements entered into by it in normal course of its business.

STRATEGIC OR FINANCIAL PARTNERS

Our Company does not have any strategic or financial partners as on the date of this Draft Prospectus.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

There has been no time / cost overrun in setting up projects by our Company.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Draft Prospectus.

OTHER AGREEMENTS

NON COMPETE AGREEMENT

Our Company has not entered into any No- compete Agreement as on the date of filing of this Draft Prospectus.

JOINT VENTURE AGREEMENT

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Draft Prospectus.

OUR MANAGEMENT

Board of Directors

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Prospectus:

Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification, Nationality & DIN	Date & term of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue)]	Other Directorships
Mr. Bhumishth Narendrabhai Patel Father's Name: Mr. Narendrabhai Gangaramdas Age: 36 years Date of Birth: March 09, 1983 Designation: Chairman and Managing Director Address: 6, Rushabh Flat, Behind Surjan Tower, Gurukul Road, Memnagar, Ahmedabad 380052 – Gujarat Experience: 14 years Occupation: Business Qualification: BBA and Diploma in Investment & Financial Analysis Nationality: Indian DIN: 02516641	Originally Appointed as Director w.e.f. July 26, 2012 Re-designated as Chairman and Managing Director w.e.f. March 05, 2019 for a period of 5 years <i>(Not liable to retire by rotation)</i>	17,51,330 Equity Shares [40.54%]	1. Salus Life Science and Research Private Limited
Mrs. Payal Bhumishth Patel Father's Name: Mr. Dahyalal Mafatlal Patel Age: 36 years Date of Birth: June 02, 1982 Designation: Whole time Director Address: 6, Rushabh Flat, Behind Surjan Tower, Gurukul Road, Memnagar, Ahmedabad 380052 – Gujarat Experience: 5 years Occupation: Business Qualification: Bachelor of Arts Nationality: Indian DIN: 05300011	Originally Appointed as Director w.e.f. July 26, 2012 Further, re-designated as Whole time Director w.e.f. March 05, 2019 for a period of 5 years <i>(Not liable to retire by rotation)</i>	17,51,330 Equity Shares [40.54%]	1. Hetarth Software Solutions Private Limited
Mr. Narendrakumar Gangaramdas Patel Father's Name: Gangarambhai Revabhai Patel Age: 61 years Date of Birth: June 01, 1957 Designation: Non-Executive Director Address: 6, Rushabh Flat, Sarjan Tower, Memnagar, Ahmedabad- 380052, Gujarat Experience: 15 years Occupation: Business Qualification: Matriculation Nationality: Indian DIN: 07017438	Originally Appointed as Non-Executive Director w.e.f. March 05, 2019 <i>(Liable to retire by rotation)</i>	4,08,590 Equity Shares [9.46%]	1. Auxilia Pharmaceuticals Private Limited

Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification, Nationality & DIN	Date & term of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue)]	Other Directorships
Mr.Hetarth Ashokkumar Patel Father's Name: Mr. Ashokkumar Karshanbhai Patel Age: 38 years Date of Birth: September 07, 1980 Designation: Independent Director Address: 2 Shanti Palace, Near Plam Beach Bungalows, Hebatpur Road, Thaltej, Ahmedabad, Bodakdev – Gujarat Experience: 17 years Occupation: Business Qualification: Bachelor of Engineering Nationality: Indian DIN: 07356470	Originally Appointed as Additional Independent Director w.e.f. December 14, 2018 for a period of 5 years. Further, Designated as Director w.e.f. March 05, 2019 for a period of 5 years <i>(Not liable to retire by rotation)</i>	Nil	1. Hetarth Software Solutions Private Limited
Mr.Alpesh Fatehsingh Purohit Father's Name: Mr. Fatehsingh Vardisingh Purohit Age: 30years Date of Birth: October 26, 1988 Designation: Independent Director Address: 46, Devkutir Bangalows - 1 Opp. Ambli Gam Ambli- Bopal Road – Bopal, Ahmedabad 380058,Gujarat, India Experience: 9 years Occupation: Business Qualification: PGDM (Post Graduation Diploma in Management) Nationality: Indian DIN: 07389212	Originally Appointed as Independent Director w.e.f. March 05, 2019 for a period of 5 years. <i>(Not liable to retire by rotation)</i>	Nil	1. Pinnacle Risk Advisory LLP

Brief Profile of Directors

Mr. Bhumishth Narendrabhai Patel is the Chairman and Managing Director of our Company. He has been on the Board since incorporation of the Company. He has completed his Bachelor of Business Administration in 2004 from Som - Lalit Institute of Business Administration, Gujarat University, Ahmedabad and Diploma in Investment & Financial Analysis from Gujarat University in 2005. He has a work experience of around 14 years of which 11 years of experience is particularly in the Pharmaceutical industry. He is a visionary entrepreneur and has played a pivotal role in setting up business of our Company. He currently oversees and controls the overall management of our Company. Under his guidance our Company has witnessed continuous growth. He was designated as the Chairman and Managing Director of our Company w.e.f. March 05, 2019.

Mrs. Payal Bhumishth Patel is the Whole Time Director of our Company. She has been on the Board since incorporation of the Company. She has completed her Bachelor of Arts from Hemchandracharya North Gujarat University in 2004. She has an experience of around 5 years in the administration field and has been looking after the administration operations of our Company. She was designated as Whole Time Director w.e.f. March 05, 2019.

Mr. Narendrakumar Gangaramdas Patel is the Non-Executive Director of our Company. He has an experience of around 15 years in the field of Pharmaceutical industry. He currently provides advisory services on Business Development and marketing strategies to our Company. He has been appointed as Non-Executive Director of our Company w.e.f. March 05, 2019.

Mr. Hetarth Ashokkumar Patel is an Independent Director of our Company. He has completed his Bachelors of Engineering (Electronics & Communications) from Gujarat University in 2001. He possesses expertise in the field of mobile, advertising and digital industry and possess an experience of 17 years in it. He was appointed as additional Independent Director of our Company w.e.f. December 14, 2018 and regularized in the EGM dated March 05, 2019.

Mr. Alpesh Fatehsingh Purohit is an Independent Director of our Company. He has completed his Post Graduation Diploma in Management from St. Kabir Institute of Professional Studies, Ahmedabad in 2011 and has an experience of around 9 years in finance field. He was appointed as Independent Director of our Company w.e.f. March 05, 2019.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their 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 their directorship in such company.

Nature of any family relationship between our Directors and Key Managerial Personnel (KMP)

The Directors and KMPs of the Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. No.	Name of the Director/KMP	Relationship with other Directors/KMPs
1.	Mr. Bhumishth Narendrabhai Patel	Husband of Mrs. Payal Bhumishth Patel
2.	Mrs. Payal Bhumishth Patel	Wife of Mr. Bhumishth Narendrabhai Patel
3.	Mr. Narendrakumar Gangaramdas Patel	Father of Mr. Bhumishth Narendrabhai Patel

Arrangements with major Shareholders, Customers, Suppliers or Others:

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

Service Contracts:

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

Details of Borrowing Powers of Directors

Our Company has passed a special resolution in the Extra Ordinary General Meeting of the members held on January 10, 2019 authorizing the Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of ₹300.00 Crores (Rupees Three Hundred Crores Only).

Compensation of our Managing Director & Whole-time Director

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director & Whole time Director

Particulars	Mr. Bhumishth Narendrabhai Patel	Mrs. Payal Bhumishth Patel
Appointment/Change in Designation	Appointed as Director since incorporation ; Re-designated as Chairman and Managing Director w.e.f March 05, 2019	Appointed as Director since incorporation ; Re-designated as Whole time Director w.e.f March 05, 2019
Current Designation	Chairman and Managing Director	Whole time Director
Term of Appointment	5 years Not liable to Retire by rotation	5 years Liable to Retire by rotation
Remuneration & Perquisites	₹1,50,000 /- per month	₹1,50,000 /- per month

Compensation paid in the year 2017-18	₹11,20,000 /-	₹11,20,000 /-
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Bonus or Profit Sharing Plan for our Directors

We have no bonus or profit sharing plan for our Directors.

Sitting Fees

The Articles of Association of our Company provides for payment of sitting fees to Directors (other than Managing Director & Whole-time Directors), not exceeding Rs. 1.00 Lac to be fixed by Directors from time to time, for attending a meeting of the Board or a Committee thereof. Our Board of Directors have resolved in their meeting dated April 02, 2019 for payment of an amount not exceeding Rs. 1.00 Lac as approved by the Board to all Non-executive Directors for attending each such meeting of the Board or Committee thereof.

Shareholding of our Directors as on the date of this Draft Prospectus:-

Sr. No.	Name of the Directors	No. of Shares Held	Holding in %
1.	Mr. Bhumishth Narendrabhai Patel	17,51,330	40.54%
2.	Mrs. Payal Bhumishth Patel	17,51,330	40.54%
	Total	35,02,660	81.08%

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Prospectus.

We do not have Subsidiary Company as defined under Section 2(6) of the Companies Act, 2013.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled "**Our Management**" beginning on page 95 of this Draft Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to "**Statement of Financial Indebtedness**" and "Annexure B" of Section "**Financial Information of the Company**" on page 145 and 126 respectively of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section "**Our Management**" or the section titled "**Financial information of the Company – Annexure W - Related Party Transactions**" beginning on page 95 and 140 respectively of this Draft Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Interest in the property of Our Company

Except as mentioned hereunder our Directors do not have any other interest in any property acquired/rented by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of Draft Prospectus.

Sr.No.	Name of Director	Address of Property	Interest and nature of interest

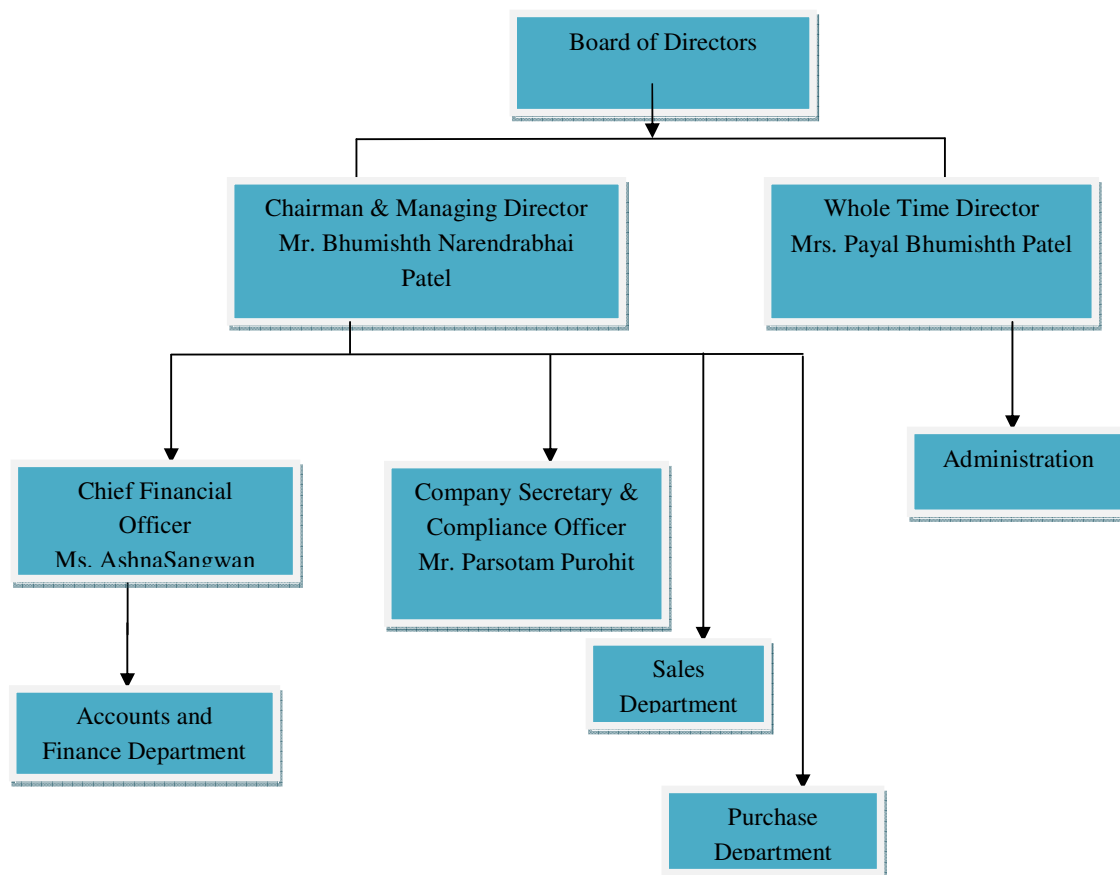
1.	Mrs. Payal Bhumishth Patel	A 1106, Empire Business House, Near Auda Water Tank, Science City Road, Sola, Ahmedabad-380060	Mrs. Payal Bhumishth Patel (Licensor) and our Company has entered into Leave and Licence Agreement dated March 16, 2019 for obtaining the said premises on rent for a period of 59 months and 28 days at consideration of Rs. 20,000 p.m.
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Changes in Board of Directors in Last 3 Years

Sr. No.	Name	Date of Appointment / Re - Appointment	Reasons for Change
1.	Mr. Bhumishth Narendrabhai Patel	Re-designated as Chairman & Managing Director w.e.f. March 05, 2019	To ensure better Corporate Governance and compliance with Companies Act, 2013
2.	Mrs. Payal Bhumishth Patel	Re-designated as Whole time Director w.e.f. March 05, 2019	To ensure better Corporate Governance and compliance with Companies Act, 2013
3.	Mr. Narendrakumar Gangaramdas Patel	Appointed as Additional Director w.e.f. January 10, 2018	To ensure better Corporate Governance and compliance with Companies Act, 2013
4.	Mr. Narendrakumar Gangaramdas Patel	Change in designation from Additional Director to Director w.e.f. September 29, 2018	To ensure better Corporate Governance and compliance with Companies Act, 2013
5.	Mr. Narendrakumar Gangaramdas Patel	Cessation as Director w.e.f. January 01, 2019	Cessation from to Directorship due to Personal reason.
6.	Mr. Hetarth Ashokkumar Patel	Appointed as Additional Independent Director w.e.f. December 14, 2018	To ensure better Corporate Governance and compliance with Companies Act, 2013
7.	Mrs. Komalben Patel Vashisthbhai	Appointed as Additional Independent Director w.e.f. December 14, 2018	To ensure better Corporate Governance and compliance with Companies Act, 2013
8.	Mrs. Komalben Patel Vashisthbhai	Cessation as Director w.e.f. March 05, 2019	Cessation from to Directorship due to Personal reason.
9.	Mr. Alpesh Fatehsingh Purohit	Appointed as Independent Director w.e.f. March 05, 2019	To ensure better Corporate Governance and compliance with Companies Act, 2013
10.	Mr. Narendrakumar Gangaramdas Patel	Appointed as Non-Executive Director w.e.f. March 05, 2019	To ensure better Corporate Governance and compliance with Companies Act, 2013

MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:-



COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of BSE. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees, as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Five (5) directors of which two (2) are Independent Directors, and we have one women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

1. Audit Committee

Our Company has constituted an Audit Committee ("Audit Committee"), vide Board Resolution dated April 02, 2019, as per the applicable provisions of the Section 177 of the Companies Act, 2013. The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Alpesh Fatehsingh Purohit	Chairman	Independent Director
Mr. Hetarth Ashokkumar Patel	Member	Independent Director
Mr. Bhumishth Narendrabhai Patel	Member	Chairman & Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. Tenure: The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee: The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

C. Role and Powers: The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to:
 - 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;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. 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;
18. 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;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.

20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor
- f) Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per the applicable provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated April 02, 2019. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Alpesh Fatehsingh Purohit	Chairman	Independent Director
Mr. Hetarth Ashokkumar Patel	Member	Independent Director
Mrs. Payal Bhumishth Patel	Member	Whole Time Director

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

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
 - Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
 - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
 - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
 - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
 - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly

- received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per the applicable provisions of the Section 177 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated April 02, 2019. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Alpesh Fatehsingh Purohit	Chairman	Independent Director
Mr. Hetarth Ashokkumar Patel	Member	Independent Director
Mr. Narendrakumar Gangaramdas Patel	Member	Non-Executive Director

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

A. Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings: The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

C. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of joining	Compensation paid for F.Y. ended 2018 (in ₹Lacs)	Overall experience (in years)	Previous employment
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Mr. Bhumishth Narendrabhai Patel Designation: Chairman and Managing Director Educational Qualification - BBA and Diploma in Investment & Financial Analysis Term of Office: 5 years	36	2012	11.20	14	Lincoln Pharmaceutical Limited
Mrs. Payal Bhumishth Patel Designation: Whole time Director Educational Qualification - Bachelor of Arts Term of Office: 5 years	37	2012	11.20	5	Nil
Mr. Parsotam Kantilal Purohit Designation: Company Secretary and Compliance Officer Educational Qualification - Company Secretary	24	2019	-	7 months	KGN Industries Limited
Ms. Ashna Sangwan Designation: Chief Financial Officer Educational Qualification – B. Tech (Computer Science &Engineering) and Master of Business Administration (M.B.A)	25	2019	-	1	Valuefy Solutions Private Limited

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

Mr. Bhumishth Narendrabhai Patel - Please refer to section “Brief Profile of our Directors” beginning on page 96 of this Draft Prospectus for details.

Mrs. Payal Bhumishth Patel - Please refer to section “Brief Profile of our Directors” beginning on page 96 of this Draft Prospectus for details.

Mr. Parsotam Kantilal Purohit is the Company Secretary and Compliance officer of our Company. He is a qualified Company Secretary from Institute of Company Secretaries of India. He looks after the overall corporate governance and secretarial matters of our Company.

Ms. Ashna Sangwan is the Chief Financial Officer of our Company. She has completed her B. Tech (Computer Science & Engineering) from Maharshi Dayanand University, Rohtak in 2015 and Master of Business Administration (M.B.A) from the ICFAI Foundation for Higher Education, Hyderabad in 2018. She joined our Company as CFO on March 15, 2019. She is responsible for the overall Accounts & Finance function of our Company.

We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2018.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Prospectus except as under:-

Sr. No.	Name of the KMP	No. of Shares held
1	Mr. Bhumishth Narendrabhai Patel	17,51,330
2	Mrs. Payal Bhumishth Patel	17,51,330
	Total	35,02,660

- Presently, we do not have ESOP/ESPS scheme for our employees.
- The turnover of KMPs is not high, compared to the Industry to which our company belongs.

Payment of benefits to officers of Our Company (non-salary related)

Except as disclosed in this Draft Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance

Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name	Designation and period	Appointment/Cessation/Re-designation	Reasons
1.	Mr. Bhumishth Narendrabhai Patel	Chairman & Managing Director (w.e.f. March 05, 2019)	Re-designation	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance
2.	Mrs. Payal Bhumishth Patel	Whole time Director (w.e.f. March 05, 2019)	Re-designation	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance
3.	Ms. Ashna Sangwan	Chief Financial Officer (w.e.f. March 15, 2019)	Appointment	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance
4.	Mr. Parsotam Kantilal Purohit	Company Secretary & Compliance Officer (w.e.f. April 02, 2019)	Appointment	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance

Interest of Our Key Managerial Persons

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal are interested in our Company. For details, please refer section titled "*Financial information of the Company – Annexure W - Related Party Transactions*" beginning on page 140 of this Draft Prospectus.

Interest in the property of our Company

Except as mentioned in the section "*Interest of our Directors- Interest in the properties of our Company*" on page 98 of this Draft Prospectus, our KMPs do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of filing the Draft Prospectus with RoC.

Details of Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

Loans given/availed by Directors / Key Managerial Personnel of Our Company

For details of unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to "*Annexure W –Statement of Related Party Transaction*" page 140 of this Draft Prospectus.

ESOP/ESPS SCHEME TO EMPLOYEES


Presently, we do not have any ESOP/ESPS Scheme for our employees.

OUR PROMOTERS & PROMOTER GROUP

Our Promoters:

Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel are the Promoters of our Company. As on the date of this Draft Prospectus, Mr. Bhumishth Narendrabhai Patel holds 17,51,330 Equity Shares and Mrs. Payal Bhumishth Patel holds 17,51,330 Equity Shares of our Company. Our Promoters and Promoter Group will continue to hold the majority of the post-issue paid-up Equity Share Capital of our Company.

Brief Profile of our Promoters is as under:

	Mr. Bhumishth Narendrabhai Patel– Chairman and Managing Director	
	Qualification	BBA and Diploma in Investment & Financial Analysis
	Age	36 years
	Date of Birth	March 09, 1983
	Address	6, Rushabh Flat, Behind Surjan Tower, Gurukul Road, Memnagar, Ahmedabad 380052, Gujarat, India.
	Experience	14 years
	Occupation	Business
	PAN No.	AOEPP2107F
	Driving License Number	GJ01/213552/01
	Aadhar Card Number	568114389972
	No. of Equity Shares held in EPL & [% of Shareholding (Pre Issue)]	17,51,330 Equity Shares aggregating to 40.54% of Pre Issue Paid up Share Capital
	Other Ventures	Directorships in other Companies: <ul style="list-style-type: none"> • Salus Life Science and Research Private Limited HUFs:- <ul style="list-style-type: none"> • Bhaumishth Patel HUF (as Karta) • Narendrabhai G Patel HUF (as Member)
	Mrs. Payal Bhumishth Patel – Whole Time Director	
	Qualification	Bachelor of Arts
	Age	36 years
	Date of Birth	June 02, 1982
	Address	6, Rushabh Flat, Behind Surjan Tower, Gurukul Road, Memnagar, Ahmedabad 380052 – Gujarat
	Experience	5 years
	Occupation	Business
	PAN No.	ATCPP0254C
	Driving License Number	GJ02/043227/08
	Aadhar Card Number	989625528068
	No. of Equity Shares held in EPL & [% of Shareholding (Pre Issue)]	17,51,330 Equity Shares aggregating to 40.54% of Pre Issue Paid up Share Capital
	Other Ventures	Directorships in other Companies: <ul style="list-style-type: none"> • Hetarth Software Solutions Private Limited HUFs:- <ul style="list-style-type: none"> • Bhaumishth Patel HUF (as Karta) • Narendrabhai G Patel HUF (as Member)

For brief biography of our Individual Promoter, please refer to Chapter titled “Our Management” beginning on page 95 of this Draft Prospectus.

Confirmations/Declarations

In relation to our Promoters, Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel, our Company confirms that the PAN, bank account numbers and passport numbers have been submitted to BSE Limited at the time of filing of this Draft Prospectus.

Undertaking/ Confirmations

None of our Promoters or Promoter Group member has been:-

- (i) prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad

None of our Promoters or members of the promoter group is or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoters or members of the Promoter Group have been declared as Willful defaulters.

None of our Promoter Group entities has become sick Companies under the IBC and no application has been made in respect of any of them to the Registrar of Companies for striking off their names. Further no winding up proceedings have been initiated against the Promoter Group entities or the Group Companies.

Common Pursuits/ Conflict of Interest

Our Promoter Group Entities namely, Auxilia Pharmaceuticals Private Limited and Salus Life Science and Research Private Limited are engaged in similar line of business as of our Company. We cannot assure that our Promoters or Promoter Group will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said Entity will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For further details, please see Risk Factors on page 20 of this Draft Prospectus. For details of our Promoter Group and Group Companies refer to Section titled “*Our Promoters and Promoter Group*” & “*Our Group Company*” on page 106 and 163 of this Draft Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Interest of our Promoters

Interest of the Promoters in our Company as stated below:

Interest in promotion and shareholding of Our Company:

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Draft Prospectus, our Promoters, Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel collectively holds 35,02,660 Equity Shares in our Company i.e. 81.08% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of his remuneration, as per the terms of his appointment and reimbursement of expenses payable to him and unsecured loan given by them to our Company, if any.

For details regarding the shareholding of our Promoters in our Company, please see “*Capital Structure*” on page 46 of this Draft Prospectus

Interest in the property of Our Company:

Except as mentioned hereunder, our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of filing the Draft Prospectus with RoC.

Sr. No.	Name of Promoter	Address of Property	Interest and nature of interest
1.	Mrs. Payal Bhumishth Patel	A 1106, Empire Business House, Near Auda Water Tank, Science City Road, Sola, Ahmedabad-380060, Gujarat, India	Mrs. Payal Bhumishth Patel (Licensor) and our Company has entered into Leave and License Agreement dated March 16, 2019 for obtaining the said premises on rent for a period of 59 months and 28 days at consideration of Rs. 20,000 p.m.

In transactions for acquisition of land, construction of building and supply of machinery

Except as stated in the Chapter titled “***Financial Information of the Company – Annexure W Related Party Transactions***” and “***Our Business***” beginning on page 140 and 80 of this Draft Prospectus, none of our promoter or promoter group entities are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Other Interests in our Company

For transactions in respect of loans and other monetary transactions entered in past please refer ***Annexure W*** on “***Related Party Transactions***” on page 140 forming part of “***Financial Information of the Company***” of this Draft Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “***Statement of Financial Indebtedness***” and “***Financial Information of Our Company***” on page 145 and 112 respectively of this Draft Prospectus.

Payment or Benefits to our Promoter and Promoter Group during the last 2 years:

For details of payments or benefits paid to our Promoter and promoter group, please refer to the paragraph “***Compensation of our Managing Director***” in the chapter titled “***Our Management***” beginning on page 95 also refer Annexure W on “***Related Party Transactions***” on page 140 forming part of “***Financial Information of the Company***” and Paragraph on “***Interest of Promoter***” in chapter titled “***Our Promoter and Promoter Group***” on page 106 of this Draft Prospectus.

Companies/Firms with which our Promoters have disassociated in the last (3) three years

Our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Draft Prospectus.

Other ventures of our Promoter

Save and except as disclosed in this section titled “***Our Promoter & Promoter Group***” beginning on page 106 of this Draft Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

Litigation details pertaining to our Promoter

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “***Outstanding Litigations and Material Developments***” beginning on page 156 of this Draft Prospectus.

Experience of Promoters in the line of business

Our Promoter, Mr. Bhumishth Narendrabhai Patel has an experience of around 11 years in the pharmaceutical business and Mrs. Payal Bhumishth Patel has an experience of around 5 years in the pharmaceutical business (admin field). The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

Related Party Transactions

For the transactions with our Promoter Group entities please refer to section titled “*Annexure - W*” *Related Party Transactions*” on page 140 of this Draft Prospectus.

Except as stated in “*Annexure - W*” *Related Party Transactions*” beginning on page 140 of this draft Prospectus, and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

Nature of relationship between our Promoters:

The Promoters of our Company are related to each other within the meaning of section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. No	Name of the Promoter	Relationship with other Promoters
1	Mr. Bhumishth Narendrabhai Patel	Spouse
2.	Mrs. Payal Bhumishth Patel	

OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

1. Natural Persons who are part of the Promoter Group

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

Relationship with Promoter	Mr. Bhumishth Narendrabhai Patel
Father	Mr. Narendrakumar Gangaramdas Patel
Mother	Mrs. Sushilaben Narendrakumar Patel
Spouse	Mrs. Payal Bhumishth Patel
Brother	-
Sister	-
Son	-
Daughter	Ms. Viyona Bhumishth Patel
Spouse’s Father	Mr. Dahyabhai Mafatlal Patel
Spouse’s Mother	Mrs. Prafullaben Dahyabhai Patel
Spouse’s Brother	Mr. Jitendrabhai Dahyabhai Patel
Spouse’s Sister	Mrs. Nidhi Prafullaben Patel

Relationship with Promoter	Mrs. Payal Bhumishth Patel
Father	Mr. Dahyabhai Mafatlal Patel
Mother	Mrs. Prafullaben Dahyabhai Patel
Spouse	Mr. Bhumishth Narendrabhai Patel
Brother	Mr. Jitendrabhai Dahyabhai Patel
Sister	Mrs. Nidhi Prafullaben Patel
Son	-
Daughter	Ms. Viyona Bhumishth Patel
Spouse’s Father	Mr. Narendrakumar Gangaramdas Patel
Spouse’s Mother	Mrs. Sushilaben Narendrakumar Patel
Spouse’s Brother	-
Spouse’s Sister	-

2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

S.No.	Nature of Relationship	Entity
1	Any Body corporate in which 20% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member	1. Auxilia Pharmaceuticals Private Limited 2. Salus Life Science and Research Private Limited
2	Any company in which a company mentioned in (1) above, holds 20% or more, of the equity share capital	-
3	Any HUF or firm in which the aggregate shareholding of the Promoter and his immediate relatives is equal to or more than 20% of the total	1. Bhaumishth Patel HUF 2. Narendrabhai G Patel HUF

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in the past five financial years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

SECTION VI – FINANCIAL INFORMATION OF THE COMPANY

RESTATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

To,

The Board of Directors,

Earum Pharmaceuticals Ltd

G/1, V.R Complex, Nr. Sanathal Cross Road,

S.P Ring Road, Sanathal, Ahmedabad Gujarat, India

Dear Sir,

1. Report on Restated Financial Statements

We have examined the Restated Financial Statements of Earum Pharmaceuticals Limited (hereinafter referred as “the Company”), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

i. Section 26 read with the applicable provisions within Rule-4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the “Act”) and

ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto;

iii. The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus/Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares on BSE SME Platform (“IPO” or “SME IPO”);

iv. The (Revised) Guidance Note on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India (“ICAI”); and

v. In terms of Schedule VI of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts, We, M/s J M PATEL & BROS., have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds valid Peer Review Certificate as issued by ICAI.

2. The Restated Summary Statements and Financial information of the Company have been extracted and prepared by the management from the Audited Financial Statements of the Company for the financial year ended March 31, 2016, March 31, 2017 and March 31, 2018 and for the period ended on December 31, 2018 which have been approved by the Board of Directors.

3. Financial Statements for the financial year ended on March 31, 2016, March 31, 2017 and March 31, 2018 has been audited by M/s Ladha & Associates (FY 2015-16), M/s H.A.JAIN & ASSOCIATES (FY 2016-17 & 2017-18) Chartered Accountants and for the period ended on December 31, 2018 has been audited by J M PATEL & BROS., and accordingly reliance has been placed on the financial information examined by them for the said Years. The Financial Report included for those years is based solely on the report submitted by them.

4. We have also carried out re-audit of the financial statements for the year ended on March 31, 2018 as required by SEBI regulations.

5. Financial Information as per Audited Financial Statements:

1. We have examined:

a) The attached Restated Statement of Assets and Liabilities of the company, as at December 31, 2018, March 31, 2018, March 31, 2017, and March 31, 2016, (Annexure I);

b) The attached Restated Statement of Profits and Losses of the Company for the period ended on December 31, 2018 and for the financial Years ended on March 31, 2018, March 31, 2017, and March 31, 2016; (Annexure II)

c) The attached Restated Statement of Cash Flows of the Company for the period ended on December 31, 2018 and for the financial Years ended on March 31, 2018, March 31, 2017, and March 31, 2016, (Annexure III);

d) The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure IV);

(Collectively hereinafter referred as “Restated Financial Statements” or “Restated Summary Statements”)

2. In accordance with the requirements of Act, ICDR Regulations as amended from time to time, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:

(i) The “Restated Statement of Assets and Liabilities” as set out in Annexure I to this report, of the Company as at December 31, 2018, March 31, 2018, March 31, 2017, and March 31, 2016, are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.

(ii) The “Restated Statement of Profit and Loss” as set out in Annexure II to this report, of the Company for the period ended on December 31, 2018 and for the financial Years ended on March 31, 2018, March 31, 2017 and March 31, 2016 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.

(iii) The “Restated Statement Cash Flow Statement” as set out in Annexure III to this report, of the Company for the period ended on December 31, 2018 and for the financial Years ended on March 31, 2018, March 31, 2017 and March 31, 2016 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by Statutory Auditor of the Company for the period ended on December 31, 2018, and for the years ended on March 31, 2018 March 31, 2017, and March 31, 2016, we are of the opinion that “Restated Financial Statements” or “Restated Summary Statements” have been made after incorporating:

a) Adjustments for any material amounts in the respective financial years have been made to which they relate; and

b) There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements.

c) Adjustments on account of the statutory audit qualifications, if any, have been given effect and regrouped to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure IV to this Report.

d) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Financial statements.

e) There was no change in accounting policies, which needs to be adjusted in the “Restated Financial Statements” except mentioned in clause d) above.

f) There are no revaluation reserves, which need to be disclosed separately in the “Restated Financial Statements.”

g) The Company has not paid any dividend on its equity shares till December 31, 2018.

6. Other Financial Information:

1. We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the period ended on December 31, 2018 and for the Years ended on March 31, 2018 March 31, 2017, and March 31, 2016.

Restated Statement of Share Capital, Reserves And Surplus	Annexure-A
Restated Statement of Long Term Borrowings	Annexure-B, B(A) and B(B)
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Statement of Short Term Borrowings	Annexure-D
Restated Statement of Trade Payables	Annexure-E
Restated Statement of Other Current Liabilities	Annexure-F
Restated Statement of Short Term Provisions	Annexure-G
Restated Statement of Fixed Assets	Annexure-H
Restated Statement of Trade Receivables	Annexure-I
Restated Statement of Cash & Cash Equivalents	Annexure-J
Restated Statement of Inventories	Annexure-K
Restated Statement of Short-Term Loans And Advances	Annexure-L
Restated Statement of Other Current Assets	Annexure-M
Restated Statement of Revenue from Operations	Annexure-N
Restated Statement of Other Income	Annexure-O
Restated Statement of Purchase of Materials	Annexure-P
Restated Statement of Change in Inventories	Annexure-Q
Restated Statement of Employee Benefits Expenses	Annexure-R
Restated Statement of Finance Cost	Annexure-S
Restated Statement Of Depreciation & Amortisation	Annexure-T
Restated Statement of Other Expenses	Annexure-U
Restated Statement of Contingent Liabilities	Annexure-V
Restated Statement of Related Party Transaction	Annexure-W
Restated Statement of Tax Shelter	Annexure-X
Restated Statement of Capitalization	Annexure – Y
Restated Statement of Mandatory Accounting Ratios	Annexure-Z

2.The Restated Financial Information contain all the disclosures required by the SEBI (ICDR) regulations and partial disclosures as required by Accounting Standards notified under section 133 of Companies Act, 2013.

3. We have carried out Re-audit of the financial statements for the Year ended on March31, 2018as required by SEBI regulations. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2018. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to December 31, 2018.

4. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.

5.In our opinion, the above financial information contained in Annexure I to III and Annexure A to Z of this report read along with the Restated statement of Significant Accounting Polices and Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with the Company. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

6. Consequently, the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

7. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report, nor should this have constructed as a new opinion on any of the financial statements referred to herein.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

7. Auditor's Responsibility

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

8. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

- a) In the case of Restated Statement of Assets and Liabilities of the Company as at March 31, 2016, March 31, 2017, March 31, 2018 and December 31 2018;
- b) In the case of the Restated Statement of Profit and Loss, of the profit/(Loss) of the Company for the Years/Period ended on that date; and
- c) In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the Years/Period ended on that date.

For M/s. J M Patel & Bros.,
Chartered Accountants
FRN : 107707W

Sd/-

CA Jashwant M Patel
(Partner)
Membership No.: 030161
Date: 29th March, 2019
Place: Ahmedabad

ANNEXURE - I
RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakhs)

Particulars	Annexures	As at December 31, 2018	As at March 31,		
			2018	2017	2016
A) EQUITY AND LIABILITIES					
1. Shareholder's Funds					
(a) Share Capital	A	30.86	30.86	10.74	10.74
(b) Reserves & Surplus	A	476.73	390.23	141.84	125.85
(c) Share Application Money		-	52.59	-	-
		507.59	473.67	152.58	136.59
2. Non-Current Liabilities					
(a) Long Term Borrowings	B	159.51	150.49	56.19	39.12
(b) Deferred Tax Liabilities(net)	C	1.62	0.87	0.59	0.52
(c) Long-Term Provisions		-	-	-	-
		161.14	151.36	56.79	39.64
3. Current Liabilities					
(a) Short Term Borrowings	D	581.08	504.43	149.55	150.64
(b) Trade Payables	E	1,375.08	810.98	498.91	497.23
(c) Other Current Liabilities	F	48.65	72.38	237.05	43.66
(d) Short-Term Provisions	G	67.46	40.03	13.57	10.94
		2,072.27	1,427.83	899.08	702.48
TOTAL		2,741.00	2,052.88	1,108.45	878.71
B) ASSETS					
1. Non-Current Assets					
(a) Fixed Assets					
I. Tangible Assets	H				
(i) Gross Block		45.23	25.89	20.24	18.39
(ii) Depreciation		9.11	6.79	4.65	2.28
(iii) Net Block		36.13	19.10	15.60	16.11
II. Intangible Assets					
(i) Gross Block		0.56	0.56	0.56	0.56
(ii) Depreciation		0.19	0.16	0.11	0.06
(iii) Net Block		0.37	0.40	0.45	0.50
		36.50	19.50	16.04	16.61
(b) Non-Current Investments		-	-	-	-
(c) Deferred Tax Asset (Net)		-	-	-	-
(d) Long-Term Loans and Advances		-	-	-	-
(e) Other Non-Current Assets		-	-	-	-
2. Current Assets					
(a) Trade receivables	I	1,458.84	1,088.89	358.18	445.17
(b) Cash and Cash Equivalents	J	25.57	2.23	17.91	35.88
(c) Inventories	K	1,108.46	829.19	653.94	360.73
(d) Short-Term Loans And Advances	L	111.37	112.80	49.26	10.39
(e) Other Current Assets	M	0.26	0.26	13.11	9.94
		2,704.50	2,033.38	1,092.41	862.10
TOTAL		2,741.00	2,052.88	1,108.45	878.71

ANNEXURE - II
RESTATED STATEMENT OF PROFIT AND LOSS

(Rs. in lakhs)

Particulars	Annex-ures	For the period ended December 31, 2018	For the Year Ended March 31,		
			2018	2017	2016
1. Revenue From Operations	N	3,449.85	3,543.67	2,333.95	1,856.66
2. Other Income	O	0.50	40.99	35.32	6.34
Total Revenue (1) + (2)		3,450.35	3,584.65	2,369.27	1,863.00
3. EXPENDITURE:					
a. Purchase of Material	P	3,447.61	3,492.99	2,494.43	1903.79
b. Change In Inventory	Q	(279.27)	(175.25)	(293.22)	(212.36)
c. Employee Benefit Expenses	R	23.90	32.22	30.39	40.38
d. Finance Costs	S	77.86	69.34	40.74	38.49
e. Depreciation and Amortisation Expense	T	2.35	2.19	2.41	2.07
f. Other Expenses	U	58.23	39.01	70.85	74.60
4. Total Expenditure 3(a) to 3(f)		3,330.69	3,460.51	2,345.60	1,846.96
5. Profit/(Loss) Before Exceptional & extraordinary items & Tax (2-4)		119.66	124.14	23.67	16.04
6. Exceptional Items		-	-	-	-
7. Profit / (Loss) before tax(5) – (6)		119.66	124.14	23.67	16.04
8. Tax Expenses					
(a) Tax Expense for Current Year		32.40	38.21	7.61	5.76
(b) Short/(Excess) Provision of Earlier Year					
(c) Deferred Tax		0.75	0.28	0.08	0.52
Net Current Tax Expenses		33.15	38.49	7.69	6.28
Restated Profit/(Loss) for the year		86.51	85.65	15.98	9.76

ANNEXURE - III
RESTATED SUMMARY STATEMENT OF CASH FLOWS

(Rs. in lakhs)

PARTICULARS	For Period ended	For the Year ended		
	31-12-2018	31-03-2018	31-03-2017	31-03-2016
A) Cash Flow From Operating Activities :				
Net Profit before tax	119.66	124.14	23.67	16.04
Adjustment for :				
Depreciation and amortization	2.35	2.19	2.41	2.07
Interest Paid	77.86	69.34	40.74	38.49
Interest Income	-	(0.87)	-	-
Dividend Income	-	-	-	-
Deferred Tax Liabilities (Net)	0.75	0.28	0.08	
Provision For gratuity Expenses	-	-	-	-
Operating profit before working capital changes	200.61	195.08	66.91	56.61
Changes in Working Capital				
(Increase)/Decrease in Trade Receivables	(369.96)	(730.71)	86.99	(143.29)
(Increase)/Decrease in Inventory	(279.27)	(175.25)	(293.22)	(212.36)
(Increase)/Decrease in Short Term Loans & Advances	1.43	(63.54)	(38.87)	(9.60)
(Increase)/Decrease in Other Current Assets	-	12.85	(3.18)	(19.47)
Increase/(Decrease) in Trade Payables	564.10	312.08	1.67	200.14
Increase/(Decrease) in Other Current Liabilities	(23.73)	(164.67)	193.39	91.42
Increase/(Decrease) in Short Term Provisions, etc	27.42	26.46	2.63	16.52
Cash generated from operations	120.63	(587.70)	16.33	(20.03)
Less:- Income Taxes paid	(33.17)	(38.50)	(7.69)	(6.28)
Net cash flow from operating activities (A)	87.46	(626.20)	8.64	(26.31)
B) Cash Flow From Investing Activities :				
Purchase of Fixed Assets including of CWIP	(19.34)	(5.65)	(1.85)	(14.85)
Sale of Fixed Assets	-	-	-	-
Investment made/Sold during the year	-	-	-	-
Dividend Income	-	-	-	-
Interest Income	-	0.87	-	-
Net cash flow from investing activities (B)	(19.34)	(4.78)	(1.85)	(14.85)
C) Cash Flow From Financing Activities :				
Proceeds from Issue of Share Capital		182.86	-	39.95
Increase/(Decrease) in Short Term Borrowings	76.65	354.88	(1.09)	-
Increase/(Decrease) in Long Term Borrowings	9.02	94.29	17.07	75.25
Interest Paid	(77.86)	(69.34)	(40.74)	(38.49)
Share Money Pending Allotment	(52.59)	52.59	-	-
Increase/(Decrease) in Long Term Loans and Advances	-	-	-	(0.11)
Net cash flow from financing activities (C)	(44.77)	615.28	(24.76)	76.70
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	23.34	(15.67)	(17.97)	35.54
Cash equivalents at the beginning of the year	2.23	17.91	35.88	0.44
Cash equivalents at the end of the year	25.57	2.23	17.91	35.88
Notes :-				
	31-12-18	31-03-2018	31-03-2017	31-03-2016
1. Component of Cash and Cash equivalents				

Cash on hand	14.63	1.42	-	34.96
Balance With banks	10.94	0.81	4.04	0.92
Other Bank Balance	-	-	13.88	-
Total	25.57	2.23	17.91	35.88
2. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.				
3. The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated summary financial information (Annexure IV) are an integral part of this statement.				

ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS

A. BACKGROUND

The Company was incorporated as Earum Pharmaceuticals Private Limited under the provisions of Companies Act 1956 vide Certificate of Incorporation dated July 26, 2012 issued by the Registrar of Companies, Ahmedabad, Gujarat bearing Corporate Identity Number U24230GJ2012PTC071299. The name of the Company was subsequently changed to Earum Pharmaceuticals Limited pursuant to special resolution passed by the Shareholders at its Extra Ordinary General Meeting held on January 10, 2019 and a fresh certificate of incorporation consequent upon conversion from Private Company to Public Company was issued by the Registrar of Companies, Ahmedabad, Gujarat dated January 23, 2019 bearing Corporate Identity Number U24230GJ2012PLC071299.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Summary Statement of Assets and Liabilities of the Company as on December 31, 2018, March 31, 2018, March 31, 2017, and March 31, 2016, and the Restated Summary Statement of Profit and Loss and the annexure thereto (collectively, the "Restated Financial Statements" or "Restated Summary Statements") have been extracted by the management from the Audited Financial Statements for the period ended on December 31, 2018 and for the year ended March 31, 2018, March 31, 2017, and March 31, 2016.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include value of unbilled revenue and value of WIP stock etc. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

3. FIXED ASSETS

Fixed Assets are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition of the concerned assets.

Depreciation on fixed assets is provided on written down value method as per useful life prescribed in the schedule II of The Companies Act, 2013.

4. DEPRECIATION

Depreciation on Fixed Assets is provided on Written Down Value Basis as per companies Act 2013 over the useful life of assets estimated by Management. Individual low-cost assets acquired for less than Rs.5,000/- are entirely depreciated in the year of acquisition. Intangible assets are amortized over their respective individual estimated lives on Written Down Value Basis, commencing from the date the asset is available to the Company for its use.

5. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

6. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of amount.

7. REVENUE RECOGNITION

- a) Sales are recognized when practically all risks and rights connected with the ownership have been transferred to the buyer.
- b) Incomes from interest on deposits are accounted on accrual basis.

8. EMPLOYEE BENEFITS

- a. The company has no policy of encashment and accumulation of leave. Therefore, no provision of leave Encashment is required.
- b. Employee Benefits such as Salaries, allowances, non-monetary benefits are debited to Profit and Loss account.
- c. Provident fund: NA
- d. Gratuity - NA

9. SEGMENT ACCOUNTING

(i) Business Segment

(a) The business segment has been considered as the primary segment.

(b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

(c) The Company's primary business includes trading of pharma raw material as well as finished formulation of pharma and accordingly this is the only segment as envisaged in Accounting Standard 17 'Segment Reporting'. Disclosure for Segment reporting is not applicable.

(ii) Geographical Segment

The Company supplies its product in domestic market, however primary segment is selected as reportable segment since there is no comparatively major difference in risk and reward in above geographical segments.

10. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

11. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

12. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Bonus Share allotment has been considered as if it took place at the beginning of Restatement period.

C. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies.

D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

2. The amounts due to Micro, Small and Medium Enterprises suppliers defined under "The Micro Small and Medium Enterprises Development Act 2006" have been identified on the basis of information available with the Company.

3. Provisions, Contingent Liabilities and Contingent Assets (AS 29)
Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on the end of respective period except as mentioned in Annexure - Y, for any of the years covered by the statements.

4. Related Party Disclosure (AS 18)
Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006.

5. Debit and Credit Balance of outside parties (including debtors, creditors, loan given and loan taken) as appearing in the Balance Sheet is subject to confirmation by the respective parties.

6. Earnings per Share (AS 20):
Earnings per Share have been calculated and reported in the enclosed restated financial statements.

6 MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2018]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities, in order to ensure consistency and compliance with requirement of Company Act 2013.

The following tables signify material regroupings carried out in restated financial statements:

Table 1: Reconciliation of Trade Payables

Particulars	(Rs. in lakhs)			
	31.12.2018	31.03.2018	31.03.2017	31.03.2016
Balance as per Audited Financial Statements	1,264.68	700.58	456.34	497.23
Add:- Rectification made on account of erroneous transfer made in Narendra Patel Unsecured Loan A/c to Flourish Pharma (Creditor) A/c	38.00	38.00	38.00	-
Add:- Rectification made on account of erroneous transfer made in Sushilaben Patel Unsecured Loan A/c to Shreeji Healthcare (Creditor) A/c	4.57	4.57	4.57	
Add:- Rectification made on account of erroneous transfer made in Bhumishth Patel Unsecured Loan A/c to United Pharma Chem (Creditor) A/c	67.83	67.83		
Balance as per Restated Financial Statements	1,375.08	810.98	498.91	497.23

Table 2: Reconciliation of Long Term Borrowings

Particulars	(Rs. in lakhs)			
	31.12.2018	31.03.2018	31.03.2017	31.03.2016
Balance as per Audited Financial Statements	217.75	148.95	51.54	39.12
Less:- Rectification made on account of erroneous transfer made in Narendra Patel Unsecured Loan A/c to Flourish Pharma (Creditor) A/c	(0.44)	(0.31)	(0.81)	
Less:- Rectification made on account of erroneous transfer made in Sushilaben Patel Unsecured Loan A/c to Shreeji Healthcare (Creditor) A/c	-	-	(4.57)	
Less:- Rectification made on account of erroneous transfer made in Bhumishth Patel Unsecured Loan A/c to United Pharma Chem (Creditor) A/c	(67.83)	(8.18)		-
Add:- Rectification made on account of erroneous transfer made in Securities Premium A/c to Bhumishth Patel loan a/c		10		
Add:- Rectification made on account of erroneous transfer made in Bhumishth Patel Unsecured loan A/c of JFL Lifesciences Pvt. Ltd. (Debtor) A/c	7.02	7.02	7.02	
Add:- Rectification made on account of erroneous transfer made in Payal Patel Unsecured loan A/c of JFL Lifesciences Pvt. Ltd. (Debtor) A/c	3.01	3.01	3.01	
Balance as per Restated Financial Statements	159.51	160.49	56.19	39.12

Table 3: Reconciliation of Short Term Loans and Advances:-

Particulars	(Rs. in lakhs)			
	31.12.2018	31.03.2018	31.03.2017	31.03.2016
Balance as per Audited Financial Statements	69.24	20.89	12.07	10.39
Add:- Rectification made on account of erroneous transfer made in Narendra Patel Unsecured Loan A/c to Flourish Pharma (Creditor) A/c	37.56	37.69	37.19	
Add:- Rectification made on account of erroneous transfer made in Sushilaben Patel Unsecured Loan A/c to Shreeji Healthcare (Creditor) A/c	4.57	4.57	-	
Add:- Rectification made on account of erroneous transfer made in Bhumishth Patel Unsecured Loan A/c to United Pharma Chem (Creditor) A/c	-	59.65		
TOTAL	111.37	122.8	49.26	10.39

Table 4: Reconciliation of Trade Receivables:-

Particulars	(Rs. in lakhs)			
	31.12.2018	31.03.2018	31.03.2017	31.03.2016
Balance as per Audited Financial Statements	1,448.81	1,078.86	348.15	445.17
Add:- Rectification made on account of erroneous transfer made in Bhumishth Patel Unsecured loan A/c of JFL Lifesciences Pvt. Ltd. (Debtor) A/c	7.02	7.02	7.02	
Add:- Rectification made on account of erroneous transfer made in Payal Patel Unsecured loan A/c of JFL Lifesciences Pvt. Ltd. (Debtor) A/c	3.01	3.01	3.01	

TOTAL	1,458.84	1,088.89	358.18	445.17
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Table 4: Reconciliation of Share Warrants A/c:-

(Rs. in lakhs)

Particulars	31.12.2018	31.03.2018	31.03.2017	31.03.2016
Balance as per Audited Financial Statements	-	52.59	-	-
Less:- Rectification made and amount transferred to "Share Application Money Pending Allotment A/c"	-	(52.59)	-	-
TOTAL	-	-	-	-

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (losses) of the Company is as under.

Statement of adjustments in the Financial Statements

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & losses of the company.

Statement of Profit and Loss after Tax

Table -1

(Rs. in Lakhs)

Particulars	31 Dec. - 18	31-Mar- 18	31-Mar- 17	31-Mar- 16
Net Profit After Tax as per audited accounts but before adjustments for restated accounts:	88.85	91.41	16.27	10.82
(Short) Provision of Income Tax	(1.59)	(5.71)	(1.06)	(0.54)
(Short)/Excess Provision for Deferred Tax Assets/ Deferred Tax Liabilities	(0.75)	(0.05)	0.76	(0.52)
Net Adjustment in Profit and Loss Account	2.34	(5.76)	(0.29)	(1.06)
Net Profit After Tax as per Restated Accounts	86.51	85.65	15.98	9.76

The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below in Table-2. This summarizes the results of restatements made and its impact on the net-worth of the Company.

Table -2

A. Equity Share Capital

(Rs. in lakhs)

Particulars	31-Dec.-18	31-Mar-18	31-Mar-17	31-Mar-16
Paid Up Equity Share Capital (Audited)	30.86	30.86	10.74	10.74
Changes During Restatement	-	-	-	-
Paid Up Equity Share Capital (Restated)	30.86	30.86	10.74	10.74

B. Surplus in Profit and Loss account and Securities Premium

(Rs. in lakhs)

Particulars	31-Dec.-18	31-Mar-18	31-Mar-17	31-Mar-16
Surplus in Profit and Loss account (Audited)	88.85	91.41	16.27	10.82
(Short)/Excess Provision of Income Tax	(1.59)	(5.71)	(1.06)	(0.54)
(Short)/Excess Provision for Deferred Tax Assets/ Deferred Tax Liabilities	(0.75)	(0.05)	0.76	(0.52)
Net Adjustment in Profit and Loss Account	2.34	(5.76)	(0.29)	(1.06)
Net Profit After Tax as per Restated Accounts	86.51	85.65	15.98	9.76
Securities Premium (audited)	267.96	277.96	105.22	105.22

Adjustments made in restated financial statements:-				
Transferred to Unsecured Loan	-	10.00		
Securities Premium (restated)	267.96	267.96	105.22	105.22

Realizations:

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

Amounts in the financial statements

Amounts in the financial statements are reported in lakhs and rounded off to second digit of decimal. Figures in brackets indicate negative values.

Auditors Qualifications There are no Auditors qualifications, which are required to be adjusted in restated financial statements.

For, M/s. J M Patel & Bros.,

Chartered Accountants

FRN: 107707W

Sd/-

CA Jashwant M Patel
Partner
Membership No.:030161
Date: 29th March, 2019
Place: Ahmedabad

ANNEXURE - A

RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS

(Rs. in lacs, except share data)

Particulars	As at December 31, 2018	As at March 31,		
		2018	2017	2016
Share Capital:				
Authorised Share Capital				
Equity shares of Rs.10 each	3,000,000	1,000,000	1,000,000	1,000,000
Equity Share Capital	300.00	100.00	100.00	100.00
Issued, Subscribed and Paid up Share Capital				
Equity Shares of Rs. 10 each fully paid up	308,565	308,565	107,425	107,425
Share Capital (in Rs.)	30.86	30.86	10.74	10.74
Total	30.86	30.86	10.74	10.74

Reserves and Surplus

Securities Premium	267.96	267.96	105.22	105.22
Surplus in Profit and Loss account				
Balance as per the last financial statements	122.27	36.62	20.63	10.88
Profit for the Year	86.51	85.65	15.98	9.76
Less: Issue of Bonus Shares	-	-	-	-
Less: Prior Period Tax	-	-	-	-
Balance as at the end of Financial Year	476.73	390.23	141.84	125.85

1. Terms/rights attached to equity shares:

i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share

ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

3. Company does not have any Revaluation Reserve.

4. The reconciliation of the number of Equity shares outstanding as at: -

Particulars	As at			
	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Number of shares at the beginning	308,565	107,425	107,425	107,425
Add: Bonus Share Issued	-	-	-	-
Add: Fresh Issue of shares	-	201,140	-	-
Number of shares at the end	308,565	308,565	107,425	107,425

5. The detail of shareholders holding more than 5% of Shares: -

Name of Shareholders	As at (No. of Shares)			
	31-12-2018	31-03-2018	31-03-2017	31-03-2016
Mr. Bhumishth Patel	125,096	125,096	32,526	32,526
Mrs. Payal Patel	125,096	125,096	32,526	32,526
Mr. Narendra Patel	29,186	29,186	21,186	21,186
Mrs. Sushila Patel	29,187	29,187	21,187	21,187

ANNEXURE - B
RESTATED STATEMENT OF LONG TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at 31 December 2018	As at March 31,		
		2018	2017	2016
(Secured)				
(a) Term loans				
HDFC Bank Auto Loan(Secured by Hypothecation by CARs)	5.90	4.46	7.26	12.09
HDFC Bank A/c 22510	-	-	-	0.84
Sub-total (a)	5.90	4.46	7.26	12.93
(Unsecured)				
(b) Term loans				
HDFC Bank	20.42	24.98	-	-
ICICI Bank	9.40	12.36	-	-
Kotak Bank	11.22	14.81	-	-
RBL Bank	11.04	14.36	-	-
From Others	53.34	71.46	-	-
Sub-total (b)	105.42	137.98	-	-
(c) Loans and advances from related parties & shareholders (Unsecured)				
From Directors & Relatives	48.20	4.33	45.22	26.02
From Others	-	3.71	3.71	0.17
From Body Corporate	-	-	-	-
Sub-total (c)	48.20	8.04	48.93	26.19
(d) Inter corporate Deposits				
From Body Corporate	-	-	-	-
Sub-total (d)	-	-	-	-
Total (a+b+c+d)	159.51	150.49	56.19	39.12

ANNEXURE –BA
RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY (₹ In Lakhs)

Name of Lender	Purpose	Sanctioned Amount (In Lacs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Outstanding amount as on 31.12.2018 as per Books (In Lakhs)
State Bank of India	Cash Credit	575	MCLR + 1.75% p.a. Present MCLR – 8.50% p.a. Present Effective rate of Interest – 10.25% p.a.	Primary Security:- 1st and Exclusive charge on stock, receivables and other current assets. Collateral Security - Refer Note 1 below	Repayable on Demand	581.08
HDFC Bank	Car Loan	13.33	9.25%	Hypothecation of Car	Monthly EMI of Rs. 28255/-	5.90
TOTAL						586.97

Note 1

Collateral Security:-

Equitable Mortgage over the following properties:

- 1) Residential Building bearing Survey Number: Block No. 1607 (Old Block No. 96) situated at Unit No 1, Vijay Era, B/h Viswakarma Temple, Kasindra, Ahmedabad-382210
- 2) Residential Building bearing Survey Number: Block No. 1607 (Old Block No. 96) situated at Unit No 3, Vijay Era, B/h Viswakarma Temple, Kasindra, Ahmedabad-382210
- 3) Residential Building bearing Survey Number: Block No. 1607 (Old Block No. 96) situated at Unit No 7, Vijay Era, B/h Viswakarma Temple, Kasindra, Ahmedabad-382210
- 4) Residential Building bearing Survey Number: Block No. 1607 (Old Block No. 96) situated at Unit No 11, Vijay Era, B/h Viswakarma Temple, Kasindra, Ahmedabad-382210

Personal Guarantee of Mr. Bhumishth Narendrabhai Patel 2. Mrs. Payal Bhumishth Patel and 3. Mr. Narendrabhai G. Patel

ANNEXURE B (B)
STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS

Name of Lender	Purpose	Rate of Interest	Re-Payment Schedule	31-12-2018
HDFC Bank	Business Loan	14.00%	48 monthly EMI of rs. 98297 beginning from 04/11/2017	26.38
ICICI Bank	Business Loan	16.00%	36 monthly EMI of rs. 70839 beginning from 05/12/2017	13.95
Kotak Bank	Business Loan	10.50%	24 monthly EMI of rs.176430 beginning from 01-02-2019	16.78
RBL Bank	Business Loan	18.25%	36 monthly EMI of rs. 83440 beginning from 05-11-2017	16.14
Bajaj Finance Ltd	Business Loan	18.75%	24 monthly EMI of rs. 101581 beginning from 02-12-2017	11.03
Capital First Ltd	Business Loan	18.70%	36 monthly EMI of rs. 74470 beginning from 05-12-2017	10.51
India Infoline	Business Loan	16.75%	36 monthly EMI of rs. 91640 beginning from 03/12/2017	17.55
Megma Fin Corp Ltd	Business Loan	18.50%	36 monthly EMI of rs. 73237 beginning from 07-12-2017	14.09
Shree Ram City Union Finance Ltd	Business Loan	18.75%	36 monthly EMI of rs. 54984 beginning from 05-12-2017	10.51
TATA Capital Ltd	Business Loan	18%	36 monthly EMI of rs. 72305 beginning from 03-12-2017	13.98
TOTAL				150.92
FROM DIRECTORS:-				48.20
Bhumishth Patel	Business Loan	Nil	-	41.53
Payal Patel	Business Loan	Nil	-	6.67
GRAND TOTAL				199.12

ANNEXURE C
RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(Rs. in lacs)

Particulars	As at 31 Dec. 2018	As at March 31,		
		2018	2017	2016
Opening Balance (A)		Rs.	Rs.	Rs.
Opening Balance of Deferred Tax (Asset) / Liability	0.87	0.59	0.52	-
Closing Balances (B)				
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	0.75	0.28	0.59	0.52
(DTA) / DTL on account of gratuity provision	-	-	-	-
Closing Balance of Deferred Tax (Asset) / Liability (B)	1.62	0.87	0.59	0.52
Current Year Provision (B-A)	0.75	0.28	0.08	0.52

ANNEXURE D
RESTATED STATEMENT OF SHORT TERM BORROWINGS

(₹ In Lakhs)

Particulars	As at 31 Dec. 2018	As at March 31,		
		2018	2017	2016
Secured				
Loan Repayable on Demand				
From Banks				
IDBI Bank OD A/c	-	-	149.55	150.64
Axis Bank		504.43	-	-
SBI	581.08	-	-	-
From Other Parties	-	-	-	-
Sub total (a)	581.08	504.43	149.55	150.64
UnSecured				
Loan from Others	-	-	-	-
Sub Total (b)	-	-	-	-
Total (a+b)	581.08	504.43	149.55	150.64

ANNEXURE – E
RESTATED STATEMENT OF TRADE PAYABLES

(₹ In Lakhs)

Particulars	As at 31 st December 2018	As at March 31,		
		2018	2017	2016
Trade Payables				
For Goods & Services				
Micro, Small and Medium Enterprises	-	-	-	-
Other than Micro, Small and Medium Enterprises	1,333.78	794.69	442.81	435.87
For Assets				
Micro, Small and Medium Enterprises	-	-	-	-
Other than Micro, Small and Medium Enterprises	25.97	5.04	0.85	2.57
For Expenses				
Micro, Small and Medium Enterprises	-	-	-	-
Other than Micro, Small and Medium Enterprises	15.34	11.26	55.25	58.79
Total	1,375.08	810.98	498.91	497.23

Note:-

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

ANNEXURE - F
RESTATED STATEMENT OF OTHER CURRENT LIABILITIES

(₹ In Lakhs)

Particulars	As at 31 st December 2018	As at March 31,		
		2018	2017	2016
Other Current Liabilities				
Term Loan				
From Banks	-	-	2.53	-
HDFC Bank Auto Loan	-	2.80	-	-

Unsecured Loan				
HDFC Bank	5.96	7.30	-	-
ICICI Bank	4.55	5.99	-	-
Kotak Bank	5.56	7.34	-	-
RBL Bank	5.10	6.64	-	-
From NBFC				
Bajaj Finance Ltd	4.96	8.47	-	-
Capital First Ltd	4.71	5.94	-	-
India Infoline	5.57	7.26	-	-
Megma Fin Corp Ltd	4.73	5.87	-	-
Shree Ram City Union Finance Ltd	3.33	4.34	-	-
TATA Capital Ltd	4.16	5.86	-	-
Advanced From Customers				
Useured and considered Good	-	3.46	184.74	1.39
Duties and Taxes				
TDS Payable	-	0.82	1.51	3.05
Other Payable				
Professional Tax on Salary	-	0.31	0.23	0.13
LC Establishment Expenses	-	-	48.04	39.10
Total	48.65	72.38	237.05	43.66

ANNEXURE - G
RESTATED STATEMENT OF SHORT TERM PROVISIONS

(₹ In Lakhs)

Particulars	As at 31 st December 2018	As at March 31,		
		2018	2017	2016
Short Term Provisions				
Provision for Income Tax	67.21	39.78	13.36	10.59
Provision for Audit Fees	0.25	0.25	0.21	0.35
Total	67.46	40.03	13.57	10.94

ANNEXURE H
RESTATED STATEMENT OF FIXED ASSETS

F.Y. 2015-16									Rs. in lacs)	
Particulars	Gross Block				Depreciation				Net Block	
	As at 01-Apr-15	Additions during the year	Deletions during the year	As at 31-Mar-16	Upto 01-Apr- 15	During the year	Deletion during the yr	Total upto 31-Mar- 16	As at 31-Mar-16	As at 31-Mar- 15
<u>Tangible Asset</u>										
Computer	1.08	0.23	-	1.31	0.10	0.38	-	0.48	0.83	0.98
Electronic Installation	0.66	0.23	-	0.89	0.02	0.08	-	0.09	0.79	0.64
Furniture & Fixture	0.41	-	-	0.41	0.06	0.04	-	0.10	0.31	0.35
Mobile Instrutment	0.53	-	-	0.53	0.02	0.05	-	0.07	0.46	0.51
Software and Moniter	0.86	-	-	0.86	0.07	0.14	-	0.21	0.65	0.79
Air Conditioner	-	0.64	-	0.64	-	0.09	-	0.09	0.54	-
CCTV	-	1.17	-	1.17	-	0.24	-	0.24	0.93	-
CAR (Innova)	-	12.56	-	12.56	-	0.99	-	0.99	11.57	-
SCALE Machine	-	0.03	-	0.03	-	0.00	-	0.00	0.03	-
<u>Intangible Asset</u>										
Trade Mark	0.56	-	-	0.56	0.01	0.06	-	0.06	0.50	0.55
Total	4.10	14.85	-	18.95	0.28	2.07	-	2.35	16.61	3.82

FY 2016-17

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-Apr-16	Additions during the year	Deletions during the year	As at 31-Mar-17	Upto 01-Apr-16	During the year	Deletion during the yr	Total upto 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
Tangible Asset										
Computer	1.31	0.37	-	1.68	0.48	0.31	-	0.79	0.89	0.83
Electronic Installation	0.89	-	-	0.89	0.09	0.07	-	0.17	0.72	0.79
Furniture & Fixture	0.41	-	-	0.41	0.10	0.03	-	0.13	0.28	0.31
Mobile Instrument	0.53	0.45	-	0.98	0.07	0.06	-	0.13	0.85	0.46
Software and Monitor	0.86	0.71	-	1.57	0.21	0.20	-	0.41	1.16	0.65
Air Conditioner	0.64	-	-	0.64	0.09	0.10	-	0.20	0.44	0.54
CCTV	1.17	-	-	1.17	0.24	0.18	-	0.42	0.75	0.93
CAR (Innova)	12.56	-	-	12.56	0.99	1.37	-	2.37	10.19	11.57
SCALE Machine	0.03	-	-	0.03	0.00	0.00	-	0.00	0.03	0.03
Stripping Machine	-	0.33	-	0.33	-	0.03	-	0.03	0.30	-
Intangible Asset										
Trade Mark	0.56	-	-	0.56	0.06	0.05	-	0.11	0.45	0.50
Total	18.95	1.85	-	20.80	2.35	2.41	-	4.76	16.04	16.61
<i>Previous Year</i>	<i>4.10</i>	<i>14.85</i>	<i>-</i>	<i>18.95</i>	<i>0.28</i>	<i>2.07</i>	<i>-</i>	<i>2.35</i>	<i>16.61</i>	<i>3.82</i>

FY 2017-18

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-Apr-17	Additions during the year	Deletions during the year	As at 31-Mar-18	Upto 01-Apr-17	During the year	Deletion during the yr	Total upto 31-Mar-18	As at 31-Mar-18	As at 31-Mar-17
Tangible Asset										
Computer	1.68	0.18	-	1.86	0.79	0.31	-	1.11	0.75	0.89
Electronic Installation	0.89	0.09	-	0.98	0.17	0.08	-	0.24	0.74	0.72
Furniture & Fixture	0.41	3.99	-	4.40	0.13	0.12	-	0.25	4.15	0.28
Mobile Instrutment	0.98	1.06	-	2.04	0.13	0.12	-	0.25	1.79	0.85
Software and Moniter	1.57	0.33	-	1.90	0.41	0.05	-	0.46	1.44	1.16
Air Conditioner	0.64	-	-	0.64	0.20	0.08	-	0.28	0.36	0.44
CCTV	1.17	-	-	1.17	0.42	0.14	-	0.56	0.61	0.75
CAR (Innova)	12.56	-	-	12.56	2.37	1.21	-	3.58	8.98	10.19
SCALE Machine	0.03	-	-	0.03	0.00	0.00	-	0.01	0.02	0.03
Stripping Machine	0.33	-	-	0.33	0.03	0.03	-	0.05	0.27	0.30
Intangible Asset										
Trade Mark	0.56	-	-	0.56	0.11	0.04	-	0.16	0.40	0.45
Total	20.80	5.65	-	26.45	4.76	2.19	-	6.95	19.50	16.04
<i>Previous Year</i>	<i>18.95</i>	<i>1.85</i>	<i>-</i>	<i>20.80</i>	<i>2.35</i>	<i>2.41</i>	<i>-</i>	<i>4.76</i>	<i>16.04</i>	<i>16.61</i>

31ST December 2018

Particulars	Gross Block				Depreciation			Net Block		
	As at 01-Apr-18	Additions during the year	Deletions during the year	As at 31-Dec-18	Upto 01-Apr-18	During the Period	Deletion during the period	Total upto 31-Dec-18	As at 31-Dec-18	As at 31-Mar-18
Tangible Asset										
Computer	1.86	1.01	-	2.87	1.11	0.21	-	1.31	1.56	0.75
Electronic Installation	0.98	0.14	-	1.12	0.24	0.05	-	0.30	0.82	0.74
Furniture & Fixture	4.40	2.86	-	7.26	0.25	0.32	-	0.56	6.69	4.15
Mobile Instrument	2.04	1.82	-	3.85	0.25	0.14	-	0.39	3.46	1.79
Software and Monitor	1.90	0.03	-	1.92	0.46	0.17	-	0.63	1.30	1.44
Air Conditioner	0.64	3.47	-	4.11	0.28	0.31	-	0.59	3.52	0.36
CCTV	1.17	0.12	-	1.29	0.56	0.10	-	0.66	0.63	0.61
CAR (Innova)	12.56	-	-	12.56	3.58	0.80	-	4.38	8.18	8.98
SCALE Machine	0.03	-	-	0.03	0.01	0.00	-	0.01	0.02	0.02
Stripping Machine	0.33	-	-	0.33	0.05	0.02	-	0.07	0.25	0.27
Office Equipment	-	9.90	-	9.90	-	0.20	-	0.20	9.70	-
Intangible Asset										
Trade Mark	0.56	0	0	0.56	0.15747	0.03019	0	0.18766	0.37234	0.40253
Total	26.45	19.34	-	45.79	6.95	2.35	-	9.29	36.50	19.50
<i>Previous Year</i>	20.80	5.65	-	26.45	4.76	2.19	-	6.95	19.50	16.04

Note:- 1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

ANNEXURE - I
RESTATED STATEMENT OF TRADE RECEIVABLES

(₹ In Lakhs)

Particulars	As at 31 December 2018	As at March 31,		
		2018	2017	2016
Trade Receivables				
Unsecured Considered good				
Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
Dues From Directors, Related parties/Common Group Company, etc	-	-	-	-
Others	-	-	-	-
Sub Total (A)	-	-	-	-
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)				
Dues From Directors, Related parties/Common Group Company, etc	-	-	-	-
Others	1,458.84	1,088.89	358.18	445.17
Sub Total (B)	1,458.84	1,088.89	358.18	445.17
Total	1,458.84	1,088.89	358.18	445.17

ANNEXURE - J
RESTATED STATEMENT OF CASH AND CASH EQUIVALENTS

(₹ In Lakhs)

Particulars	As at 31 st December 2018	As at March 31,		
		2018	2017	2016
Cash and Cash Equivalents: (as per Accounting Standard 3: Cash flow Statements)				
Cash on Hand	14.63	1.42	4.03	34.96
Balances with Banks in Current Accounts	10.94	0.81	13.88	0.92
Other Bank Balances	-	-	-	-
Total	25.57	2.23	17.91	35.88

Note: 1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

ANNEXURE - K
RESTATED STATEMENT OF INVENTORIES

(Rs. in lakhs)

Particulars	As at 31 st December 2018	As at March 31,		
		2018	2017	2016
Stock of Raw Material and Stock in Trade	1108.46	829.19	653.94	360.73
Total	1108.46	829.19	653.94	360.73

ANNEXURE - L
RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(₹ In Lakhs)

Particulars	As at 31 st December 2018	As at March 31,		
		2018	2017	2016
Unsecured, Considered Good unless otherwise				

stated				
Balances dues from Government Authority	17.40	8.21	8.56	9.53
Loan and advance to Others (Unsecured and considered good)	37.88	12.68	3.51	0.86
Loans and Advances to Directors/ Relatives of Directors	42.13	91.91	37.19	
Other Loans and Advance	13.96	-	-	-
Total	111.37	112.80	49.26	10.39

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE – M
RESTATED STATEMENT OF OTHER CURRENT ASSETS

(₹ In Lakhs)

Particulars	As at 31 st December 2018	As at March 31,		
		2018	2017	2016
Receivables towards Unbilled revenue				
Fixed Deposit	-	-	12.85	9.78
Deposits	-	-	-	-
BSNL Deposits	0.16	0.16	0.16	0.16
Godown Deposits	0.10	0.10	0.10	-
Total	0.26	0.26	13.11	9.94

ANNEXURE – N
RESTATED STATEMENT OF REVENUE FROM OPERATIONS

(₹ In Lakhs)

Particulars	As at 31 st December 2018	As at March 31,		
		2018	2017	2016
(i) turnover of Supply of Services				
(ii) turnover of products traded/Manufactured in by the issuer	3,449.85	3,543.67	2,333.95	1,856.66
Total	3,449.85	3,543.67	2,333.95	1,856.66

ANNEXURE – O
RESTATED STATEMENT OF OTHER INCOME

(₹ In Lakhs)

Particulars	For period ended 31 st December 2018	For the year ended March 31,		
		2018	2017	2016
Related and Recurring Income:				
Damage Charges	0.21	35.57	28.50	1.00
Discount Income		3.05	2.50	2.79
Late Delivery Income			3.44	2.35
Related and Non Recurring Income:				
C Form Charges		1.22		
Freight on Sales	0.29	0.28		

Non Related and Recurring Income:				
Interest from Fixed Deposits		0.87	0.70	0.21
Non Related and Non Recurring Income:				
Balance Written Off			0.18	
Total	0.50	40.99	35.32	6.34

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

ANNEXURE – P
RESTATED STATEMENT OF PURCHASE OF MATERIALS

(₹ In Lakhs)

Particulars	For the period ended Dec. 31, 2018	For the year ended March 31,		
		2018	2017	2016
Purchase of Materials	3,447.61	3,492.99	2,494.43	1,903.79
Total	3,447.61	3,492.99	2,494.43	1,903.79

ANNEXURE – Q
RESTATED STATEMENT OF CHANGE IN INVENTORIES

(₹ In Lakhs)

Particulars	For the period ended Dec. 31, 2018	For the year ended March 31,		
		2018	2017	2016
Opening Balance of Stock in Trade	829.19	653.94	360.73	148.37
Less Closing Balance of Stock in Trade	1,108.46	829.19	653.94	360.73
Increase/(Decrease) in Stock in trade	(279.27)	(175.25)	(293.22)	(212.36)

ANNEXURE – R
RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSES

(₹ In Lakhs)

Particulars	For the period ended Dec. 31, 2018	For the year ended March 31,		
		2018	2017	2016
Salary and Wages	23.07	32.19	30.16	40.16
Staff Welfare Expenses	0.83	0.03	0.23	0.22
Total	23.90	32.22	30.39	40.38

ANNEXURE - S
RESTATED STATEMENT OF FINANCE COST

(₹ In Lakhs)

Particulars	For the period ended Dec. 31, 2018	For the year ended March 31,		
		2018	2017	2016
Interest expense	71.25	61.31	40.46	35.45
Other Borrowing cost	6.61	8.03	0.28	3.04
Total	77.86	69.34	40.74	38.49

ANNEXURE - T
RESTATED STATEMENT OF DEPRECIATION & AMORTISATION

(₹ In Lakhs)

Particulars	For the period ended Dec. 31, 2018	For the year ended March 31,		
		2018	2017	2016
Depreciation and Amortisation Expenses	2.35	2.19	2.41	2.07
Total	2.35	2.19	2.41	2.07

ANNEXURE – U
RESTATED STATEMENT OF OTHER EXPENSES

(₹ In Lakhs)

Particulars	For the period ended Dec. 31, 2018	For the year ended March 31,		
		2018	2017	2016
Direct Expenses				
C & F and Interest Charges	-	-	-	0.57
CST expense	-	-	1.20	0.12
Cylinder Charges	0.44	1.10	0.28	0.18
Discount Charges	0.01	2.11	1.07	-
Freight And Insurance Charges	6.48	5.40	1.79	1.25
Loading and unloading	2.13	2.54	1.51	1.25
Handling charges	-	-	-	0.24
Packing Material Expense	0.91	3.23	3.57	0.86
Product Permission Charges	0.17	0.55	1.55	2.02
Rate Differnce	1.03	(1.96)	(2.07)	0.57
Vat Expense	-	-	(0.30)	-
Labour Charges	0.16	-	-	-
	-	-	-	-
Indirect Expenses	-	-	-	-
Audit Fees	0.35	0.25	0.21	0.35
Advertisement Expense	0.32	0.12	0.36	0.45
Computer Repair and maintaince	1.47	0.21	0.19	0.07
Car Insurance Premium Expense	-	-	-	0.77
Conveyance Expense	1.38	1.76	1.14	0.18
Desiging Charges	0.76	-	0.28	0.25
Donation Expenses	0.17	-	1.50	-
Electricity Expenses	0.72	1.08	1.05	0.47
Entainment Expense	-	-	0.29	0.77
Food and Refreshment Expense	0.35	0.24	-	-
Franking charges	-	-	-	0.05
Godown Rent Expenses	1.48	0.10	-	0.66
Insurance charges	1.96	1.32	0.75	0.70
Internet Exp	0.17	0.16	-	-
Legal & Professional Charges	2.86	1.80	0.58	1.39
Municipal Tax Expenses	-	0.19	0.22	-
Maintaince Charges-Software	-	0.18	-	-
Marketing Exp	-	-	-	4.07
Lodging & Boarding Charges	-	-	-	0.09
Office Expenses	2.19	0.63	0.94	0.95
Office Rent Expense	-	1.04	1.34	1.20
Petrol & Diesel Expenses	1.06	1.22	2.01	1.68
Postage & Courier Charges	1.14	1.28	0.91	0.84
Repair & maintaince	1.51	0.31	0.12	0.10
Product Development Charges	-	-	-	0.50
Rating Expense	-	-	-	0.15

Roc Charges	1.53	0.33	-	3.17
Sales commission Expense	0.10	-	30.06	29.64
Sales Promotion expense	20.11	0.82	0.76	6.62
Stationary and Printing expense	0.73	0.70	0.77	1.36
Tea and refreshment Expenses	0.00	0.93	1.40	1.23
Telephone Expenses	0.67	1.18	1.34	1.38
Travelling Expenses	4.72	7.50	4.95	7.75
Bank Charges	-	0.15	9.65	0.52
Interest On Income Tax	-	2.52	1.08	0.18
interest On TDS	0.06	0.01	0.35	-
Interest on GST late payment	0.00	-	-	-
Consolidation charges	0.11	-	-	-
Gst Exp	0.02	-	-	-
Gst under RCM	0.23	-	-	-
Office maintaince Expense	0.32	-	-	-
Software Exp	0.32	-	-	-
Penalty on Late filling Of GST	0.08	0.01	-	-
Total	58.23	39.01	70.85	74.60
Interest On Income Tax	-	2.52	1.08	0.18
interest On TDS	0.06	0.01	0.35	-
Interest on GST late payment	0.00	-	-	-
Consolidation charges	0.11	-	-	-
Gst Exp	0.02	-	-	-
Gst under RCM	0.23	-	-	-
Office maintaince Expense	0.32	-	-	-
Software Exp	0.32	-	-	-
Penalty on Late filling Of GST	0.08	0.01	-	-
Total	58.23	39.01	70.85	74.60

ANNEXURE – V

RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES

(₹ In Lakhs)

Particulars	For the period ended Dec. 31, 2018	For the Year Ended		
		31-03-18	31-03-17	31-03-16
Contingent liabilities in respect of:				
Claims against the company not acknowledged as debts (Income tax Appeal (disputed demand) for A.Y. 2016-17 and TDS Defaults)	16.36	-	-	-
Guarantees given on Behalf of the Company	-	-	-	-
Guarantees given on Behalf of the Subsidiary Company	-	-	-	-
Other moneys for which the company is contingently liable	-	-	-	-
Commitments (to the extent not provided for)	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-
Uncalled liability on shares and other investments partly paid	-	-	-	-
Other commitments	-	-	-	-
Total	16.36	-	-	-

ANNEXURE - W

RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS

RELATED PARTY DISCLOSURE

List of Related parties

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Sr. No.	Name of the Person / Entity	Relation
1	Mr. Bhumishth Narendrabhai Patel	Managing Director
2	Mrs. Payal Bhumishth Patel	Whole Time Director
3	Mr. Narendrakumar Gangaramdas Patel	Relative of Director
4	Mrs. Sushilaben Narendrakumar Patel	Relative of Director
5	M/s Shivam Chemist	Firm in which Directors/ relatives of Directors are interested
6	M/s Arvind Traders	Firm in which Directors/ relatives of Directors are interested
7	Narendrakumar Gangaramdas Patel HUF	Firm in which Directors/ relatives of Directors are interested
8	M/s Devita Healthcare	Firm in which Directors/ relatives of Directors are interested

b) Transactions with related parties

(₹ In Lakhs)

Nature of Transactions	For the period ended Dec. 31, 2018	For the Year Ended		
		31-03-18	31-03-17	31-03-16
Remuneration Paid to Directors				
Mr. Bhumishth Narendrabhai Patel	7.20	11.20	6.98	15.57
Mrs. Payal Bhumishth Patel	7.20	11.20	6.98	
Purchase				
M/s Arvind Traders	-	421.28	341.09	-
M/s Devita Healthcare	12.43			1.53
M/s Shivam Chemist		178.73		
Narendra Patel HUF		3.89		
Sales				
M/s Shivam Chemist			0.28	
Sales Commission				
Mr. Narendrakumar Gangaramdas Patel				2.7
Mrs. Sushilaben Narendrakumar Patel				1.2
Loans Received				
Mr. Bhumishth Narendrabhai Patel	118.16	145.07	94.46	50.43
Mrs. Payal Bhumishth Patel	24.34	10.09	25.89	33.47
Mr. Narendrakumar Gangaramdas Patel	30.25	45.25	68.34	30.35
Mrs. Sushilaben Narendrakumar Patel			45.70	5.15
Loans Repaid/ Given				
Mr. Bhumishth Narendrabhai Patel	26.98	218.66	81.14	49.81
Mrs. Payal Bhumishth Patel	22.00	25.14	13.42	32.52
Mr. Narendrakumar Gangaramdas Patel	30.12	45.75	109.30	26.58
Mrs. Sushilaben Narendrakumar Patel	-	6.47	48.52	0.43
Balances at the end of year (LOAN)				
Payables/ (Receivables)				
Mr. Bhumishth Narendrabhai Patel	41.53	(49.65)	23.94	10.62
Mrs. Payal Bhumishth Patel	6.67	4.33	19.38	6.91
Mr. Narendrakumar Gangaramdas Patel	(37.56)	(37.69)	(37.19)	3.77
Mrs. Sushilaben Narendrakumar Patel	(4.57)	(4.57)	1.90	4.72

ANNEXURE - X
RESTATED STATEMENT OF TAX SHELTER

(₹ In Lakhs)

Particulars	For the period ended Dec. 31, 2018	For the year ended March 31		
		2018	2017	2016
Restated profit before tax as per books (A)	119.66	124.14	23.67	16.04
Tax Rates				
Income Tax Rate (%)	27.82%	27.55%	30.90%	30.90%
Minimum Alternative Tax Rate (%)	20.39%	20.39%	20.39%	20.39%
Adjustments :				
Income Considered Separately	-	0.87	0.70	0.21
Disallowed		2.54		-
Timing Difference ©				
Book Depreciation	2.35	2.19	2.41	2.07
Income Tax Depreciation allowed	5.55	3.03	3.33	3.21
Total Timing Difference	(3.20)	(0.84)	(0.92)	(1.14)
Net Adjustment D= (B+C)	(3.20)	0.83	(1.62)	(1.35)
Tax Expenses			-	-
Income from Capital Gains (E)			-	-
Income from Other Sources	-	0.87	0.70	0.21
Deduction under chapter VI (H)		-	0.75	-
Taxable Income/(Loss) (A+D+E+G+H)	116.46	125.84	22.00	14.90
Income Tax on Above	32.40	34.67	6.80	4.60
MAT on Book Profit	24.40	25.31	4.83	3.27
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal
Interest Payable	0	3.54	0.81	1.16
Total Provision for Tax	32.40	38.21	7.61	5.76

ANNEXURE - Y
CAPITALISATION STATEMENT

(₹ In Lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	629.73	629.73
Long Term Debt (B)	159.51	159.51
Total debts (C)	789.24	789.24
Shareholders' funds		
Equity share capital	30.86	*
Reserve and surplus - as restated	476.73	*
Total shareholders' funds	507.59	*
Long term debt / shareholders funds (in Rs.)	0.31	*
Total debt / shareholders funds (in Rs.)	1.55	*

(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

- Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
- Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.

3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.12.18.

ANNEXURE - Z
RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS
(₹ In Lakhs, except share data)

Particulars	For the period ended Dec. 31, 2018	As at March 31,		
		2018	2017	2016
Net Worth (A)	507.59	421.08	152.58	136.59
Adjusted Profit after Tax (B)	86.51	85.65	15.98	9.76
Number of Equity Share outstanding as on the End of Year (c)	308,565	308,565	107,425	107,425
Weighted average no of Equity shares at the time of end of the year (D)	308,565	174,656	107,425	79,132
Face Value per Share	10.00	10.00	10.00	10.00
Restated Basic and Diluted Earning Per Share (Rs.) (B/D)	28.03	49.04	14.88	12.33
Return on Net worth (%) (B/A)	17.04%	20.34%	10.48%	7.14%
Net asset value per share (A/C) (Face Value of Rs. 10 Each) (Based on Actual Number of Shares)	164.50	136.46	142.03	127.15
Net asset value per share (A/C) (Face Value of Rs. 10 Each) (Based on Weighted Average Number of Shares)	164.50	241.09	142.03	172.62
EBITDA	192.75	146.65	31.22	47.22

Notes:

1. The ratios have been computed as below: The below ratios have not been annualized for the period ended 31st December 2018.

(a) Basic earnings per share (Rs.) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (Rs.) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS

(c) Return on net worth (%) - : Net profit after tax (as restated) / Net worth at the end of the period or year

(d) Net assets value per share - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The figures disclosed above are based on the restated summary statements of the Company.

5) EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

OTHER FINANCIAL INFORMATION

The audited financial statements of our Company as at and for the period/year ended December 31, 2018, March 31, 2018, March 31, 2017, and March 31, 2016 and their respective Audit reports thereon (Audited Financial Statements) are available at <http://www.earumpharma.com>

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Draft Prospectus; or (ii) prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor LM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

2.The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:-

Particulars	For the period ended Dec. 31, 2018	For the year ended March 31,		
		2018	2017	2016
Basic & Diluted Earnings per Share based on Weighted Average Number of Shares (including effect of bonus shares issued on April 09, 2019)	2.00	3.50	1.06	0.88
Return on Net Worth (%)	17.04%	20.34%	10.48%	7.14%
Net Asset Value Per Share (Rs) (based on actual number of shares)	164.50	136.46	142.03	127.15
Earnings before interest, tax, depreciation and amortization (EBITDA)	192.75	146.65	31.22	47.22

1. The ratios for the nine months ended on December, 2018 are not annualized.

STATEMENT OF FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on December 31, 2018 based on Restated Financial Statements of the Company together with a brief description of certain significant terms / material covenants of the relevant financing arrangements:-

Nature of Borrowings	Amount Outstanding as at December 31, 2018 (Rs. in lakhs)
Secured Borrowings	586.97
Unsecured Borrowings	202.27
Total	789.24

Please refer to Annexure B (A) and Annexure B(B) of Restated Financial Statements beginning on page 128 and 129 of Draft Prospectus for rate of interest, re-payment schedule and purpose of each borrowings.

Principal terms of Cash Credit facilities availed from State Bank of India:

1. Enhanced Interest

- i) Enhanced rate of Interest at 1% cumulatively subject to a maximum of 2% will be charged for the period of delay in respect of
 - a) Delayed/non-submission of financial data required for review/renewal of limits
 - b) Delayed/non-submission of annual financial statements
 - c) Delayed/non-submission of stock statements
- ii) Enhanced rate will be charged on the excess drawings in case of any irregularity/breach is continuously less than 60 days and if exceeds 60 days, on the entire outstanding from the date of irregularity/breach. Enhanced interest will be compounded monthly
- iii) Penal interest as applicable would be charged, if not repaid within stipulated period

2. Margins

- a) Raw material – Indigenous – 25%
- b) Finished Goods – 20%
- c) Domestic Receivables (Cover Period 120 days) – 40%

3. Insurance

All the assets charged to the Bank should always be fully insured by the borrower against fire, lighting, riots, strikes, floods, cyclones, earthquakes, civil commotion and other natural calamities etc with a Company approved by bank in the joint names of the bank and the Company at the cost of the Company for full market value or Bank's Interest whichever is higher.

4. Credit Guarantee Cover

- a) Pre-shipment Credit, if any, will be covered by the Bank under individual packaging credit guarantee (IPCG) of ECGC with premium payable by debit to Company's account
- b) Post-shipment policy of ECGC with buyer-wise limits for non-L/C exports to be obtained by the Company at its cost
- c) ECGC officials have the right to inspect the unit, if considered necessary
- d) Credit Guarantee under CGTSI Scheme to be covered, wherever applicable

5. Stock Statements

Statements of Stocks/Receivables hypothecated/pledged to the bank are to be submitted regularly at monthly intervals as on last day of every month before the 20th of the following month/ within 20 days from the date of stock statement and/or whenever there is a large variation in Stocks or Book Debts and also as on date of the Balance Sheet (31st march)

6. Inspections

The Bank officials /inspectors are to be permitted in the factory or business premises as and when required to inspect the stocks/books/equipment. Where the premises are leased/hired, necessary approvals to the effect from the lessor, if any required, are to be obtained. All assistance to be extended to the bank officials in conducting and competing such inspections smoothly.

7. Other Covenants:

- (a) Unsecured loan not to be withdrawn during the currency of the loan.
- (b) Stock and receivables audit to be done at stipulated intervals as per the terms of the bank and the cost of the same will be beard by the Company. Debtor wise detail to be submitted with the stock statement
- (c) Please note to route all sales transactions through our cash credit account only
- (d) Please also be advised that the amount of takeover from Axis Bank Limited will be made directly to the Bank
- (e) Fresh Valuation Report of the collaterals to be submitted in every 3 years
- (f) Fresh NEC to be submitted for all the properties offered as Collateral security every year
- (g) Self - Attested copy of passport of all the partners/guarantors to be submitted
- (h) Cash Credit to be disbursed upon receipt of letter certifying outstanding amount by Axis Bank Limited
- (i) End use of funds to be ensured.

8. Collateral Security:-

Equitable Mortgage over the following properties:

- 1) Residential Building bearing Survey Number: Block No. 1607 (Old Block No. 96) situated at Unit No 1, Vijay Era, B/h Viswakarma Temple, Kasindra, Ahmedabad-382210
- 2) Residential Building bearing Survey Number: Block No. 1607 (Old Block No. 96) situated at Unit No 3, Vijay Era, B/h Viswakarma Temple, Kasindra, Ahmedabad-382210
- 3) Residential Building bearing Survey Number: Block No. 1607 (Old Block No. 96) situated at Unit No 7, Vijay Era, B/h Viswakarma Temple, Kasindra, Ahmedabad-382210
- 4) Residential Building bearing Survey Number: Block No. 1607 (Old Block No. 96) situated at Unit No 11, Vijay Era, B/h Viswakarma Temple, Kasindra, Ahmedabad-382210

Personal Guarantee of Mr. Bhumishth Narendrabhai Patel, Mrs. Payal Bhumishth Patel and Mr. Narendrabhai G. Patel

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements as of and for the period ended December 31, 2018 and the three Financial Years ended March 31, 2018, 2017 and 2016, including the notes thereto and the report thereon, which appear elsewhere in this Draft Prospectus. You should also read the section titled "Risk Factors" on page 20 and the section titled "Forward Looking Statements" on page 12 of this Draft Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated consolidated financial Statements.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and restated as described in the report of our auditor dated March 29, 2019, which is included in this Draft Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

OVERVIEW

Incorporated in the year 2012, Our Company is engaged in the pharmaceutical business involving marketing, trading and distribution of wide range of pharmaceutical formulation products such as anti-biotic drugs, anti-malarial drugs, anti-allergic & anti cold drugs, analgesic/ anti-pyretic & anti inflammatory drugs, dermatology products, cerebral activator drugs, neurological drugs, gastro intestinal drugs, steroids, gynecology drugs, calcium, multivitamins, anti-oxidants and injections. As on date of Draft Prospectus, we offer around 125 pharmaceutical formulation products, of which around 24 products are marketed by us under our own brand name, the manufacturing of which is outsourced by us to third parties. Apart from pharmaceutical formulation products, we also deals in trading of active pharmaceutical ingredients (API's) such as Levofloxacin Hemihdrate IP, Albendazol IP, Amoxicillin Trihydrate IP etc.

Our Company has its registered office, corporate office and warehouse situated at Ahmedabad (Gujarat). Mr. Bhumishth Narendrabhai Patel, Chairman and Managing Director and one of the Promoters of our Company has an overall experience of over 11 years in various segments of pharmaceutical business. Our Key Managerial Personnel is backed up with sales and marketing team who are dedicated to pursue and enhance our business activities in formulations.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Summary Statement of Assets and Liabilities of the Company as on December 31, 2018, March 31, 2018, March 31, 2017, and March 31, 2016, and the Restated Summary Statement of Profit and Loss and the annexure thereto (collectively, the "Restated Financial Statements" or "Restated Summary Statements") have been extracted by the management from the Audited Financial Statements for the period ended on December 31, 2018 and for the year ended March 31, 2018, March 31, 2017, and March 31, 2016.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014).

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include value of unbilled revenue and value of WIP stock etc. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

3. FIXED ASSETS

Fixed Assets are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition of the concerned assets.

Depreciation on fixed assets is provided on written down value method as per useful life prescribed in the schedule II of The Companies Act, 2013.

4. DEPRECIATION

Depreciation on Fixed Assets is provided on Written Down Value Basis as per companies Act 2013 over the useful life of assets estimated by Management. Individual low-cost assets acquired for less than Rs.5,000/- are entirely depreciated in the year of acquisition. Intangible assets are amortized over their respective individual estimated lives on Written Down Value Basis, commencing from the date the asset is available to the Company for its use.

5. BORROWING COSTS

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

6. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of amount.

7. REVENUE RECOGNITION

- a) Sales are recognized when practically all risks and rights connected with the ownership have been transferred to the buyer.
- b) Incomes from interest on deposits are accounted on accrual basis.

8. EMPLOYEE BENEFITS

- a. The company has no policy of encashment and accumulation of leave. Therefore, no provision of leave Encashment is required.
- b. Employee Benefits such as Salaries, allowances, non-monetary benefits are debited to Profit and Loss account.
- c. Provident fund: NA
- d. Gratuity - NA

9. SEGMENT ACCOUNTING

(i) Business Segment

(a) The business segment has been considered as the primary segment.

(b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

(c) The Company's primary business includes trading of pharma raw material as well as finished formulation of pharma and accordingly this is the only segment as envisaged in Accounting Standard 17 'Segment Reporting'. Disclosure for Segment reporting is not applicable.

(ii) Geographical Segment

The Company supplies its product in domestic market, however primary segment is selected as reportable segment since there is no comparatively major difference in risk and reward in above geographical segments.

10. ACCOUNTING FOR TAXES ON INCOME

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

11. CONTINGENT LIABILITIES AND PROVISIONS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

12. EARNINGS PER SHARE:

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. Bonus Share allotment has been considered as if it took place at the beginning of Restatement period.

C. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies.

Significant Developments Subsequent to the Last Financial Period

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Draft Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

1. The Authorized Share Capital of the Company was increased from Rs. 30,00,000/- divided into 3,00,000 Equity Shares of Rs 10/- each to Rs. 50,00,000/- divided into 5,00,000 Equity Shares of Rs 10/- vide Extra Ordinary General Meeting held on March 05, 2019.
2. The Authorized Share Capital of the Company was increased from Rs.50,00,000/- divided into 5,00,000 Equity Shares of Rs 10/- each to Rs. 70,00,000/- divided into 7,00,000 Equity Shares of Rs 10/- vide Extra Ordinary General Meeting held on March 30, 2019.
3. On March 01, 2019, we have made rectification in the Loan A/c of Mr. Bhumishth Patel by debiting Rs. 67.83 lakhs in his Loan A/c and crediting a supplier A/c with same amount, pursuant to which the loan A/c balance stands at Rs. 26.00 lakhs as on March 01, 2019.
4. Mrs. Payal Bhumishth Patel was appointed as Whole Time Director of the Company for a term of 5 year with effect from March 05, 2019 by board in its meeting held on 08.02.2019 and confirmed by shareholders vide Extra Ordinary General Meeting held on - March 05, 2019.
5. Mr. Hetarth Ashokkumar Patel was re-designated from Additional Independent Director to Independent Director of the Company for terms of 5 year with effect from December 14, 2018 vide Extra Ordinary General Meeting held on March 30, 2019.
6. We have appointed Ms. Ashna Sangwan as a Chief Financial Officer of the Company with effect from March 15, 2019.
7. We have appointed Mr. Parsotam Kantilal Purohit as a Company Secretary and Compliance officer of the Company with effect from April 02, 2019.
8. The Board of Director in its meeting held on April 09, 2019 allotted 40,11,345 Bonus shares in the ratio of 13 (Thirteen) bonus for every 1 (one) Equity Shares held by each shareholder.
9. The Shareholder of the Company approved the conversion of the Company from Private Limited to Public Limited and consequent Change of name of Company from “Earum Pharmaceuticals Private Limited” to “Earum Pharmaceuticals Limited” in its Extra Ordinary General Meeting held on January 10, 2019 and Fresh Certificate of Incorporation was issued by Registrar of Companies, Ahmedabad vide dated January 23, 2019.
10. Mrs. Komalben Patel Vashisthbhai resigned from the post of directorship with effect from March 05, 2019 due to some other pre-occupation.
11. We have appointed Mr. Narendrakumar Gangaramdas Patel as Non-Executive Director of the Company vide Extra Ordinary General Meeting held on March 05, 2019.
12. We have appointed Mr. Alpesh Fatehsingh Purohit as an Independent Director of the Company for a term of 5 year with effect from March 05, 2019.
13. We have passed a Board resolution in the meeting of Board of Director dated March 05, 2019 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
14. We have passed a special resolution in the meeting of shareholders dated March 30, 2019 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
15. We have passed a Board resolution on April 09, 2019 for allotment of 40,11,345 Bonus Equity Shares in the ratio of 13:1 to existing shareholders.

Factors Affecting our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 20 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Fluctuations in operating costs;
3. Changes in consumer demand;
4. Failure to successfully upgrade our product portfolio, from time to time;
5. any change in government policies resulting in increases in taxes payable by us;
6. our ability to retain our key managements persons and other employees;
7. changes in laws and regulations that apply to the industries in which we operate.
8. our failure to keep pace with rapid changes in technology;
9. our ability to grow our business;
10. our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
11. general economic, political and other risks that are out of our control;
12. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. Company’s ability to successfully implement its growth strategy and expansion plans ;
14. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
15. inability to successfully obtain registrations in a timely manner or at all;
16. occurrence of Environmental Problems & Uninsured Losses;
17. conflicts of interest with affiliated companies, the promoter group and other related parties;
18. any adverse outcome in the legal proceedings in which we are involved; and
19. Concentration of ownership among our Promoters.

Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the restated consolidated financial statements for the period ended December 31, 2018 and financial years ended March 2018, March 2017 and March 2016.

Particulars	As at December 31, 2018	% of Total income	For the Year Ended March 31,					
			2018	% of Total income	2017	% of Total income	2016	% of Total income
Revenue From Operations	3449.85	99.99%	3543.67	98.86%	2333.95	98.51%	1856.66	99.66%
Other Income	0.50	0.01%	40.99	1.14%	35.32	1.49%	6.34	0.34%
Total Revenue	3450.35	100.00%	3584.65	100.00%	2369.27	100.00%	1863.00	100.00%
Expenditure								
Purchase of Material	3447.61	99.92%	3492.99	97.44%	2494.43	105.28%	1903.79	102.19%
Change In Inventory	-279.27	-8.09%	-175.25	-4.89%	-293.22	-12.38%	-212.36	-11.40%
Employee Benefit Expenses	23.90	0.69%	32.22	0.90%	30.39	1.28%	40.38	2.17%
Finance Cost	77.86	2.26%	69.34	1.93%	40.74	1.72%	38.49	2.07%
Depreciation and Amortisation Expenses	2.35	0.07%	2.19	0.06%	2.41	0.10%	2.07	0.11%
Other Expenses	58.23	1.69%	39.01	1.09%	70.85	2.99%	74.60	4.00%
Total Expenditure	3330.69	96.53%	3460.51	96.54%	2345.60	99.00%	1846.96	99.14%
Profit/(Loss) Before Exceptional & extraordinary items & Tax (2-4)	119.66	3.47%	124.14	3.46%	23.67	1.00%	16.04	0.86%
Exceptional item	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Profit/(Loss) Before Tax	119.66	3.47%	124.14	3.46%	23.67	1.00%	16.04	0.86%

Tax Expense:								
Tax Expense for Current Year	32.40	0.94%	38.21	1.07%	7.61	0.32%	5.76	0.31%
Short/(Excess) Provision of Earlier Year								
Deferred Tax	0.75	0.02%	0.28	0.01%	0.08	0.00%	0.52	0.03%
Net Current Tax Expenses	33.15	0.96%	38.49	1.07%	7.69	0.32%	6.28	0.34%
Profit/(Loss) for the Year	86.51	2.51%	85.65	2.39%	15.98	0.67%	9.76	0.52%

Revenue from operations:

Our principal component of income is from sale of pharmaceutical formulations.

Other Income:

Our other income primarily comprises of Damage charges, Freight on sales.

Employee benefits expense:

Our employee benefits expense primarily comprises of Salary and wages and Staff Welfare Expenses.

Finance Costs

Our finance cost includes Interest Expenses and other borrowing costs.

Depreciation and Amortization Expenses

Depreciation includes depreciation on tangible assets like plant and machinery, furniture and computer.

Other Expenses

Other expenses include Freight and Insurance charges, Conveyance expenses, Office expenses, Sales promotion expenses, travelling expenses etc.

Financial Performance Highlights for the Period Ended December 31, 2018**Revenue from operations:**

The revenue from operations during the period ended December 31, 2018 was Rs.3449.85 Lakhs. The revenue from operations comprised of sale of pharmaceutical formulations.

Total Expenses:

The total expenditure during period ended December 31, 2018 was Rs.3330.69 Lakhs. The total expenditure represents 96.53% of the total revenue. The total expenses are represented by Purchase of Material, employee benefits expense, finance costs, depreciation and amortization expenses and Other Expenses. The main constituent of total expenditure is Purchase of material expense, which is Rs.3447.61 Lakhs.

Profit/ (Loss) after Tax:

The restated net profit during the period ended December 31, 2018 was Rs.86.51 Lakhs representing 2.51% of the total revenue of our company.

Financial Year 2018 Compared to Financial Year 2017**Total Income**

Total Income for the financial year 2017-2018 stood at Rs.3584.65 Lakhs whereas in Financial Year 2016-2017 the same stood at Rs.2369.27 Lakhs representing an increase of 51.30%.

Revenue from Operations

During the financial year 2017-2018 the net revenue from operation of our Company increased to Rs.3543.67 Lakhs as against Rs.2333.95 Lakhs in the Financial Year 2016-2017 representing an increase of 51.83%. This increase was due to increase in sales of the Company.

Other Income:

During the financial year 2017-2018 the other income of our Company increased to Rs.40.99 Lakhs as against Rs.35.32 Lakhs in the Financial Year 2016-2017 representing an increase of 16.05%. Such increase was primarily due to increase in Damage charges income.

Total Expenses:

The Total Expenditure for the financial year 2017-2018 increased to Rs.3460.51 Lakhs from Rs.2345.60 Lakhs in the previous financial year representing an increase of 47.53%.

Employee benefits expense:

Our Company has incurred Rs.32.22 Lakhs as Employee benefits expense during the financial year 2017-2018 as compared to Rs.30.39 Lakhs in the financial year 2016-2017. The increase of 6.03% was due to increase in employee count.

Finance costs:

These costs were for the financial Year 2017-2018 increased to Rs.69.34 Lakhs as against Rs.40.74 Lakhs during the previous financial year. The increase of 70.19% as compared to previous financial year was due to increase in Loan account.

Depreciation and Amortization Expenses:

Depreciation for the financial year 2017-2018 stood at Rs.2.19 Lakhs as against Rs.2.41 Lakhs during the previous financial year.

Other Expenses:

Our Company has incurred Rs.39.01 Lakhs during the Financial Year 2017-2018 on other expenses as against Rs.70.85 Lakhs during the financial year 2016-2017. The decrease of 44.94% was mainly due to reduction in sales commission expenses.

Restated Profit before tax:

The Company reported Restated profit before tax for the Financial Year 2017-2018 of Rs.124.14 Lakhs in comparison to Restated profit of Rs.23.67 Lakhs in financial year 2016-2017 representing an increase of 424.47%.

Restated profit after tax:

Net Profit after tax for the Financial Year 2017-2018 increased to Rs.85.65 lakhs as compared to Rs.15.98 Lakhs financial year 2016-2017. The increase in profit after tax by 81.34% was majorly due to factors mentioned above.

Financial Year 2017 Compared to Financial Year 2016

Total Income:

Total income for the financial year 2016-2017 stood at Rs.2369.27 Lakhs whereas in Financial Year 2015-2016 the same stood at Rs.1863.00 Lakhs representing an increase of 27.17%.

Revenue from Operations

During the financial year 2016-2017 the net revenue from operation of our Company increased to Rs.2333.95 Lakhs as against Rs.1856.66 Lakhs in the Financial Year 2015-2016 representing an increase of 25.71%. This increase was due to normal course of business.

Other Income:

During the financial year 2016-2017 the other income of our Company increased to Rs.35.32 Lakhs as against Rs.6.34 Lakhs in the Financial Year 2015-2016 representing an increase of 457.10%. Such increase was primarily due to increase in Damage charges income.

Total Expenses:

The Total Expenditure for the financial year 2016-2017 increased to Rs.2345.60 Lakhs from Rs.1846.96 Lakhs in the previous financial year representing an increase of 27.00%.

Employee benefits expense:

Our Company has incurred Rs.30.39 Lakhs as Employee benefits expense during the financial year 2016-2017 as compared to Rs.40.38 Lakhs in the financial year 2015-2016. The decrease of 24.75% was due to decrease in Staff.

Finance costs:

These costs were for the financial Year 2016-2017 increased to Rs.40.74 Lakhs as against Rs.38.49 Lakhs during the previous financial year. The increase of 5.85% as compared to previous financial year was due to increase in loan account.

Depreciation and Amortization Expenses:

Depreciation for the financial year 2016-2017 stood at Rs.2.41 Lakhs as against Rs.2.07 Lakhs during the previous financial year. The increase of 16.59% was due to purchase of assets.

Other Expenses:

Our Company has incurred Rs.70.85 Lakhs during the Financial Year 2016-2017 on other expenses as against Rs.74.60 Lakhs during the financial year 2015-2016. The decrease of 5.03% was due to increase in normal course of business.

Restated Profit before tax:

Net Profit before tax for the financial year 2016-2017 increased to Rs.23.67 Lakhs as compared to Rs.16.04 Lakhs in the financial year 2015-2016 representing an increase by 47.59%.

Restated profit after tax:

The Company reported Restated profit after tax for the financial year 2016-2017 of Rs.15.98 Lakhs in comparison to Restated profit after tax of Rs.9.76 Lakhs in the financial year 2015-2016 representing an increase of 63.79% majorly due to factors mentioned above.

CAPITALISATION STATEMENT

(₹ In Lakhs)

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	629.73	629.73
Long Term Debt (B)	159.51	159.51
Total debts (C)	789.24	789.24
Shareholders' funds		
Equity share capital	30.86	*
Reserve and surplus - as restated	476.73	*
Total shareholders' funds	507.59	*
Long term debt / shareholders funds (in Rs.)	0.31	*
Total debt / shareholders funds (in Rs.)	1.55	*

(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.12.18.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal proceedings, (II) actions taken by regulatory or statutory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five financial years, including outstanding action, (IV) claims related to direct and indirect taxes, and (V) other pending litigation which are determined to be material as per the policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Promoters and Directors, (the "**Relevant Parties**").

For the purpose of (V) above, our Board has considered and adopted a policy of materiality for identification of material litigation in terms of the SEBI (ICDR) Regulations, 2018 as amended for disclosure of all pending litigation involving the Issuer, its directors and promoters, other than criminal proceedings, statutory or regulatory actions and taxation matters where the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of Rs. 10.00 lacs and such pending cases are material from the perspective of the Issuer's business, operations, prospects or reputation.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5% of the total trade payables as per the last audited financial statements of the Issuer.

PART 1: CONTINGENT LIABILITIES OF OUR COMPANY

Particulars	Amt. (Rs. in lakhs) (As on Dec. 31, 2018)
Claims against the company not acknowledged as debts (Income tax Appeal (disputed demand) for A.Y. 2016-17 and TDS Defaults)	16.36

PART 2: LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

1. Litigation Involving Criminal Laws

Mr. Rakesh Kumar Karshandas Shiroya Partner of H.D. Pharmachem against Earum Pharmaceuticals Pvt. Ltd.

A case under Negotiable Instruments Act, 1881, Numbering, 4451/2017 dated June 27, 2017 has filed by Mr. Rakesh Kumar Karshandas Shiroya Partner of H.D. Pharmachem against Earum Pharmaceuticals Pvt. Ltd., however due to unavailability of case documents, further details of the case cannot be provided.

2. Litigation involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

i. Direct Tax

Income Tax

For Assessment Year 2016-17

Our Company has preferred an appeal to Commissioner of Income Tax (Appeals), Ahmedabad-2 against the order of Assessing Officer passed under section 143 (3) of the Income Tax Act, 1961 dated December 19, 2018 in respect to Assessment Year 2016-17 whereby an

addition to income of Rs. 34.78 lakhs was made under section 68 of the Income Tax Act, 1961 as unexplained cash deposit and resultantly disputed tax demand of Rs. 15.20 lakhs was raised. The case was also selected for the Income Tax scrutiny by CASS for examination. As on the date of this Draft Prospectus, the matter is pending before Commissioner of Income Tax (Appeals), Ahmedabad-2 for disposal.

TDS Liability as per TRACES

As per TRACES, the following TDS Liabilities of the Company are being shown towards late filing fee under section 234E of Income Tax Act, 1961 and interest on payments default u/s 201 of the Income Tax Act, 1961:-

Sr. No.	Financial Year	Outstanding Liability (Rs. in lakhs)
1.	2016-17	0.19
2.	2015-16	0.33
3.	Prior Years	0.63
Total Outstanding Liability		1.16

ii. Indirect Tax

GUJARAT VAT ACT, 2003

Our Company has received show cause notice dated December 21, 2018 for suspension/cancellation of Certificate of Registration under sub-section (5) of section 27 of the Gujarat Value Added Tax Act, 2003 for not filing the return required by Section 29 and has been directed to attend at specified address to show causes to why certificate of registration should not be suspended/ cancelled. Our Company has not filed reply to the said notice and the matter is pending for disposal.

4. Other Pending Litigation

NIL

B. CASES FILED BY OUR COMPANY

1. Litigation Involving Criminal Laws

Earum Pharmaceuticals Private Limited (Complainant) v/s Royal Medicoce (Accused)

Our Company has filed a suit against one of our customer, Royal Medicoce (proprietor Mr. Sachin Nawalkishor Nashine) under Section 138 of the Negotiable Instruments Act, 1881 (Criminal case no. 5727/2019) in District Court, Ahmedabad. The accused has issued cheque in favour of complainant of Rs. 13.46 lakhs which was dishonored and returned by the bank on 29.01.2019 with remark 'Fund insufficient', thus a complaint under section 138 of N.I act has been filed by the Complainant through its Director Mr. Bhumishth N. Patel. The matter is pending for disposal.

2. Litigation involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

NIL

4. Other Pending Litigation

NIL

PART 3: LITIGATION RELATING TO DIRECTORS AND PROMOTERS OF OUR COMPANY

A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS

1. Litigation Involving Criminal Laws

NIL

2. Litigation involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

i. Direct Tax Liabilities

NIL

ii. Indirect Tax Liabilities

NIL

4. Other Pending Litigation

NIL

B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS

1. Litigation Involving Criminal Laws

NIL

2. Litigation involving Actions by Statutory/Regulatory Authorities

NIL

3. Litigation involving Tax Liabilities

i. Direct Tax Liabilities

NIL

ii. Indirect Tax Liabilities

NIL

4. Other Pending Litigation

NIL

PART 4: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

The Board of Directors of our Company considers dues exceeding 5% of our Company's total Trade Payables as per Audited financial statements, to small scale undertakings and other creditors as material dues for our Company. As on December 31, 2018, there are 4 creditors to whom our Company owes amounts exceeding 5% of our Company's Trade Payables and the aggregate outstanding dues to it being approximately Rs. 1239.24 lakhs. Further, our Company has not received any intimation from suppliers regarding their status under

the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year end together with interest payable as required under the said Act have not been furnished. Therefore, as on December 31, 2018, our Company owes amounts aggregating to Rs. 1264.68 lakhs approximately towards Trade Payables as per Audited Financial Statements, which may or may not include small scale undertakings. There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such creditors are available on the website of our Company i.e. www.earumpharma.com

PART 5: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled *“Management’s Discussion & Analysis of Financial Conditions & Results of Operations”* beginning on page 147 of this Draft Prospectus there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

The object clauses of the Memorandum of Association of Our Company enable us to carry out its activities.

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

I. Approvals for the Issue

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board, pursuant to its resolution dated March 05, 2019 authorized the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary;
- b. The shareholders of our Company have, pursuant to their resolution passed at the extra ordinary general meeting of our Company held on March 30, 2019 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved this Draft Prospectus pursuant to its resolution dated April 09, 2019;
- d. We have received in-principle approval from BSE Limited for the listing of our Equity Shares on BSE SME Platform pursuant to letter dated [●]
- e. NSDL/CDSL: ISIN No.: INE060601015

II. Incorporation related Approvals

- a. Certificate of Incorporation dated July 26, 2012 issued by Registrar of Companies, Gujarat, Dadra and Nagar Havelli bearing Corporate Identity Number (CIN) as U24230GJ2012PTC071299.
- b. Fresh Certificate of Incorporation dated January 23, 2019 issued by the Registrar of Companies, Ahmedabad consequent upon conversion to public limited company bearing Corporate Identity Number (CIN) as U24230GJ2012PLC071299.

III. Approvals obtained in relation to business operations of our Company

Sr.No	Nature of Registration/ License	Registration/Li cense No.	Applicable Laws	Issuing Authority	Date of Issue/ Renewal	Date of Expiry
1.	Permanent Account Number (PAN)	AADCE1163C	Income Tax Act, 1961	Income Tax Department	January 25, 2019 (renewal date)	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	AHME01371G	Income Tax Act, 1961	Income Tax Department	Sep 4, 2014	Valid till Cancelled
3.	Certificate of Importer - Exporter Code (IEC)	0813001757	The Foreign Trade (Development &	Foreign Trade Development Officer	April 18, 2013	Valid till Cancelled

			Regulation) Act, 1992			
4.	Gujarat Value Added Tax Registration Certificate	24074303372	Gujarat Value Added Tax Act, 2003	Commercial Tax Department	June 12, 2017 (validity date - May 05,2014)	Valid till Cancelled
5.	Central Sales Tax Registration Certificate	24574303372	Central Sales Tax Act, 1956	Commercial Tax Department	June 12, 2017 (validity date - Oct 13,2014)	Valid till Cancelled
8.	Good and Service Tax Registration Certificate	24AADCE1163 C1ZB	Central Good and Service Tax Act, 2017	Government of India	Sep 19, 2017 (validity date – July 01, 2017)	Valid till Cancelled
9.	Professional Tax Registration Certificate	C016771143	The Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976	Asst. Manager (Prof. Tax) New west Zone	March 2, 2013	Valid till Cancelled
10.	License to sell, stock, or exhibit (or offer) for sale distribute by wholesale drugs other than those specified in [Schedules C,C(1) and X] on the premises situated at G1, VR Complex, Nr Sabarmati Ford Service Station Sp Ring Road, Sanathal Cross Road, Sanathal Tal: Sanand (Ahmedabad-Rural) Pin: 382210	GJ-ADR-144044	Form 20B, [see rule 61(1)] License to sell, stock, or exhibit (or offer) for sale distribute by wholesale drugs other than those specified in [Schedules C,C(1) and X]	Licensing Authority & Assistant Commissioner, Food & Drugs Control Administration, Ahmedabad Rural	May 24, 2017	May 23, 2022
11.	License to sell, stock, or exhibit (or offer) for sale or by wholesale on the premises situated at G1, VR Complex, Nr Sabarmati Ford Service Station Sp Ring Road, Sanathal Cross Road, Sanathal Tal: Sanand (Ahmedabad-Rural) Pin: 382210	GJ-ADR-144045	Form 21B, [see rule 61(1)] License to sell, stock, or exhibit (or offer) for sale distribute by wholesale drugs those specified in Schedules C,C(1) [excluding those specify in Shedule X]	Licensing Authority & Assistant Commissioner Food & Drugs Control Administration, Ahmedabad Rural	May 24, 2017	May 23, 2022
12	License to sell, stock, or exhibit (or offer) for sale distribute by wholesale drugs other than those specified in [Schedules C,C(1) and X] on the premises situated at F-11, Shakti Arcade, Opp:Auda Water Tank, Science City Road, Sola, Ahmedabad Tal: Sola (Ahmedabad-II) Pin: 380060	GJ-AD2-116754	Form 20B, [see rule 61(1)] License to sell, stock, or exhibit (or offer) for sale distribute by wholesale drugs other than those specified in [Schedules C,C(1) and X]	Licensing Authority & Assistant Commissioner Food & Drugs Control Administration, Ahmedabad Rural	June 05, 2014	June 04, 2019

13.	License to sell, stock, or exhibit (or offer) for sale or by wholesale on the premises situated at F-11, Shakti Arcade, Opp:Auda Water Tank, Science City Road, Sola, Ahmedabad Tal: Sola (Ahmedabad-II) Pin: 380060	GJ-AD2-116755	Form 21B, [see rule 61(1)] License to sell, stock, or exhibit (or offer) for sale distribute by wholesale drugs those specified in Schedules C,C(1) [excluding those specify in Schedule X]	Licensing Authority & Assistant Commissioner Food & Drugs Control Administration, Ahmedabad Rural	June 05, 2014	June 04, 2019
14.	Registration under Employees' State Insurance Corporation (ESI)	37001138180001019	Employees State Insurance Act, 1948	Asst. Dy. Director	April 09, 2019	Valid till Cancelled

IV. Intellectual property related approvals

The details of trademarks registered in the name of our Company and valid as on date are:-

S. No.	Trademark	Class	Registration No.	Date of validity
1.	ERO-BDF	5	2903162	February 17, 2025
2.	EROCLAVE	5	2903159	February 17, 2025
3.	ERO – D3	5	2903161	February 17, 2025
4.	ERODOL	5	2903158	February 17, 2025
5.	EROFIXIME	5	2903152	February 17, 2025
6.	EROLEV	5	2903157	February 17, 2025
7.	ERO-OTC	5	2903160	February 17, 2025
8.	EROPANTA	5	2903156	February 17, 2025
9.	ERORABE	5	2903155	February 17, 2025
10.	EROTHRO	5	2903154	February 17, 2025

VIII. Approvals or Licences pending to be applied:

1. Change of name in all the above approvals from “Earum Pharmaceuticals Private Limited” to “Earum Pharmaceuticals Limited” (except for PAN which we have already received) ;
2. Change of address in all the above approvals from our old Corporate Office/ Registered Office address to new Corporate Office/ Registered Office Address ;
3. Registration under Gujarat Shop & Establishment Act, 1948 for our registered office and corporate office situated at Ahmedabad
4. Addition of Registered Office as additional place of business in GST Certificate

OUR GROUP COMPANY

As per the SEBI (ICDR) Regulations, for the purpose of identification of Group Companies, our Company has considered those companies as our Group Companies with which there were related party transactions as per the Restated Financial Statements of the Company in any of the last three financial years & relevant stub period and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated April 02, 2019 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfils both the below mentioned conditions:-

- (i) Such company forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp)(iv) of the SEBI Regulations; and
- (ii) Our Company has entered into one or more transactions with such company in preceding audited fiscal year/period as the case may be exceeding 10% of total revenue of the company as per Restated Financial Statements.

Based on the above, there are no companies which are considered as Group Companies for the purpose of disclosure in this Draft Prospectus.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Corporate Approvals

Our Board has approved the Issue pursuant to the resolution passed at its meeting held on March 05, 2019 and our Shareholders have approved the Fresh Issue pursuant to the resolution passed at their meeting held on March 30, 2019 under Section 62(1)(c) of the Companies Act, 2013.

In-principle Approval

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in the Draft Prospectus/ Prospectus/Prospectus pursuant to an approval letter dated [●] BSE is the Designated Stock Exchange.

Prohibition by SEBI, RBI or governmental authorities

We confirm that our Company, our Promoters, our Promoters Group, our Directors, person(s) in control of the promoter, our Group Companies or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court

The companies, with which our Directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our Directors are associated with as promoters or directors are in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are associated with as promoters or directors.

Prohibition with respect to wilful defaulters

Neither our Company, our Promoters, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters as defined by the SEBI ICDR Regulations.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Under the SBO Rules certain persons who are 'significant beneficial owners', are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Draft Prospectus, there are no such significant beneficial owners in our Company.

Eligibility for the Issue

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this issue.

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this issue is an Initial Public Offer in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is less or equal to Rs.10 crores and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of BSE").

We confirm that:

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the LM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "General Information – Underwriting" beginning on page 38 of this Draft Prospectus.

2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or Equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.

3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Prospectus/ Prospectus.

4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled "General Information – Details of the Market Making Arrangements for this Issue" beginning on page 38 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company shall mandatorily facilitate trading in demat securities and has entered into an agreement with both the depositories.
2. Our Company has a website i.e. <https://www.earumpharma.com/>

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE:-

3. Our Company was originally incorporated as "Earum Pharmaceuticals Private Limited" on July 26, 2012 vide Registration no. 071299 (CIN: U24230GJ2012PTC071299) under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on January 10, 2019, our company was converted into a Public Limited Company and consequently the name of our Company was changed from "Earum Pharmaceuticals Private Limited" to "Earum Pharmaceuticals Limited" vide a fresh Certificate of Incorporation dated January 23, 2019 issued by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company post conversion is U24230GJ2012PLC071299.
4. The post issue paid up capital of the company will be up to 61,67,910 shares of face value of ₹ 10/- aggregating up to ₹ 616.79 lakhs which is less than ₹ 25 Crores.
5. The Company has a track record of atleast 3 years as on the date of filling Draft Prospectus.
6. The Company has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth as on March 31, 2018 is positive.
7. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
8. There is no winding up petition against the Company, which has been admitted by the court or a liquidator has not been appointed.
9. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
10. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.
11. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT / OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT / OFFER DOCUMENT. THE LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE LEAD MANAGER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, HEM SECURITIES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED APRIL 09, 2019, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR), REGULATION 2018.

The filing of this Draft Prospectus does not, however, absolve our company from any liabilities under the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Draft Prospectus/ Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Ahmedabad in terms of sections 32 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Hem Securities Limited:

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 th calendar days from listing
1.	ANI Integrated Services Limited	25.656	100.00	November 20, 2017	120.00	67.00% [1.41%]	21% [0.77%]	12% [2.12%]
2.	Dynamic Cables Limited	23.376	40.00	December 14, 2017	48.00	63.13% [4.80%]	25% [1.77%]	0% [7.36%]
3.	Vasa Retail and Overseas Limited	4.8	30.00	February 06, 2018	36.00	104.33% [-2.43]	70% [-2.06%]	40% [8.47%]
4.	Hindcon Chemicals Limited	7.728	28.00	March 09, 2018	33.60	[6.61%] [1.49%]	-8.93% [5.29%]	-28.57% [12.22%]
5.	Tara Chand Logistic Solutions Limited	20.46	55.00	March 23, 2018	49.00	-12.73% [-5.87%]	16.67% [7.43%]	-43.64% [12.37%]
6.	Dhruv Consultancy Services Limited	23.1984	54.00	May 10, 2018	53.40	-0.19% [0.67%]	-12.58% [6.77%]	-29.63% [-0.72%]
7.	Sonam Clock Limited	10.1088	36.00	June 14, 2018	37.00	2.50% [1.18%]	2.50% [5.20%]	4.17% [-2.40%]
8.	Parin Furniture Limited	18.90	63.00	October	64.00	0.79%	7.30%	8.65%

				09, 2018		[2.75%]	[4.57%]	[13.25%]
9.	Kritika Wires Limited	15.398 4	32.00	October 10, 2018	34.10	9.38% [1.20%]	28.75% [4.57%]	3.13% [10.94%]
10.	Mindpool Technologies Limited	3.6	30	February 28, 2019	30	-28.00% [8.12%]	N.A	N.A

Source: Price Information www.bseindia.com & www.nseindia.com, Issue Information from respective Prospectus.

Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 th calendar days from listing			No. of IPOs trading at Premium- 30 th calendar days from listing			No. of IPOs trading at discount- 180 th calendar days from listing			No. of IPOs trading at Premium- 180 th 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%
2016-17	12 ⁽¹⁾	99.90	-	-	2	3	3	4	-	-	3	3	2	4
2017-18	16 ⁽²⁾	234.21	-	1	4	6	2	3	-	2	3	5	3	3
2018-19	5 ⁽³⁾	71.205	-	1	1	-	-	3	-	1	-	-	-	3

(1) The scrips of Raghav Ramming Mass Limited, Advance Syntex Limited, Madhya Bharat Agro Products Limited, Aurangabad Distillery Limited, Pansari Developers Limited, Dhanuka Realty Limited, Globe International Carriers Limited, Art Nirman Limited, Krishana Phoschem Limited, Global Education Limited, RMC Switchgears Limited and Laxmi Cotspin Limited were listed on April 13, 2016, July 12, 2016, September 16, 2016, October 17, 2016, October 18th, 2016, October 18th, 2016, October 19th, 2016, October 19th, 2016, February 27, 2017, March 02, 2017, March 14, 2017 and March 31, 2017 respectively.

(2) The Scrips of Dev Information Technology Limited, Vadivarhe Speciality Chemicals Limited, Globe Textiles (India) Limited, Accord Synergy Limited, Captain Technocast Limited, Shanti Overseas (India) Limited, Surevin BPO Services Limited, Pashupati Cotspin Limited, Share India Securities Limited, RKEC Projects Limited, D. P. Abhushan Limited, ANI Integrated Services Limited, Dynamic Cables Limited, Vasa Retail and Overseas Limited, Hindcon Chemicals Limited and Tara Chand Logistic Solutions Limited was listed on April 17, 2017, June 02, 2017, June 23, 2017, July 06, 2017 August 01, 2017, August 03, 2017, August 09, 2017, September 08, 2017, October 05, 2017, October 09, 2017, October 23, 2017, November 20, 2017, December 14, 2017, February 06, 2018, March 09, 2018 and March 23, 2018 respectively.

(3) The scrip of Dhruv Consultancy Services Limited and Sonam Clock Limited were listed on May 10, 2018 and June 14, 2018. Parin Furniture Limited, Kritika Wires Limited and Mindpool Technologies Limited were listed on October 09, 2018, October 10, 2018 and February 28, 2019 respectively. Further, the scrip Mindpool Technologies Limited has not completed its 90th day from the date of its listing.

Note:

- Based on date of listing.
- BSE SENSEX and CNX NIFTY has been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
- N.A. – Period not completed.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

Track Record of past issues handled by Hem Securities Limited

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.hemsecurities.com

Disclaimer from our Company and the Lead Manager

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM (Hem securities Limited), and our Company on April 01, 2019 and the Underwriting Agreement dated [●] entered into between the Underwriter, and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company, and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

Note

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹2,500.00 Lakhs and pension funds with a minimum corpus of ₹2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, 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 provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity 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 Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Ahmedabad, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft 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 Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of BSE

As required, a copy of this Draft Prospectus shall be submitted to BSE. BSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in the Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be deemed or construed that the offer document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

This Draft Prospectus is being filed with BSE Limited, Exchange Plaza, 25th Floor, P J Towers, Dalal Street, Mumbai, Maharashtra 400001 India.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the Draft Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Draft Prospectus and Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus, required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, India

Listing

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of equity shares on SME Platform of BSE (BSE SME).

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time then our

Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

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 to action under section 447 of the Companies, Act 2013

Consents

Consents in writing of Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Lead Manager, Registrar to the Issue, Banker to the Issue*, Legal Advisor to the Issue, Sponsor Bank*, Underwriter to the Issue* and Market Maker to the Issue* to act in their respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

**The aforesaid will be appointed prior to filing of Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s J M Patel & Bros., Chartered Accountants, Statutory Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Experts Opinion

Except for the reports in the section titled “*Financial Statements and “Statement of Tax Benefits”*” on page 112 and 71 respectively of this Draft Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

Fees, Brokerage and Selling Commission payable

The total fees payable to the Lead Manager will be as per the (i) Agreement dated April 01, 2019 with the Lead Manager, (ii) the Underwriting Agreement dated [●] with the Underwriter and (iii) the Market Making Agreement dated [●] with the Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Issue dated April 01, 2019 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to the section titled "*Capital Structure*" beginning on page 46 of this Draft Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Previous capital issue during the last three years by listed Group Companies of our Company

None of our Group Companies are listed. Further, none of our Group Companies have made any capital issue of securities in the preceding three years.

Performance vis-à-vis objects

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Partly Paid-Up Shares

As on the date of this Draft Prospectus, there are no partly paid-up Equity Shares of our Company.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

Option to Subscribe

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

Stock Market Data for our Equity Shares

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

Investor Grievances and Redressal System

The agreement between the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and Demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of this Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

Investors may contact the LM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or first Applicant, Bid cum Application Form number, Applicants' DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, LM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be within 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Parsotam Kantilal Purohit, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. For details, see "*General Information*" on page 38 of this Draft Prospectus.

Our Board by a resolution on April 02, 2019 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "*Our Management*" beginning on page 95 of this Draft Prospectus.

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

We do not have any listed company under the same management.

Capitalization of Reserves or Profits

Save and except as stated in "*Capital Structure*" on page 46 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

Servicing Behavior

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation. Except as disclosed under sections titled "*Our Management*"; and "*Related Party Transactions*" beginning on page 95 and 140 respectively, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

SECTION VIII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Prospectus, this Draft Prospectus, the abridged prospectus, any addendum/corrigendum thereto, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.

Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorizing the banks to make payment in case of allotment by signing the application forms,

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Authority for the Issue

The present Public Issue of 18,48,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on March 05, 2019 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-ordinary General Meeting held on March 30, 2019 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please refer to "Main Provisions of Articles of Association of the Company" on page 202 of the Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to "Dividend Policy" on page 111 of the Draft Prospectus.

Face Value and Issue Price

The Equity Shares having a Face Value of Rs.10.00 each are being offered in terms of the Draft Prospectus/ Prospectus at the price of Rs.[●] per Equity Share (including premium of Rs.[●] per share).

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under section titled "**Basis for Issue Price**" beginning on page 68 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI ICDR Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & Notices to members
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “*Main Provisions of Articles of Association of the Company*” beginning on page 202 of the Draft Prospectus.

Minimum Application Value, Market Lot and Trading Lot

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. In this context, two agreements shall be signed among our Company, the respective Depositories and Registrar to the Issue.

- Tripartite Agreement dated March 05, 2019 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated February 27, 2019 between CDSL, our Company and Registrar to the Issue;

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

The minimum number of allottees in the Issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

1. To register himself or herself as the holder of the Equity Shares; or
2. To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	[●]
Credit of Equity Shares to Demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a

particular Applicant, the details as per the file received from Stock may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Minimum Subscription and Underwriting

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “*General Information - Underwriting*” on page 38 of this Draft Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid up Capital of the company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Paid up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE (BSE SME), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to section titled “*General Information - Details of the Market Making Arrangements for this Issue*” on page 38 of this Draft Prospectus.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE Limited.

As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions

under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Option to receive Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled "*Capital Structure*" beginning on page 46 of this Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 202 of this Draft Prospectus.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Ahmedabad, India. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than or equal to ten Crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 174 and 181 of this Draft Prospectus.

The Issue comprises of a Public Issue of 18,48,000 Equity Shares of Face Value of 10/- each fully paid (The "Equity Shares") for cash at a price of Rs. [●] per Equity Shares (including a premium of Rs. [●] per equity share) aggregating to [●] Lakhs("the issue") by our Company of which [●] Equity Shares of Rs.10 each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of [●] Equity Shares of Rs.10 each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 29.96% and [●]% respectively of the post issue paid up Equity Share Capital of the Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	[●] Equity Shares	[●] Equity Shares
Percentage of Issue Size available for allocation	[●]% of the Issue Size	[●]% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details please refer to " <i>Issue Procedure - Basis of Allotment</i> " on page 181 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through ASBA Process Only.	Through ASBA Process Only.
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	<p><u>For Other than Retail Individual Investors:</u> Such number of Equity Shares in multiples of [●] Equity Shares at an Issue price of Rs.[●] each, such that the Application Value exceeds Rs. 2,00,000/-</p> <p><u>For Retail Individuals Investors:</u> [●] Equity Shares at an Issue price of Rs.[●] each.</p>	[●] Equity Shares
Maximum Application Size	<p><u>For Other than Retail Individual Investors:</u> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.</p> <p><u>For Retail Individuals Investors:</u> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.</p>	[●] Equity Shares
Trading Lot	[●] Equity Shares	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

*Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum of 50.00% of the net offer of shares to the public shall be made available for Retail Individual Investors; and
- b) The balance Net Issue of shares to the Public shall be made available for allotment to individual Applicants other than Retail Individual Applicant and other Investors including Non-Institutional Investors, Qualified Institution Buyers, Corporate Bodies/ Institutions.

Note: If the retail individual investor category is entitled to more than the allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Draft Prospectus after it is filed with the ROC.

Issue Programme

ISSUE OPENING DATE	[•]
ISSUE CLOSING DATE	[•]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the Issue Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Application form, for a particular applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

ISSUE PROCEDURE

All Applicants 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”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to reflect amendments to the SEBI (ICDR) Regulations and to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the website of the Stock Exchange and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days. These changes are applicable for all public issues which open on or after January 1, 2016.

Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications 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 this Draft Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

Our Company and the Lead Manager are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

PART A

Fixed Price Issue Procedure

The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018 via Fixed Price Process wherein minimum of 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non-Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Applicants are required to submit their Applications to the Designated Intermediaries i.e. SCSBs or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant’s depository account along with Application Form. The Application Forms which do not have the details of the Applicants’ depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants’ PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. However, investors may get the specified securities rematerialised subsequent to allotment.

Phased implementation of Unified Payments Interface

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries will be made effective along with the existing process and existing timeline of T+6 days. The same will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase I”). Thereafter, for application by RIBs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds will be discontinued and only the UPI Mechanism with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI.

This Issue may be amongst one of the few initial public offerings in which the UPI Mechanism for application by Retail Individual Bidders is being permitted, the Company and the LM are not liable for any adverse occurrence’s consequent to the implementation of the UPI Mechanism for application in this Issue.

Retail Individual Bidders making application using UPI shall use only his / her own bank account or only his/her own bank account linked UPI ID to make an application in the Issue. The SCSBs upon receipt of the Application Form will upload the Application details along with the UPI ID in the Application platform of the Stock Exchanges. Applications made by the Retail Individual Applicants using third party bank account or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. Bankers to the Issue shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. Post uploading the Application details in the Application platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Applicants with the Depositories.

Application Form

Pursuant to SEBI Circular dated January 01, 2016 and bearing No. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the investors can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this issue is as follows:

Category	Colour
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “*Designated Intermediaries*”)

S. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

Availability of Draft Prospectus and Application Forms

The Application Forms and copies of the Draft Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue and Registrar to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. www.bseindia.com.

Who can apply?

In addition to the category of Applicants as set forth under “*General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non Institutional applicant's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published

- in the Gazette of India;
- r) Insurance funds set up and managed by army, navy or air force of the Union of India;
 - s) Multilateral and bilateral development financial institution;
 - t) Eligible QFIs;
 - u) Insurance funds set up and managed by army, navy or air force of the Union of India;
 - v) Insurance funds set up and managed by the Department of Posts, India;
 - w) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

- 1. Minors (except under guardianship)
- 2. Partnership firms or their nominees
- 3. Foreign Nationals (except NRIs)
- 4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

Maximum and Minimum Application Size

The applicants in this Issue, being a fixed price, will be categorized into two:

1. For Retail Individual Applicants

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000. Under existing SEBI Regulations, Retail Individual Investors applying for amount not exceeding Rs.2,00,000 are allowed to withdraw or revise their application until the closure of the Issue.

2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Applicant cannot withdraw or lower their Application whether in terms of no. of Shares or amount at any stage.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a

proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

For applications where the proportionate allotment works out to less than [●] Equity shares the allotment will be made as follows:

1. Each successful applicant shall be allotted [●] Equity shares; and
2. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] Equity shares subject to a minimum allotment of [●] Equity shares.

If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

1. As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
2. The balance net offer of shares to the public shall be made available for allotment to
 - a. Individual applicants other than retails individual investors and
 - b. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
3. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

Participation by Associates /Affiliates of Lead Manager

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards market making obligations. However, associates/affiliates of the Lead Manager and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe in the Issue

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by

him/her/it under the relevant regulations/statutory guidelines and applicable law.

Application by HUFs

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs may be considered at par with Applications from individuals.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Application by Eligible NRIs

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Eligible NRI Applicants applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full application amount, at the time of the submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

Application by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII who 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. An FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company 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.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to 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 in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your

client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual Fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. 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 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 Regulations shall continue to be regulated by the VCF Regulations.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA Process.

Applications by Insurance Companies

In case of applications made by insurance companies registered with Insurance Regulatory Development Authority ("*IRDA*"), certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager, reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

- a) Equity shares of a company: The lesser of 10% of the investee company's subscribed capital (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: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in infrastructure and housing sectors i.e. 26th December, 2008, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

Applications by Banking Companies

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Applications by Systemically Important Non-Banking Financial Companies

In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Applications 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 such applications.

Applications under Power of Attorney

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension

funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2,500 Lakhs and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the lead manager may deem fit. The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

Application by Provident Funds/Pension Funds

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

Information for the Applicants:

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Draft Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional

newspaper with wide circulation. This advertisement shall be in prescribed format.

2. Our Company will file the Draft Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridged Draft Prospectus and copies of the Draft Prospectus will be available with the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Draft Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange. Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

Issue Procedure for Application Supported by Blocked Account (ASBA) Applicants

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

Method and Process of Applications

1. Applicants are required to submit their applications during the Issue Period only through the Designated Intermediaries.

2. The Issue Period shall be for a minimum of three (3) Working Days and shall not exceed ten (10) Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten (10) Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. The Designated Intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The upload of the details in the electronic bidding system of stock exchange and post that blocking of funds will be done by as given below:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

6. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
7. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
8. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
9. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization 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/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Terms of payment

The entire Issue price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Banker to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism for Applicants

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - (i) the applications accepted by them;
 - (ii) the applications uploaded by them;
 - (iii) the applications accepted but not uploaded by them or;
 - (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (i) the applications accepted by any Designated Intermediaries;
 - (ii) the applications uploaded by any Designated Intermediaries or;
 - (iii) the applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Members, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.

S. No.	Details*
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
- Name of the Applicant;
 - IPO Name;
 - Application Form Number;
 - Investor Category;
 - PAN (of First Applicant, if more than one Applicant);
 - DP ID of the demat account of the Applicant;
 - Client Identification Number of the demat account of the Applicant;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in this Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the

Registrar to the Issue.

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Allocation of Equity shares

- 1) The Issue is being made through the Fixed Price Process wherein [●] Equity Shares shall be reserved for Market Maker, at least [●] Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and Filing of Draft Prospectus with ROC

- 1) Our company has entered into an Underwriting Agreement dated [●]
- 2) A copy of Prospectus will be filed with the RoC in terms of Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Draft Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

General Instructions

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the 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); Instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Draft Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchange, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the website of BSE i.e. www.bseindia.com. With a view to broad base the reach of Investors by substantial), enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of BSE i.e. www.bseindia.com

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN Nos, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within three (3) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

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 of Companies Act, 2013 and shall be treated as Fraud."

Undertakings by Our Company

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within the period prescribed by the Board
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That our Promoters' contribution in full has already been brought in;
- 5) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- 6) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 7) That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 8) Adequate arrangements shall be made to collect all Application Forms from the Applicants;

- 9) There is no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc.;
- 10) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;
- 11) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- 12) That none of the promoters or directors of the company is willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested;
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 and Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated March 05, 2019 between NSDL, the Company and the Registrar to the Issue; and
- b) Agreement dated February 27, 2019 between CDSL, the Company and the Registrar to the Issue;

The Company's equity Shares bear an ISIN No. INE060601015.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2017 ("FDI Policy 2017"), with effect from August 28, 2017, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include:

- (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that:
 - (a) the requisite approval of the Government has been obtained; and
 - (b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.;
- (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;
- (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that:
 - (a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionality's (such as minimum capitalization, etc.), reporting requirements, documentation etc.;
 - (b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and
- (iv) where the investee company is in the financial sector provided that:
 - (a) Any fit and proper/due diligence requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and
 - (b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis:

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule I of the Companies Act, and the SEBI (ICDR) Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

ARTICLE NO.	INTERPRETATION	HEADING
1.	In these Articles unless there be something in the subject matter or context inconsistent therewith:	
	i. “The Act” means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.	The Act
	ii. “Articles” means Articles of Association of the Company as originally framed or altered from time to time	Articles
	iii. “Beneficial Owner” shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.	Beneficial Owner
	iv. “Board” or “Board of Director” means the Collective body of the Board of Directors of the Company.	Board or Board of Director
	v. “Chairman” means the Chairman of the Board of the Directors of the Company.	Chairman
	vi. “The Company” means Earum Pharmaceuticals Limited.	The Company
	vii. “Depositories Act, 1996” shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.	Depositories Act, 1996
	viii. “Depository” shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.	Depository
	ix. “Directors” mean the Directors for the time being of the Company.	Directors
	x. “Dividend” includes any interim dividend.	Dividend
	xi. “Document” means a document as defined in Section 2 (36) of the Companies Act, 2013	Document
	xii. “Equity Share Capital” , with reference to any Company limited by shares, means all share capital which is not preference share capital.	Equity Share Capital
	xiii. “KMP” means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.	KMP
	xiv. “Managing Director” means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.	Managing Director
	xv. “Month” means Calendar month.	Month
	xvi. “Office” means the registered office for the time being of the Company.	Office
	xvii. “Paid-up share capital” or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.	Paid-up share capital
	xviii. “Postal Ballot” means voting by post or through any electronic mode.	Postal Ballot
	xix. “Proxy” includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.	Proxy
	xx. “Public Holiday” means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.	Public Holiday
	xxi. “Registrar” means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a	Registrar

	Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.	
	xxii. “Rules” means the applicable rules as prescribed under the relevant sections of the Act for time being in force.	Rules
	xxiii. “SEBI” means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.	SEBI
	xxiv. “Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)	Securities
	xxv. “Share” means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.	Share
	xxvi. “Seal” means the common seal of the Company.	Seal
	xxvii. “Preference Share Capital” , with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to— <ul style="list-style-type: none"> (a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and (b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company; 	Preference Share Capital
	Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company. ‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.	
2.	The Authorized 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 the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	Share Capital
3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
4.	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	Issue of Sweat Equity Shares
5.	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	Issue of Debentures
6.	i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of	Issue of Share Certificates

	<p>issue shall be provided,—</p> <ol style="list-style-type: none"> 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 Rupees twenty for each certificate after the first. <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. 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.</p>	
7.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.	
8.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
9.	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.	
10.	<ol style="list-style-type: none"> i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40. iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other. 	Power to pay Commission In connection with the Securities issued
11.	<ol style="list-style-type: none"> i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question. 	Variations of Shareholder's rights
12.	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.	

13.	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.	Issue of Preference Shares
14.	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p>	Further Issue of shares
15.	<p>i. The Company shall have a first and paramount lien—</p> <p>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</p> <p>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company;</p> <p>c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>	Lien
16.	<p>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—</p> <p>a. unless a sum in respect of which the lien exists is presently payable; or</p> <p>b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>	
17.	<p>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p>	

	<p>iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>	
<p>18.</p>	<p>i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p>	
<p>19.</p>	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <p>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</p> <p>b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.</p> <p>c) On the death of any 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.</p> <p>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</p> <p>e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</p> <p>f)</p> <p>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</p> <p>(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 as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>	<p>Joint Holdings</p>

20.	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	Calls on shares
21.	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 installments.	
22.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	
23.	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	
24.	<p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	
25	<p>The Board—</p> <p>i. 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</p> <p>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>	
26.	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>	
27.	The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.	
28.	The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.	
29.	<p>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</p> <p>ii. Each share in the Company shall be distinguished by its appropriate number.</p> <p>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</p>	
30.	<p>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>ii. The transferor shall be deemed to remain a holder of the share until the name of the</p>	

	transferee is entered in the register of members in respect thereof.	
31.	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or ii. any transfer of shares on which the Company has a lien. iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. 	
32.	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <ul style="list-style-type: none"> i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; ii. 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 the instrument of transfer is in respect of only one class of shares. <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s), iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred; v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter. 	
33.	The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay	
34.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>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</p>	
35.	The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.	
36.	The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.	Register of Transfers
37.	<ul style="list-style-type: none"> i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles. <ul style="list-style-type: none"> a. The Company shall be entitled to dematerialise its securities and to offer securities 	Dematerialisation of Securities

	<p>in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>b. Option for Investors:</p> <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form:-</p> <ul style="list-style-type: none"> • All Securities of the Company held by the Depository shall be dematerialised and be in fungible form. • Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners. <p>d. Rights of Depositories & Beneficial Owners:-</p> <p>Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p>	
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	<p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
38.	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	Transmission of Shares
39.	<p>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>a. to be registered himself as holder of the share; or</p> <p>b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>	
40.	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>	
41.	<p>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:</p> <p>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.</p>	
42.	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>	
43.	If a member fails to pay any call, or installment of a call, on the day appointed for payment	Forfeiture of

		Shares
	thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.	
44.	The notice aforesaid shall— <ul style="list-style-type: none"> i. 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 ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. 	
45.	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.	
46.	<ul style="list-style-type: none"> i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. 	
47.	<ul style="list-style-type: none"> i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares. 	
48.	<ul style="list-style-type: none"> i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off; iii. The transferee shall thereupon be registered as the holder of the share; and iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. 	
49.	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.	
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 provision 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 regulations 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.	
55.	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	Initial payment not to preclude forfeiture
56.	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	
57.	Subject to the provisions of section 61, the Company may, by ordinary resolution,— <ul style="list-style-type: none"> i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; iv. 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. 	Alteration of capital
58.	Where shares are converted into stock,— <ul style="list-style-type: none"> i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: <p>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.</p> <ul style="list-style-type: none"> ii. 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. iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively. 	Conversion of Shares into Stock
59.	The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,— <ul style="list-style-type: none"> i. its share capital; ii. any capital redemption reserve account; or iii. Any share premium account. 	Reduction of Capital
60.	The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the	Share Warrants

	<p>warrant and such fee as the Board may from time to time require, issue of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	
<p>61.</p>	<ul style="list-style-type: none"> i. The Company in general meeting may, upon the recommendation of the Board, resolve— <ul style="list-style-type: none"> a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards— <ul style="list-style-type: none"> a. paying up any amounts for the time being unpaid on any shares held by such members respectively; b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid; c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b); d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation. iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such 	<p>Capitalisation of profits</p>

	allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.	
62.	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>b) generally to do all acts and things required to give effect thereto.</p> <p>ii. The Board shall have power—</p> <p>a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and</p> <p>b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
63.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy-back of shares
64.	All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.	
65.	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>	General Meeting
66.	<p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>ii.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	Proceedings at general meetings
67.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	

68.	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.	
69.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.	
70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	<ul style="list-style-type: none"> i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up. ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. 	Demand for poll
73.	<ul style="list-style-type: none"> i. A poll demanded on a question of adjournment shall be taken forthwith. ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct. 	Time of taking poll
74.	<ul style="list-style-type: none"> i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. 	Adjournment of meeting
75.	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— <ul style="list-style-type: none"> i. on a show of hands, every member present in person shall have one vote; and ii. 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. 	
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
77.	<ul style="list-style-type: none"> i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members. 	Voting rights
78.	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.	
79.	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 satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
80.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
81.	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.	
82.	<ul style="list-style-type: none"> i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive. 	
83	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
84.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	Casting Vote
85.	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	Representation of Body Corporate
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	Circulation of member's resolution
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	Resolution requiring special notice
88.	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.	Resolutions passed at adjourned meeting
89.	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	Registration of resolutions and agreements
90.	<ul style="list-style-type: none"> i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered. ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed : <ul style="list-style-type: none"> A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting. B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a 	Minutes of proceedings of general meeting and of Board and other meetings

	<p>Director duly authorised by the Board for the purpose.</p> <p>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p>a. the names of the Directors present at the meetings, and</p> <p>b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: is or could reasonably be regarded, as defamatory of any person is irrelevant or immaterial to the proceedings; or in detrimental to the interests of the Company.</p> <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	
91.	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	Minutes to be considered to be evidence
92.	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	Publication of reports of proceeding of general meetings
93.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Proxy
94.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
95.	<p>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:</p> <p>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.</p>	
96.	The First Directors of the Company shall be: 1. MR. BHUMISHTH NARENDRABHAI PATEL 2. MRS. PAYAL BHUMISHTH PATEL	Board of Directors
97.	The Directors need not hold any "Qualification Share(s)".	
98.	Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so	

	<p>appointed shall be governed by the following provisions:</p> <p>He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p>	
99.	<p>i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>ii. In addition to the remuneration payable to them in pursuance of the Act, the directors - may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</p> <p>b. in connection with the business of the company.</p>	
100.	The Board may pay all expenses incurred in getting up and registering the company	
101.	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.	
102.	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.	
103.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.	
104.	<p>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>	
105.	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	Retirement and Rotation of Directors
106.	The remaining Directors shall be appointed in accordance with the provisions of the Act	
107.	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.	
108.	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	

109.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
110.	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	
111.	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.	Nominee Director
112.	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	
113.	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	
114.	The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors. Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.	
115.	Provided also that in the event of the Nominee Directors being appointed as Wholetime Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.	
116.	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.	Removal of Directors
117.	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	

118.	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	
119.	<p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <p>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</p> <p>(b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</p> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	
120.	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.	
121.	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
122.	<p>If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:</p> <p>Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors</p>	
123.	<p>Nothing in this section shall be taken-</p> <p>a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or</p> <p>b) as derogating from any power to remove a director under other provisions of this Act.</p>	
124.	<p>Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.</p> <p>In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.</p> <p>a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or</p> <p>b. In connection with the business of the Company.</p>	Remuneration and sitting fees to Directors including Managing and whole time Directors
125.	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being	

	<p>willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.</p>	
126.	<p>i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <ul style="list-style-type: none"> a. The power to make calls on shareholders in respect of money unpaid on their shares; b. The Power to authorize buy-back of securities under Section 68 of the Act. c. Power to issue securities, including debenture, whether in or outside India d. The power to borrow moneys e. The power to invest the funds of the Company, f. Power to Grant loans or give guarantee or provide security in respect of loans g. Power to approve financial statements and the Board's Report h. Power to diversify the business of the Company i. Power to approve amalgamation, merger or reconstruction j. Power to take over a Company or acquire a controlling or substantial stake in another Company k. Powers to make political contributions; l. Powers to appoint or remove key managerial personnel (KMP); m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel; n. Powers to appoint internal auditors and secretarial auditor; o. Powers to take note of the disclosure of director's interest and shareholding; p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company; q. Powers to invite or accept or renew public deposits and related matters; r. Powers to review or change the terms and conditions of public deposit; s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be. <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <ul style="list-style-type: none"> ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate. iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate. iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases. 	<p>Powers and duties of Directors:</p> <p>Certain powers to be exercised by the Board only at meeting</p>

	v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.	
127.	<p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :</p> <p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which ill in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	Restriction on powers of Board
128.	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.	
129.	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue 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 Act 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 Directors which would have been valid if such regulation had not been made.	General powers of the Company vested in Directors
130.	Without prejudice to the general powers conferred by Article above and the other powers	Specific powers

	<p>conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <ol style="list-style-type: none"> i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013; ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory; iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory; iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged; v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company; vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit; vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power; viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit; ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit; 	<p>given to Directors</p>
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	<p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either</p>	
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	<p>alone or in conjunction with any such other Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
<p>131.</p>	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	<p>MANAGING DIRECTORS</p> <p>Power to appoint Managing or Whole-time Directors</p>
<p>132.</p>	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise</p>	<p>Proceedings of</p>

	regulate its meetings, as it thinks fit. b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	the Board
133.	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
134.	a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	
135.	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.	
136.	The participation of directors in a meeting of the Board/ Committees 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.	
137.	a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.	
138.	a) 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. b) 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.	
139.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	
140.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	
141.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	
142.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held	
143.	Subject to the provisions of the Act,— a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer
144.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or	

	in place of, chief executive officer, manager, company secretary or chief Financial Officer.	
145.	<p>a) The Board shall provide for the safe custody of the seal.</p> <p>b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.</p>	The Seal
146.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	
147.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.	
148.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company 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.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	
149	<p>a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	Dividends and Reserve
150.	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.	
151.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
152.	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.	
153.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	
154.	No dividend shall bear interest against the Company.	
	Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;	
155.	Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of	

	<p>expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>	
156.	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.	
157.	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.	
158.	<p>a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>	Accounts
159.	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <p>i. be kept at the registered office of the Company, and</p> <p>ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof</p>	Inspection of Statutory Documents of the Company
160.	<p>Register of charges:</p> <p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <p>a. by any member or creditor without any payment of fees; or</p> <p>b. by any other person on payment of such fees as may be prescribed,</p> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	
161.	a) The first Auditor of the Company shall be appointed by the Board of Directors within 30	Audit

	<p>days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>	
162.	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <p>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.</p> <p>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.</p> <p>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 others securities whereon there is any liability.</p>	Winding up
163.	<p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—</p>	Indemnity
164.	<p>(a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> <p>(b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p>	Secrecy

SECTION X – 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 the Company or entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

Material Contracts

1. Agreement dated April 01, 2019 between our Company and Hem Securities Limited as Lead Manager to the Issue.
2. Agreement dated April 01, 2019 executed between our Company and the Registrar to the Issue (Bigshare Service Pvt. Ltd.)
3. Banker to the Issue Agreement dated [●] among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company, Lead Manager and Underwriter.
6. Tripartite Agreement dated February 27, 2019 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated March 05, 2019 among NSDL, the Company and the Registrar to the Issue.

Material Documents

8. Certified copies of the Memorandum and Articles of Association of the Company as amended.
9. Certificate of Incorporation dated July 26, 2012 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli.
10. Fresh Certificate of Incorporation dated January 23, 2019 issued by the Registrar of Companies, Ahmedabad consequent upon Conversion of the Company to Public Company.
11. Copy of the Board Resolution dated March 05, 2019 authorizing the Issue and other related matters.
12. Copy of Shareholder's Resolution dated March 30, 2019 authorizing the Issue and other related matters.
13. Copies of Audited Financial Statements of our Company for the period of December 31, 2018 and for the years ended March 31, 2018, 2017 & 2016.
14. Independent Auditors Report dated March 29, 2019 on Restated Financial Statements of our Company for the period of December 31, 2018 and for the years ended March 31, 2018, 2017 & 2016.
15. Copy of the Statement of Tax Benefits dated March 29, 2019 from the Statutory Auditor.
16. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Bankers to our Company, Banker to the Issue, Sponsor Bank, Statutory Auditor of the Company, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
17. Copy of Certificate from the Statutory Auditor of our Company, M/s J M Patel & Bros, and Chartered Accountant dated March 29, 2019 regarding the Eligibility of the Issue.
18. Board Resolution dated April 09, 2019 for approval of Draft Prospectus, dated [●] for approval of Prospectus
19. Due Diligence Certificate from Lead Manager dated April 09, 2019 to be filed with SEBI.
20. Approval from BSE vide letter dated [●] to use the name of BSE in the Prospectus for listing of Equity Shares on the SME Platform of the BSE.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules or regulations made thereunder or the guidelines issued by the Government or SEBI, as the case may be. We further certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Mr. Bhumishth Narendrabhai Patel
Chairman & Managing Director
DIN: 02516641

Date: April 09, 2019
Place: Ahmedabad, Gujarat

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules or regulations made thereunder or the guidelines issued by the Government or SEBI, as the case may be. We further certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Mrs. Payal Bhumishth Patel
Whole time Director
DIN: 05300011

Date: April 09, 2019
Place: Ahmedabad, Gujarat

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules or regulations made thereunder or the guidelines issued by the Government or SEBI, as the case may be. We further certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Mr. Narendrakumar Gangaramdas Patel
Non-Executive Director
DIN: 07017438

Date: April 09, 2019
Place: Ahmedabad, Gujarat

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules or regulations made thereunder or the guidelines issued by the Government or SEBI, as the case may be. We further certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Mr. Hetarth Ashokkumar Patel
Independent Director
DIN: 07356470

Date: April 09, 2019
Place: Ahmedabad, Gujarat

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules or regulations made thereunder or the guidelines issued by the Government or SEBI, as the case may be. We further certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Mr. Alpesh Fatehsingh Purohit
Independent Director
DIN: 07389212

Date: April 09, 2019
Place: Ahmedabad, Gujarat

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules or regulations made thereunder or the guidelines issued by the Government or SEBI, as the case may be. We further certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Sd/-

Ms. Ashna Sangwan
Chief Financial Officer
PAN No.: GTQPS2919D

Date: April 09, 2019
Place: Ahmedabad, Gujarat

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules or regulations made thereunder or the guidelines issued by the Government or SEBI, as the case may be. We further certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY:

Sd/-

Mr. Parsotam Kantilal Purohit
Company Secretary and Compliance Officer
PAN No.:CEHPP0049B

Date: April 09, 2019
Place: Ahmedabad, Gujarat