



Prospectus  
 Dated: January 23, 2020  
 Fixed Price Issue

Please read section 32 of the Companies Act, 2013

**CHANDRA BHAGAT PHARMA LIMITED**

Our Company was incorporated as “Chandra Bhagat Pharma Private Limited” at Mumbai on March 10, 2003, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by Assistant Registrar of Companies, Maharashtra, Mumbai. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Chandra Bhagat Pharma Limited” and fresh Certificate of Incorporation consequent upon the conversion from Private Limited Company to Public Limited Company dated March 20, 2019 was issued by the Registrar of Companies, RoC – Mumbai. For details of change in name and registered office of our Company, please refer to chapter titled “HISTORY AND CORPORATE MATTERS” beginning on Page no. 105 of this Prospectus.

CIN: U24230MH2003PLC139534

Registered office: 323-F Bhagat Bhuvan, Dr. Ambedkar Road, Matunga (East) Mumbai- 400019

Website: www.cbcpharma.com; E-Mail: compliance@cbcpharma.net; Telephone No: +91 22 2414 6154

Company Secretary and Compliance Officer: Ms. Payal Bansal

**PROMOTERS OF THE COMPANY:**

**MR. HEMANT CHANDRAVADAN BHAGAT AND MR. PRANAV HEMANT BHAGAT**

**THE ISSUE**

**PUBLIC ISSUE OF 200000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF CHANDRA BHAGAT PHARMA LIMITED (“CBC” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ 51 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹41 PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ 1020.00 LAKH (“THE ISSUE”), OF WHICH 100000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 51 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 41 PER EQUITY SHARE AGGREGATING TO ₹ 51.00 LAKH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 190000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT A PRICE OF ₹ 51 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 41 PER EQUITY SHARE AGGREGATING TO ₹ 969.00 LAKH IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.51% AND 25.18% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THIS ISSUE IS BEING IN TERMS OF CHAPTER IX OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AS AMENDED FROM TIME TO TIME.**

For further details see “TERMS OF THE ISSUE” beginning on Page no. 196 of this Prospectus.

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015 and the all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self-Certified Syndicate Banks (“SCSBs”) for the same. Further pursuant to SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, for implementation of Phased II for UPI facility, which is effective from July 01, 2019, all potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount (“ASBA”) process providing details of their respective ASBA accounts or UPI ID (in case of RIIs), in which the corresponding Application Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. For details, see “ISSUE PROCEDURE” on Page No. 203 of this Prospectus.

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS ₹ 51. THE ISSUE PRICE IS 5.1 TIMES OF THE FACE VALUE.**

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹10 per Equity Shares and the Issue price is 5.1 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager) as stated in the chapter titled on “BASIS FOR ISSUE PRICE” beginning on Page no. 68 of this Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company nor 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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. 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 offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled “RISK FACTORS” beginning on Page no. 15 of this Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 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 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 offered through this Prospectus are proposed to be listed on SME Platform of BSE Limited. In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated January 17, 2020 from BSE Limited (“BSE”) for using its name in this offer document for listing our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be is the BSE Limited.

**LEAD MANAGER**

  
**BEELINE BROKING LIMITED**  
**SEBI Registration Number:** INM000012546  
**Address:** 807, Phoenix Tower, Opp. New Girish Cold Drinks, Near Vijay Cross Roads, Navrangpura, Ahmedabad – 380 009  
**Telephone Number:** +91 79 4840 5357  
**Email Id:** mb@beelinemb.com  
**Investors Grievance Id:** ig@beelinebroking.com  
**Website:** www.beelinebroking.com  
**Contact Person:** Mrs. Khushbu Shah  
**CIN:** U51900GJ2014PLC080598

**REGISTRAR TO THE ISSUE**

  
**LINK INTIME INDIA PRIVATE LIMITED**  
**SEBI Registration Number:** INR000004058  
**Address:** C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra  
**Tel. Number:** +91 22 4918 6200  
**Email Id:** cbpl.ipo@linkintime.co.in  
**Investors Grievance Id:** cbpl.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in  
**Contact Person:** Ms. Shanti Goapalkrishnan  
**CIN:** U67190MH1999PTC118368

**ISSUE SCHEDULE**

**ISSUE OPENS ON: FRIDAY, JANUARY 31, 2020**

**ISSUE CLOSES ON: THURSDAY, FEBRUARY 06, 2020**

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PURSUANT TO SCHEDULE VI OF  
SECURITIES AND EXCHANGE BOARD OF INDIA  
(ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2018.**

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## SECTION I – DEFINITIONS AND ABBREVIATIONS

| Term   | Description  |
|--|--|
| “CBC”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer” | Chandra Bhagat Pharma Limited, a public limited company, registered under the Companies Act, 1956 and having its registered office at 323-F Bhagat Bhuvan, Dr. Ambedkar Road, Matunga (East), Mumbai – 400019.     |
| Our Promoters  | Mr. Hemant Chandravadan Bhagat and Mr. Pranav Hemant Bhagat  |
| Promoters’ Group   | Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “Our Promoters and Promoter’s Group”. |

### COMPANY RELATED TERMS

| Term  | Description   |
|---|---|
| Articles / Articles of Association/AOA              | Articles of Association of our Company.   |
| Audit Committee                                     | The audit committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer section titled “OUR MANAGEMENT” on Page no. 110 of this prospectus.  |
| Board of Directors / Board/BOD                      | The Board of Directors of Chandra Bhagat Pharma Limited unless otherwise specified.   |
| Companies Act                                       | Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.  |
| CMD   | Chairman Cum Managing Director, being Mr. Hemant Chandravadan Bhagat  |
| Chief Financial Officer (CFO)                       | The Chief Financial officer of our Company, being Mrs. Prachi Bhagat.   |
| Company Secretary and Company Officer (CS)          | The Company Secretary of our Company, being Ms. Payal Bansal  |
| Depositories Act                                    | The Depositories Act, 1996, as amended from time to time  |
| Equity Shares                                       | Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof   |
| ED  | Executive Director, being Mrs. Prachi Bhagat  |
| Group Companies                                     | Group Companies as defined under Regulation 2(1)(t) of the SEBI (ICDR) Regulations, 2018, “Group companies shall include such companies (other than our Promoters and Subsidiary) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “INFORMATION WITH RESPECT TO GROUP COMPANIES/ENTITIES” on Page no. 185 of this Prospectus. |
| Indian GAAP   | Generally Accepted Accounting Principles in India   |
| Statutory Auditor(s)                                | The Statutory auditor of our Company, being M/s. A Y & Company, Chartered Accountants, Jaipur   |
| Key Managerial Personnel / Key Managerial Employees | The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “OUR MANAGEMENT” on Page no. 110 of this Prospectus.  |
| MD  | Managing Director   |
| MOA/ Memorandum / Memorandum of Association         | Memorandum of Association of our Company as amended from time to time   |
| Non Residents                                       | A person resident outside India, as defined under FEMA  |
| Nomination and Remuneration Committee               | The nomination and remuneration committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “OUR MANAGEMENT” on Page no. 110 of this prospectus.  |
| NRIs / Non Resident Indians                         | A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulation, 2000.   |
| Peer Review Auditor                                 | The Peer Review auditors of our Company, being M/s. A Y & Company, Chartered Accountants, Jaipur.   |
| Registered Office                                   | The Registered office of our Company located at 323-F Bhagat Bhuvan, Dr. Ambedkar Road, Matunga (East) Mumbai – 400019.   |

|                                      |  |
|--------------------------------------|--|
| Restated Financial Statements        | The restated financial information of our Company, which comprises the restated statement of assets and liabilities, the restated statement of profit and loss the restated statement of cash flows for the period ended on July 31, 2019 and for the Financial Years 2018-19, 2017-18 and 2016-17 and the summary statement of significant accounting policies read together with the annexures and notes thereto and other restated financial information, prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI (ICDR) Regulations, 2018 and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. |
| ROC / Registrar of Companies         | Registrar of Companies, Mumbai.  |
| Stakeholders' Relationship Committee | The Stakeholders' Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled "OUR MANAGEMENT" on Page no. 110 of this prospectus.  |
| WTD                                  | Whole-Time Director, being Mr. Pranav Hemant Bhagat  |

## ISSUE RELATED TERMS

| Terms  | Description   |
|--|---|
| Applicant  | Any prospective investor who makes an application for Equity Shares in terms of this Prospectus   |
| Application Form                                     | The Form in terms of which the applicant shall apply for the Equity Shares of our Company   |
| Application Supported by Blocked Amount / ASBA       | An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.  |
| ASBA Account   | An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.  |
| Allotment  | Issue of the Equity Shares pursuant to the Issue to the successful applicants   |
| Allottee   | The successful applicant to whom the Equity Shares are being / have been issued   |
| Basis of Allotment                                   | The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section "Issue Procedure - Basis of allotment" on Page no. 242 of this Prospectus.   |
| Bankers to our Company                               | Axis Bank Limited and Punjab National Bank  |
| Bankers to the Issue and Refund Banker/ Sponsor Bank | Axis Bank Limited   |
| Depository   | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996   |
| Designated Date                                      | The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus, following which the Board may Allot Equity Shares to successful Bidders in the Issue. |
| Designated Intermediaries                            | The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.  |
| Depository Participant                               | A Depository Participant as defined under the Depositories Act, 1996  |
| Draft Prospectus                                     | The Draft Prospectus dated December 16, 2019 issued in accordance with Section 32 of the Companies Act filed with the BSE Limited under SEBI(ICDR) Regulations  |
| Eligible NRI   | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.   |
| Engagement Letter                                    | The engagement letter dated January 21, 2019 between our Company and the LM   |
| Issue Opening Date                                   | The date on which the Issue opens for subscription.   |
| Issue Closing date                                   | The date on which the Issue closes for subscription.  |
| Issue Period   | The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application   |

| Terms  | Description  |
|--|--|
| IPO  | Initial Public Offering  |
| Issue / Issue Size / Public Issue                                | The Public Issue of 2000000 Equity Shares of ₹ 10/- each at ₹ 51/- per Equity Share including share premium of ₹ 41/- per Equity Share aggregating to ₹ 1020.00 Lakh by Chandra Bhagat Pharma Limited.   |
| Issue Price  | The price at which the Equity Shares are being issued by our Company through this Prospectus, being ₹ 51/- (including share premium of ₹ 41/- per Equity Share).   |
| LM / Lead Manager  | Lead Manager to the Issue, in this case being Beeline Broking Limited.   |
| Listing Agreement  | Unless the context specifies otherwise, this means the SME Equity Listing Regulation to be signed between our company and the SME Platform of BSE.   |
| Market Maker   | The Market Maker to the Issue, in this case being Beeline Broking Limited.   |
| Net Issue  | The Issue (excluding the Market Maker Reservation Portion) of 1900000 Equity Shares of ₹ 10/- each at ₹ 51/- per Equity Share including share premium of ₹ 41/- per Equity Share aggregating to ₹ 969.00 Lakh by Chandra Bhagat Pharma Limited.  |
| NPCI   | NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).  |
| Non Retail Portion including Qualified Institution Buyers (NRII) | The remaining portion of the Net Offer, after retails portion, being not more than 50% of the Net issue which shall be available for allocation to NRIIs in accordance with the SEBI ICDR Regulations.   |
| Prospectus   | The Prospectus, to be filed with the ROC containing, inter alia, the Issue opening and closing dates and other information.  |
| Public Issue Account   | An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors   |
| Qualified Institutional Buyers / QIBs                            | The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.  |
| Refund Account   | Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.   |
| Registrar / Registrar to the Issue                               | Registrar to the Issue being Link Intime India Private Limited.  |
| Regulations  | Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018.  |
| Retail Individual Investors                                      | Individual investors (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹ 2,00,000.  |
| Retail Portion   | The portion of the Net Offer being not less than 50% of the Net Equity Shares which shall be available for allocation to RIIs in accordance with the SEBI ICDR Regulations.  |
| SCSB   | A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> |
| Sponsor Bank   | The Banker to the Offer registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being Axis Bank Limited.                                      |
| Underwriter  | Underwriter to the issue is Beeline Broking Limited.   |
| Underwriting Agreement   | The Agreement entered into between the Underwriter and our Company dated December 4, 2019.   |
| UPI  | Unified payment Interface, which is an instant payment mechanism, developed by NPCI.   |

| Terms               | Description  |
|---------------------|--|
| UPI Circular        | The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI Circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and any subsequent circulars or notifications issued by SEBI in this regard.      |
| UPI ID              | ID created on UPI for single-window mobile payment system developed by the NPCI.   |
| UPI Mandate Request | A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.   |
| UPI Mechanism       | The bidding mechanism that may be used by a RII to make a Bid in the Offer in accordance with the UPI Circulars.   |
| UPI PIN             | Password to authenticate UPI transactions.   |
| Wilful Defaulter    | A company or a person categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorized as such.   |
| Working Days        | i. Till Application / Issue closing date:<br>All days other than a Saturday, Sunday or a public holiday;<br>ii. Post Application / Issue closing date and till the Listing of Equity Shares:<br>All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018. |

#### TECHNICAL AND INDUSTRY RELATED TERMS

| Term     | Description                          |
|----------|--------------------------------------|
| (HepA)   | HEPATITIS A                          |
| API      | Active Pharmaceuticals Ingredients   |
| DCGI     | Drugs Controller General of India    |
| DR CONGO | The Democratic Republic of the Congo |
| FDA      | Food and Drug Administration         |
| HAV      | Hepatitis A virus                    |
| IAP      | Indian Academy of Pediatrics         |
| ICU      | Intensive Care Unit                  |
| IM       | (Intramuscular)                      |
| IPV      | Inactivated Polio Vaccine            |
| IV       | (Intravenous)                        |
| SC       | Subcutaneous Use                     |
| WHO      | World Health Organization            |

#### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

| Term                 | Description  |
|----------------------|--|
| A/c                  | Account  |
| Act or Companies Act | Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time |
| AGM                  | Annual General Meeting   |
| ASBA                 | Application Supported by Blocked Amount  |
| AS                   | Accounting Standards issued by the Institute of Chartered Accountants of India   |
| AY                   | Assessment Year  |
| BG                   | Bank Guarantee   |

| Term                            | Description  |
|---------------------------------|--|
| BSE                             | BSE Limited  |
| CAGR                            | Compounded Annual Growth Rate  |
| CAN                             | Confirmation Allocation Note   |
| CDSL                            | Central Depository Services (India) Limited  |
| CIN                             | Corporate Identity Number  |
| CRR                             | Cash Reserve Ratio   |
| Depositories                    | NSDL and CDSL  |
| Depositories Act                | The Depositories Act, 1996 as amended from time to time  |
| Depository                      | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time                               |
| DIN                             | Director's identification number   |
| DP/ Depository Participant      | A Depository Participant as defined under the Depository Participant Act, 1996   |
| DP ID                           | Depository Participant's Identification  |
| EBIDTA                          | Earnings Before Interest, Depreciation, Tax and Amortization   |
| ECS                             | Electronic Clearing System   |
| EoGM                            | Extra-ordinary General Meeting   |
| EPS                             | Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year                                    |
| Financial Year/ Fiscal Year/ FY | The period of twelve months ended March 31 of that particular year   |
| FDI                             | Foreign Direct Investment  |
| FDR                             | Fixed Deposit Receipt  |
| FEMA                            | Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time  |
| FEMA Regulations                | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended   |
| FII                             | Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India |
| FII Regulations                 | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended   |
| FIs                             | Financial Institutions   |
| FIPB                            | Foreign Investment Promotion Board   |
| FVCI                            | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time                  |
| GDP                             | Gross Domestic Product   |
| GIR Number                      | General Index Registry Number  |
| Gov/ Government/GoI             | Government of India  |
| HUF                             | Hindu Undivided Family   |
| IFRS                            | International Financial Reporting Standard   |
| ICSI                            | Institute of Company Secretaries of India  |
| ICAI                            | Institute of Chartered Accountants of India  |
| Indian GAAP                     | Generally Accepted Accounting Principles in India  |
| I.T. Act                        | Income Tax Act, 1961, as amended from time to time   |
| INR/ Rs./ Rupees / ₹            | Indian Rupees, the legal currency of the Republic of India   |
| Ltd.                            | Limited  |
| Pvt. Ltd.                       | Private Limited  |
| MCA                             | Ministry of Corporate Affairs  |
| Merchant Banker                 | Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended  |
| MOF                             | Ministry of Finance, Government of India   |
| MOU                             | Memorandum of Understanding  |
| NA                              | Not Applicable   |
| NAV                             | Net Asset Value  |
| NEFT                            | National Electronic Fund Transfer  |



| Term  | Description   |
|---|---|
| NOC   | No Objection Certificate  |
| NR/ Non Residents   | Non Resident  |
| NRE Account   | Non Resident External Account   |
| NRI   | Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations   |
| NRO Account   | Non Resident Ordinary Account   |
| NSDL  | National Securities Depository Limited  |
| NTA   | Net Tangible Assets   |
| p.a.  | Per annum   |
| P/E Ratio   | Price/ Earnings Ratio   |
| PAN   | Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time  |
| PAT   | Profit After Tax  |
| PBT   | Profit Before Tax   |
| PIO   | Person of Indian Origin   |
| PLR   | Prime Lending Rate  |
| RBI   | Reserve Bank of India   |
| RBI Act   | Reserve Bank of India Act, 1934, as amended from time to time   |
| 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   |
| SCSBs   | Self-Certified Syndicate Banks  |
| SEBI  | The Securities and Exchange Board of India constituted under the SEBI Act, 1992   |
| SEBI Act  | Securities and Exchange Board of India Act 1992, as amended from time to time   |
| SEBI Insider Trading Regulations                            | SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time   |
| SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time   |
| SEBI Takeover Regulations                                   | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time  |
| SEBI Rules and Regulations                                  | SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time  |
| Sec.  | Section   |
| Securities Act  | The U.S. Securities Act of 1933, as amended   |
| SICA  | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time  |
| SME   | Small and Medium Enterprises  |
| SME Platform of BSE Limited                                 | The SME Platform of BSE Limited for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations.   |
| Stamp Act   | The Indian Stamp Act, 1899, as amended from time to time  |
| State Government  | The Government of a State of India  |
| Stock Exchanges   | Unless the context requires otherwise, refers to, the BSE Limited   |
| STT   | Securities Transaction Tax  |
| TDS   | Tax Deducted at Source  |
| TIN   | Tax payer Identification Number   |
| UIN   | Unique Identification Number  |
| U.S. GAAP   | Generally accepted accounting principles in the United States of America  |
| VCFs  | Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 |

| Term | Description   |
|------|---|
|      | till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations. |

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### FINANCIAL DATA

Unless stated otherwise, the financial data in the Prospectus is derived from our Restated Standalone Financial Statements for the period ended on July 31, 2019 and financial years ended on March 31, 2019; 2018; 2017 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP which are included in the Prospectus, and set out in the section titled “RESTATED FINANCIAL INFORMATION” beginning on Page no. 127 of the Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled “RISK FACTORS”, “BUSINESS OVERVIEW” and “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS” beginning on Page nos. 15, 77 and 161 respectively of this Prospectus and elsewhere in the Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout the Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

### CURRENCY AND UNITS OF PRESENTATION

In the Prospectus, unless the context otherwise requires, all references to;

- ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India.
- ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America, EURO or “€” are Euro currency,

All references to the word ‘Lakh’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten Lakh’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

## FORWARD LOOKING STATEMENTS

All statements contained in the Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in the Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our products/services;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections/chapters “RISK FACTORS”, “BUSINESS OVERVIEW” and “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS” on Page nos. 15, 77 and 161 respectively of this 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 gains or losses could materially differ from those that have been estimated.

Forward looking statements reflect the current views as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes 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. None of our Company, the Directors, the LM, or 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. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II – SUMMARY OF PROSPECTUS

### PRIMARY BUSINESS OF THE COMPANY

We are engaged in the business of marketing pharmaceutical critical care & health care products. For which we have obtain necessary approvals from FDA for getting the formulations manufacture from contract manufacturers on Loan license or on principle to principle basis. We also take the necessary Trademark approvals & registrations wherever required.

At present, we have a wide range of products portfolio of pharmaceutical formulation including IV & IM range Injections, few tablets to cater the Domestic & Export Market. We have established presence in major therapeutic categories for formulations such as Anti-cancer (Oncology), Antibiotics, Anesthesia, Hormones, Orthopedic, Cardiac, Cardiovascular, Anti-fungal, Antiviral, Pediatrics, Cardiology, Nephrology, Neurology etc. We are also engaged in promoting and marketing of Active Pharmaceuticals Ingredients (API's) in India.

Our core strength lies in marketing & also getting our approved formulation manufacture through Contract Manufacturers and marketing of therapeutic formulations under our own brand and trading of various API's, which we commercialize through our marketing network across geographies and by developing relationships with pharmaceutical companies of different sizes.

For further details, please see the chapter titled “BUSINESS OVERVIEW” beginning on Page no. 77 of this Prospectus.

### SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

India is the largest provider of generic drugs globally. Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.



For further details, please see the chapter titled “INDUSTRY OVERVIEW” beginning on Page no. 72 of this Prospectus.

### NAME OF PROMOTERS

The Promoters of our Company are Mr. Hemant Chandravadan Bhagat and Mr. Pranav Hemant Bhagat. For detailed information on our Promoters and Promoters' Group, please refer to Chapter titled “OUR PROMOTERS AND PROMOTERS' GROUP” on Page no. 122 of this Prospectus.

### SIZE OF THE ISSUE

Our Company is proposing the Fresh public issue of 2000000 equity shares of face value of ₹ 10 each of Chandra Bhagat Pharma Limited (“CBC” or the “company” or the “issuer”) for cash at a price of ₹ 51 per equity share including a share premium of ₹ 41 per equity share (the “issue price”) aggregating to ₹ 1020.00 lakh (“the issue”), of which 100000 equity shares of face value of ₹ 10 each for cash at a price of ₹ 51 per equity share including a share premium of ₹ 41 per equity share aggregating to ₹ 51.00 lakh will be reserved for subscription by market maker to the issue (the “market maker reservation portion”). The issue less the market maker reservation portion i.e. net issue of 1900000 equity shares of face

value of ₹ 10 each at a price of ₹ 51 per equity share including a share premium of ₹ 41 per equity share aggregating to ₹ 969.00 lakh is herein after referred to as the “net issue”. The issue and the net issue will constitute 26.51% and 25.18% respectively of the post issue paid up equity share capital of our company.

## OBJECT OF THE ISSUE

Our Company intends to utilize the Proceeds of the Issue towards the following Objects:

(Amount ₹ in Lakhs)

| Sr. No.                     | Particulars                                      | Amount         | % of total Issue Size |
|-----------------------------|--|----------------|-----------------------|
| 1.                          | To Meet Incremental Working Capital Requirements | 700.00         | 68.63                 |
| 2.                          | Setting up Distribution and Warehousing Centre's | 150.00         | 14.71                 |
| 3.                          | General Corporate Purpose                        | 95.00          | 9.31                  |
| 4.                          | To meet Public Issue Expenses                    | 75.00          | 7.35                  |
| <b>Gross Issue Proceeds</b> |  | <b>1020.00</b> | <b>100.00</b>         |
| <b>Less: Issue Expenses</b> |  | <b>75.00</b>   |                       |
| <b>Net Issue Proceeds</b>   |  | <b>945.00</b>  |                       |

## SHAREHOLDING

The shareholding pattern of our Promoters and Promoters' Group before and after the Issue is as under;

| Sr. No.   | Name of share holder              | No. of equity shares (Pre-issue) | As a % of Pre-issue Issued Capital | No. of equity shares (post-issue) | As a % of Post issue Issued Capital |
|---|-----------------------------------|----------------------------------|------------------------------------|-----------------------------------|-------------------------------------|
| <b>Promoters</b>                                  |                                   |                                  |                                    |                                   |                                     |
| 1   | Mr. Hemant Chandravadan Bhagat    | 2906296                          | 52.41                              | 2906296                           | 38.52                               |
| 2   | Mr. Pranav Hemant Bhagat          | 657792                           | 11.86                              | 657792                            | 8.72                                |
| <b>Total - A</b>                                  |                                   | <b>3564088</b>                   | <b>64.27</b>                       | <b>3564088</b>                    | <b>47.12</b>                        |
| <b>Promoters' Group</b>                           |                                   |                                  |                                    |                                   |                                     |
| 1   | Mrs. Prachi Pranav Bhagat         | 83600                            | 1.51                               | 83600                             | 1.11                                |
| 2   | Mrs. Padmaben Chandravadan Bhagat | 40000                            | 0.72                               | 40000                             | 0.53                                |
| 3   | Mr. Mahesh Chandravadan Bhagat    | 120000                           | 2.16                               | 120000                            | 1.59                                |
| 4   | Mrs. Lopa Mahesh Bhagat           | 8000                             | 0.14                               | 8000                              | 0.11                                |
| 5   | Mrs. Chitra Hemant Bhagat         | 1233192                          | 22.24                              | 1233192                           | 16.34                               |
| 6   | Ms. Naynaben Chandravadan Bhagat  | 32000                            | 0.58                               | 32000                             | 0.42                                |
| 7   | Mr. Jay Hemantkumar Bhagat        | 83600                            | 1.51                               | 83600                             | 1.11                                |
| 8   | Hemant C Bhagat HUF               | 148576                           | 2.68                               | 148576                            | 1.97                                |
| <b>Total - B</b>                                  |                                   | <b>1748968</b>                   | <b>31.54</b>                       | <b>1748968</b>                    | <b>23.18</b>                        |
| <b>Total Promoters and Promoters' Group (A+B)</b> |                                   | <b>5313056</b>                   | <b>95.82</b>                       | <b>5313056</b>                    | <b>70.42</b>                        |

## FINANCIAL DETAILS

Restated Standalone Financial Statements

(Amount in ₹ Lakhs)

| Sr. No. | Particulars                     | For the period ended on July 31, 2019 | For the year ended on |                |                |
|---------|---------------------------------|---------------------------------------|-----------------------|----------------|----------------|
|         |                                 |                                       | March 31, 2019        | March 31, 2018 | March 31, 2017 |
| 1.      | Share Capital                   | 536.31                                | 67.04                 | 41.80          | 41.80          |
| 2.      | Net worth                       | 1352.66                               | 1327.79               | 801.04         | 740.98         |
| 3.      | Revenue from operations         | 3335.24                               | 10627.82              | 9705.94        | 8978.63        |
| 4.      | Profit After Tax                | 24.88                                 | 62.59                 | 103.38         | 66.03          |
| 5.      | Pre Bonus - Earnings Per Share  |                                       |                       |                |                |
|         | Basic & Diluted                 | 0.46                                  | 12.16                 | 24.73          | 15.80          |
| 6.      | Post Bonus - Earnings Per Share |                                       |                       |                |                |
|         | Basic & Diluted                 | 0.46                                  | 1.17                  | 3.09           | 1.97           |
| 7.      | NAV per Shares                  | 25.22                                 | 198.06                | 191.64         | 177.27         |

|           |  |          |          |          |          |
|-----------|--|----------|----------|----------|----------|
| <b>8.</b> | <b>Total Borrowings including current maturities</b> | 1,501.02 | 1,762.55 | 1,721.78 | 1,062.35 |
|-----------|--|----------|----------|----------|----------|

Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares in the ratio of 7 bonus share for 1 fully paid up equity share to the existing shareholders (Allotted on July 22, 2019).

## AUDITORS' QUALIFICATIONS

There are no Auditor qualification which have not been given effect to in the Restated Financial Statements.

## OUTSTANDING LITIGATIONS

### Litigations by Company, Promoters and Executive Directors

| Sr. No. | Nature of Litigations     | No. of Litigations | Total Amount involved (in ₹) |
|---------|---------------------------|--------------------|------------------------------|
| 1.      | Notice - Recovery of Dues | 2                  | 1,74,665                     |

### Litigations against Company, Promoters and Executive Directors

| Sr. No. | Nature of Litigations   | No. of Litigations | Total Amount involved (in ₹) |
|---------|---|--------------------|------------------------------|
| 1.      | Notice - Recovery of Dues – U/S 138 of Negotiable Instruments Act, 1881   | 2                  | 28,70,872                    |
| 2.      | Notice - Recovery of Dues   | 2                  | 49,92,458                    |
| 3.      | Criminal Case U/S 138 of Negotiable Instruments Act, 1881   | 1                  | 32,87,838                    |
| 4.      | Under the Drugs & Cosmetics Act, 1940   | 3                  | Not Quantifiable             |
| 5.      | Under the Payment of Wages Act, 1936  | 1                  | 3,91,000                     |
| 6.      | E-proceeding under Income Tax Act, 1961   | 3                  | 85,51,896                    |
| 7.      | Order against the Company by ITO- 6(2)(1), Mumbai u/s 143 (3) r.w.s. 147 of the Income Tax Act, 1961 for AY 2010-11 | 1                  | 4,14,312                     |
| 8.      | Income Tax Demands for AY 2007-08, 2008-09, 2009-10, 2012-13, 2014-15 and 2018-19                                   | 6                  | 25,48,565                    |
| 9.      | Demands for Tax Deducted at Source raised by Income Tax   | 37                 | 21,76,980                    |
| 10.     | Under Professional Tax Act, 1975 for non-filing of Return Of April, 2019 To August, 2019.                           | 1                  | Not Quantifiable             |
| 11.     | Income Tax Demands for AY 2008-09 against Mr. Hemant Bhagat   | 1                  | 6,372                        |

For further details in relation to legal proceedings involving our Company, Promoters, Directors, please refer the chapter titled — “OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS” on Page no. 169 of this Prospectus.

## RISK FACTORS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. 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 offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled “RISK FACTORS” beginning on Page no. 15 of this Prospectus.

## CONTINGENT LIABILITIES

There has been no contingent liabilities to the Company.

## RELATED PARTY TRANSACTIONS

### Restated Financial Statements

(₹ in Lakh)

| Nature of Transactions                                    | Name of Related Parties             | For the period ended July 31, 2019 | For the year ended on March 31, |               |               |
|---|-------------------------------------|------------------------------------|---------------------------------|---------------|---------------|
|   |                                     |                                    | 2019                            | 2018          | 2017          |
| Directors Remuneration                                    | Hemant Chandravadan Bhagat          | 3.20                               | 9.60                            | 9.60          | 9.60          |
|   | Pranav Hemant Bhagat                | 3.00                               | 9.00                            | 9.00          | 9.00          |
| <b>Total</b>  |                                     | <b>6.20</b>                        | <b>18.60</b>                    | <b>18.60</b>  | <b>18.60</b>  |
| Interest on Unsecured Loans                               | C. C. Bhagat HUF                    | -                                  | 0.22                            | -             | 1.71          |
|   | Hemant C Bhagat HUF                 | -                                  | 0.09                            | -             | 3.78          |
|   | Hita Mukesh Bhagat                  | -                                  | 2.88                            | -             | 1.44          |
|   | Lopa M Bhagat                       | -                                  | 1.78                            | -             | 1.58          |
|   | Mahesh C Bhagat                     | -                                  | -                               | -             | 17.19         |
|   | Hemant C Bhagat                     | -                                  | 4.79                            | -             | 0.92          |
|   | Chitra H Bhagat                     | -                                  | 2.89                            | -             | 7.96          |
|   | Nayana C Bhagat                     | -                                  | 1.23                            | -             | 3.95          |
|   | Padmaben C Bhagat                   | -                                  | 1.40                            | -             | 3.73          |
|   | Pranav H Bhagat                     | -                                  | 0.50                            | -             | 0.77          |
| <b>Total</b>  |                                     | <b>-</b>                           | <b>15.78</b>                    | <b>-</b>      | <b>43.03</b>  |
| Loan given/ (Received) during the Year to Related Parties | Jay Hemant Bhagat                   | (6.06)                             | (12.51)                         | (8.09)        | (12.53)       |
|   | Chandravadan Bhagat HUF             | -                                  | -                               | 15.79         | 15.79         |
|   | Hemant C Bhagat HUF                 | -                                  | -                               | 41.12         | 21.51         |
|   | Hita Mukesh Bhagat                  | -                                  | -                               | 24.01         | 13.26         |
|   | Lopa M Bhagat                       | -                                  | -                               | 14.83         | 14.58         |
|   | Mahesh C Bhagat                     | (0.15)                             | (1.75)                          | 159.24        | 156.96        |
|   | Hemant C Bhagat                     | 5.84                               | 19.37                           | 92.67         | 3.77          |
|   | Chitra H Bhagat                     | 1.72                               | 9.99                            | 109.25        | 68.24         |
|   | Nayan C Bhagat                      | -                                  | 0.22                            | 10.29         | 37.11         |
|   | Padmaben C Bhagat                   | -                                  | 0.75                            | 12.21         | 32.67         |
|   | Prachi Anand Toraskar               | 20.01                              | 44.35                           | -             | -             |
|   | Pranav H Bhagat                     | 0.40                               | 21.82                           | 62.88         | 2.29          |
| <b>Total</b>  |                                     | <b>21.75</b>                       | <b>82.24</b>                    | <b>534.20</b> | <b>353.65</b> |
| Advance Given to Relatives                                | Chitra H Bhagat (Lonavala Premises) | -                                  | 65.00                           | -             | -             |
|   | Hemant C Bhagat (Lonavala Premises) | -                                  | 65.00                           | -             | -             |
|   | Chitra H Bhagat (Trademark Deposit) | -                                  | 150.00                          | -             | -             |
| <b>Total</b>  |                                     | <b>-</b>                           | <b>280.00</b>                   |               |               |
| Consultancy Charges                                       | Chitra H Bhagat                     | 1.20                               | 4.80                            | -             | -             |
|   | Jay Hemant Bhagat                   | 0.80                               | 4.80                            | -             | -             |
| <b>Total</b>  |                                     | <b>2.00</b>                        | <b>9.60</b>                     | <b>-</b>      | <b>-</b>      |

For detailed information on the related party transactions executed by our Company, please refer “Annexure – X” appearing on page no. 157 of this Prospectus under Chapter titled “RESTATED FINANCIAL FORMATION” beginning on Page no. 127 of this Prospectus.

## FINANCING ARRANGEMENTS

The promoters, members of the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have not financed the purchase by any other person of securities of our Company 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 Prospectus.

## COST OF ACQUISITION & WEIGHTED AVERAGE COST

**Weighted average price at which the Equity Shares were acquired by our Promoters in Last One Year:**

| Sr. No. | Name of Promoters              | No. of Equity Shares Acquired during last one Year | Weighted Average Price* (in ₹ per equity share) |
|---------|--------------------------------|--|---|
| 1.      | Mr. Hemant Chandravadan Bhagat | 2906296  | 2.44  |



|    |                          |        |     |
|----|--------------------------|--------|-----|
| 2. | Mr. Pranav Hemant Bhagat | 575568 | Nil |
|----|--------------------------|--------|-----|

\* The Weighted Average Price for Equity Shares acquired during last one year has been calculated by taking into account the amount paid by the Promoter to acquire, by way of fresh issuance including bonus issue or transfer, the Equity Shares less the amount received up on the transfer of Equity Shares during last one year and the net cost of acquisition has been divided by total number of shares acquired less Equity Shares Transferred during last one year.

**Average Cost of Acquisitions of Shares for Promoters:**

| Sr. No. | Name of Promoters              | No. of Equity Shares held | Average Cost of Acquisition per equity share (in ₹)* |
|---------|--------------------------------|---------------------------|--|
| 1.      | Mr. Hemant Chandravadan Bhagat | 2906296                   | 11.35  |
| 2.      | Mr. Pranav Hemant Bhagat       | 657792                    | 7.73   |

\* The Weighted Average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the Prospectus.

**PRE-IPO PLACEMENT**

Our Company has not placed any Pre-IPO Placement.

**ISSUE OF SHARE FOR CONSIDERATION OTHER THAN CASH**

Except allotment of equity shares to subscribers to the Memorandum of Association of our Company against the outstanding Credit Balance of respective Individual Partners' Capital Account and issue of bonus shares, Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, at any point of time since Incorporation. For details of allotment of Shares, please refer to chapter titled "CAPITAL STRUCTURE" on page no. 41 of this Prospectus.

**SPLIT / CONSOLIDATION**

No Split or Consolidation were happened during the last one year.

## SECTION III – RISK FACTORS

### RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

**The Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Prospectus.**

#### 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 the future.

#### NOTE:

The risk factors are disclosed 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 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” and elsewhere in this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in our restated financial statements prepared in accordance with Indian GAAP.

Unless otherwise specifically provided in the respective Risk factors given below, the amounts of impact of risks specified hereunder, on our financial conditions, are not quantifiable.

#### INTERNAL RISK FACTORS:

- 1. We do not own the premises in which our registered office and godown are located and the same are on lease arrangement. Any termination of such lease/license and/or non-renewal thereof and attachment by lender could adversely affect our operations.**

Our Registered Office is presently located at 323-F Bhagat Bhuvan, Dr. Ambedkar Road Matunga (East), Mumbai. The registered office is not owned by us. The premises have been taken on lease basis for a period of 11 months w.e.f. September 1, 2019 from Mr. Hemant Bhagat and Mrs. Chitra Bhagat.

Further, we have taken godown at R.C.C Godown, D-Dharam Complex, Phase II at Bhoir Compound, Near Gram Panchayat, Office Survey no. 47, Hissa No. 1, Paiki Village, Taluka- Bhiwandi, District-Thane on lease basis for a period of 60 months commencing from September 1, 2019.

Up on termination of the lease, we are required to return the office premises to the Lessor/Licensor, unless it is renewed. There can be no assurance that the term of the agreements will be renewed on commercially acceptable terms and in the event the Lessor/Licensor terminates or does not renew the agreements, we are required to vacate our registered offices and we may be required to identify alternative premises and enter into fresh lease or leave and license agreement at less favorable terms and conditions. Such a situation could result in loss of business, time overruns and may adversely affect our operations and profitability.

- 2. Our Company has not complied with section 203 of Companies Act, 2013 regarding the Appointment of Company Secretary as Key Managerial Personnel. Such non-compliances may result in penalties or other action on our Company by the statutory authorities.**

Our Company did not comply with section 203 read with rule 8A of Companies Act, 2013, regarding appointment of Company Secretary as Key Managerial Person. Every company belonging to such class or classes of company as may be prescribed shall appoint Company Secretary as Key Managerial Personnel. Our company was liable to appoint Company Secretary w.e.f. July 22, 2019 due to increase in paid capital in excess of ₹ 5.00 Crores. Our Company has appointed Ms. Payal Bansal as Company Secretary and Compliance officer w.e.f. January 7, 2020, there is delay by 169 days in complying with section 203 read with rule 8A of Companies Act, 2013.

Till the date of this Prospectus, no action has been initiated or taken by any statutory authority for the above noncompliance. Registrar of Companies may take action against our company and may levy penalties on our company for such non compliances.

### **3. We rely on third parties for manufacturing products of our Company**

We are a pharmaceutical company, engaged in business of marketing pharmaceutical critical care & health care products, Ethical marketing of Pharmaceutical formulation & products in Domestic and International market through own distribution network and sales. We get our approved formulations manufacture through Contract Manufacturers. We rely on certain third parties for manufacturing our products. At present we have entered into Contract Manufacturing Agreement with 4 pharmaceutical companies/entities who manufactures our products as per our order. Moreover, as per terms of agreement such companies are having lead time of 45 days to complete our manufacturing order, from the date of receipt of raw material. Our company has to schedule manufacturing plan, as we cannot enforce such manufacturing companies to manufacture as per our schedule.

Any decline in the quality of medicines manufactured or delay in delivery of products by such parties, or rise in job work charges may adversely affect our operations. Further there can be no assurance that such parties shall continuously provide their services or would not cater to demand of competitors. Any withdrawal of services from such manufacturers or supply of services to competitors at better rates may adversely affect our result of operations and future prospects. Further we are also exposed indirectly to the risks these manufacturers faces.

### **4. Our business largely depends on the performance of our distributors. Any nonperformance by these distributors may adversely affect our business operations, profitability and cash flows.**

We mainly sell our products directly to distributors/stockiest/super stockiest who in turn take forward the supply chain. Our business hence largely depends on the performance of our distributors, who may be responsible for selling our products to end users at domestic. Currently, we have distributors/stockiest/super stockiest for our Domestic and international markets. Further these distributors generally operate for a specific country. We can give no assurance that the performance of such distributors will meet our required specifications or performance parameters. Such distributors are independent third parties over which we do not have control. Additionally, we do not have any non-compete agreement with such distributors and in the event that such distributors enter into agreements with competitors, we may not be able to take any course of action.

Similarly, we are restricted from directly involving ourselves in marketing services in certain countries where these distributors are located. As a result, our growth, results of operations and the integrity of our brand name in these areas is dependent on the performance of these distributors. Moreover, there can be no assurance that our distributors will be able to generate adequate revenue consistently, and we may be exposed to credit risks associated with non-payment or untimely payments from our distributors.

### **5. Certain forms filed by our company with ROC are improper. Moreover, some of the secretarial procedure has not been properly followed by our company. If the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.**

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. Moreover, certain forms filed by our Company are not proper such as Form MR-1 for appointment of Managing Director and Whole-Time Director. Certain forms in relation to Annual filing Form AOC-4 (Form 23AC and 23ACA) for financial year 2011, 2012, 2013, 2014 and 2018, Form MGT-7 (Form 20B) in respect of the financial year 2014 and 2015, appointment of Auditors 23B/ADT-1 have been delayed filed with the Registrar of Companies with additional fees. Moreover, our Company has not filed Form DPT-3 Return of deposit (one time receipt of Deposit and yearly return for outstanding deposit) with the Registrar of Companies and the secretarial records w.r.t. allotment of 182000 Equity Shares are not properly maintained or executed as prescribed under Companies Act, 2013.

Although no show cause notice have been issued against our 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 our Company and its directors, in such event the financials of our Company and our directors may be adversely affected.

**6. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.**

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspension and/or cancellation the approval/licenses which may affect our business adversely.

Some of the permits, licenses and approvals etc. are granted for a fixed period of time and may expire and for which we may have to make an application for obtaining the approval or its renewal. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business. Moreover, there can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Further, certain statutory and regulatory authority may put certain terms and conditions, which are required to be complied with by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. For more information on the various statues applicable to our company, please refer chapter titled “KEY INDUSTRY REGULATIONS” appearing on Page no. 95 of this Prospectus.

Many of the Licenses and approvals are in the name of “Chandra Bhagat Pharma Private Limited”; the same are required to be updated/ changed with various government/semi government authorities and various organizations. For more information about the licenses required in our business and the licenses and approvals taken by our company please refer chapter titled “GOVERNMENT APPROVALS” appearing on Page no. 179 of this Prospectus.

**7. Our trading and marketing activities are exposed to fluctuations in the prices of materials.**

Our Company is dependent on third party suppliers for procuring the traded goods (including API’s). We are exposed to fluctuations in the prices of these traded goods as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers for all our products 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 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 favourable 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.

**8. We have entered into a supply and distribution agreement with Sinopharm India Private Limited, a subsidiary company of China National Pharmaceutical Group for importing the vaccines known as “HEPATITIS A (HepA)”. Any breach of condition of supply and distribution agreement, it may affect our future plans, business, financial condition and results of operations.**

We have entered into a supply and distribution agreement on November 9, 2015 with Sinopharm India Private Limited (“Sinopharma”), a subsidiary company of China National Pharmaceutical Group for importing the vaccines known as “HEPATITIS A (HepA). As per the terms of agreement, registration of product shall be complete mutually by our company and (“SIPL”) within 1.5 years from November 9, 2015, if not made and unable to get the registration in Form 41 otherwise Sinopharma India Private Limited has right to cancel the agreement and in such a case, no claim for expenses by either parties.

The prescribed period of 1.5 years from November 9, 2015 was expired on May 8, 2017 and till that time our company and “Sinopharma” was unable to register product, Later on, it had entered into a supplementary agreement on July 6, 2018 for extension of 1 year from July 6, 2018 to get the product registered i.e. almost after lapse of one year and two months from the date on which it had ought to enter.

Moreover, we have been appointed for a tenure of 4 years and agreement will be renewed for subsequent 4 years, with mutual consent. Additionally, Sinopharma India Private Limited (“Sinopharma”) will allocate us minimum target of selling 5,00,000 Vials in first year from the date of getting Form 41, and 6,00,000 Vials in the second year and 10% incremental thereafter completion of second year. If targets are not achieved “Sinopharma” will investigate the reason

and if the CBC is found guilty then they may discontinue the selling of products/ terminate the agreement with CBC, giving 3 months' notice and can appoint another agent.

Further as per the terms of agreement we are restricted to sale HEPATITIS A Vaccine outside the territory of India and without prior permission of Sinopharma India Private Limited, we cannot entered into agreement with any similar arrangement with third party for manufacturing or marketing of Hepatitis A vaccine or similar products.

If the agreement does not renew due to breach of any conditions, it may affect our future plans, business, financial condition and results of operations.

**9. Our Company, Executive Directors and Promoters are involved in certain litigations including tax related litigations, which if determined against us, can affect financial conditions of our company.**

Our Company, Executive Directors and Promoters against whom statutory authorities have raised Demand/Notices and filed various cases against them. Any adverse decision against our Company or against Executive Directors or against Promoters can affect our financial condition. The summary of outstanding litigations are given in the following table:

**Litigations by Company, Promoters and Executive Directors**

| Sr. No. | Nature of Litigations     | No. of Litigations | Total Amount involved (in ₹) |
|---------|---------------------------|--------------------|------------------------------|
| 1.      | Notice - Recovery of Dues | 2                  | 1,74,665                     |

**Litigations against Company, Promoters and Executive Directors**

| Sr. No. | Nature of Litigations   | No. of Litigations | Total Amount involved (in ₹) |
|---------|---|--------------------|------------------------------|
| 1.      | Notice - Recovery of Dues – U/S 138 of Negotiable Instruments Act, 1881   | 2                  | 28,70,872                    |
| 2.      | Notice - Recovery of Dues   | 2                  | 49,92,458                    |
| 3.      | Criminal Case U/S 138 of Negotiable Instruments Act, 1881   | 1                  | 32,87,838                    |
| 4.      | Under the Drugs & Cosmetics Act, 1940   | 3                  | Not Quantifiable             |
| 5.      | Under the Payment of Wages Act, 1936  | 1                  | 3,91,000                     |
| 6.      | E-proceeding under Income Tax Act, 1961   | 3                  | 85,51,896                    |
| 7.      | Order against the Company by ITO- 6(2)(1), Mumbai u/s 143 (3) r.w.s. 147 of the Income Tax Act, 1961 for AY 2010-11 | 1                  | 4,14,312                     |
| 8.      | Income Tax Demands for AY 2007-08, 2008-09, 2009-10, 2012-13, 2014-15 and 2018-19                                   | 6                  | 25,48,565                    |
| 9.      | Demands for Tax Deducted at Source raised by Income Tax   | 37                 | 21,76,980                    |
| 10.     | Under Professional Tax Act, 1975 for non-filing of Return Of April, 2019 To August, 2019.                           | 1                  | Not Quantifiable             |
| 11.     | Income Tax Demands for AY 2008-09 against Mr. Hemant Bhagat   | 1                  | 6,372                        |

For further details in relation to legal proceedings involving our Company, Promoters, Directors, please refer the chapter titled — “OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS” on Page no. 169 of this Prospectus.

**10. The Company is dependent on few numbers of customers for sales. Loss of any of this large customer may affect our revenues and profitability**

As per our books of Accounts, our top ten customers contributes to almost 96.12% and 95.70% of our total sales for the period ended July 31, 2019 and March 31, 2019, respectively. Any decline in our quality standards, growing competition and any change in the demand, may adversely affect our ability to retain them. 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 continue to add new customers in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain long term relationships with such customers or find new customers in time.

**11. The Company is dependent on few numbers of suppliers for purchase of product. Loss of any of this large suppliers may affect our business operations.**

As per our books of Accounts, our top ten suppliers contributes to almost 93.80% and 99.40% of our total purchase of our product/supplies for the period ended July 31, 2019 and March 31, 2019 respectively. We cannot assure that we will be able to get the same quantum and quality of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases of stock and ultimately our revenue and results of operations. However, the composition and amount of purchase from these suppliers might change as we continue seek new suppliers for our product for better quality and price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time.

**12. The Company has not filed Income Tax Return for AY 2019-20.**

Till the date of prospectus our company has not filed return of income for AY 2019-20. Income Tax department may impose interest and penalty on our company for failure to file Income tax return which will result in outflow of funds from our company.

**13. Although our company is engaged in pharma & API sector, we have low net profit margins as compared to industry standards.**

Although our company is engaged in pharma sector and Ethical marketing of Pharmaceutical formulation & products in Domestic and International market through own distribution network and Sales force under own brand, contract manufacturing, outsource & Supply of Generic Pharma formulation, sourcing dealing, importing, supply of Specialty Chemicals, Intermediates & Active Pharmaceutical Ingredients (API). Our company had reported net profit margins of 0.59%, 1.07% and 0.74% for the financial year ending March 31; 2019, 2018, and 2017 respectively. Due to lower margins, we have lower EPS for our shareholders and may continue to do so. If the margins do not increase over time, we may continue to earn lower profits on higher revenues resulting in slower growth and affect overall financial condition. The management believes that lower margins are mainly due to non-compromise on quality and compliance which is beneficial in the long run. If we are unable to increase our margins, it may affect our growth prospects, profitability, operations and overall financial condition along with ability to absorb the fixed costs, if any, for the producers of new and innovative products.

**14. Our Company requires significant amount of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.**

Our business is working capital intensive primarily on account of high debtor days. A significant portion of our working capital is utilized towards trade receivables. Summary of our working capital position is given below:-

(₹ in Lakh)

| Particulars                      | 2017-18<br>(Restated) | 2018-19<br>(Restated) |
|----------------------------------|-----------------------|-----------------------|
| <b>Current Assets</b>            |                       |                       |
| Current Investment               | 105.35                | 403.38                |
| Inventory –Stock in Trade        | 3,263.72              | 4,391.36              |
| Trade receivables                | 1,786.43              | 2,629.78              |
| Cash and Cash Equivalents        | 55.43                 | 47.80                 |
| Short-term loans and advances    | 444.90                | 572.09                |
| Other Current Assets             | 49.66                 | 84.39                 |
| <b>Total Current Assets</b>      | <b>5,705.49</b>       | <b>8,128.81</b>       |
| <b>Current Liabilities</b>       |                       |                       |
| Trade payables                   | 1,547.88              | 2,970.10              |
| Other current liabilities        | 262.32                | 621.45                |
| Short-term provisions            | 51.81                 | 29.75                 |
| <b>Total Current Liabilities</b> | <b>1,862.01</b>       | <b>3,621.31</b>       |
| <b>Net Working Capital</b>       | <b>3,843.47</b>       | <b>4,507.50</b>       |

Our Company intend to continue growing by expanding our export operations and widening our products base. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. For further details regarding incremental working capital requirement, please refer to the chapter titled —OBJECTS OF THE ISSUE beginning on page no. 62 of this Prospectus.

**15. Our Company has taken unsecured loans that may be recalled by the Directors cum Promoters or relatives of Directors, NBFC, financial institution at any time.**

Our Company have currently availed unsecured loans which may be called by such lenders at any time. As at July 31, 2019, the unsecured loan amounting ₹ 1,039.40 Lakh were due to our Directors cum Promoters, relatives of Directors, NBFC/Financial institutions/Banks. Our Company has received consent from lenders on January 21, 2020. In the event that such lenders seeks further 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 such 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 “RESTATED FINANCIAL INFORMATION” on Page no. 127 of Prospectus.

**16. 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.

**17. 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. Further, entry barriers in regulated markets in which we currently operate and seek to expand are very high and have extensive regulations pertaining to research, testing and manufacturing, selling and marketing of pharmaceutical products. In most regulated markets, pharmaceutical products must be registered after being tested for safety, efficacy and environmental impact and the regulations differ from country to country.

Some of our customers operate in such highly regulated markets and liaise / do business with our Company based on our Company being the approved source of supply. Also, some of our existing registered products need to be renewed after their expiry. There is no assurance that we will be able to obtain the necessary approvals / renewals for all our products, which could adversely impact our ability to sell some of our products in certain markets. Failure of our Company to adapt itself to such regulatory changes, obtain the necessary approvals / renewals for our products, the business of the Company may be adversely affected.

Further, due to the nature of our business, 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 (“DCA”), The Drugs and Cosmetics Rules, 1945 (“DC Rules”) 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.

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

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

Furthermore, even if we are successful in developing a new product, that product may become subject to litigation by third parties claiming our products infringe on their patents or may be seized in-transit by regulatory authorities for alleged infringement of intellectual property or may be otherwise unsuccessful in the market place due to the introduction of superior products by competitors. Moreover, it may take an extended period of time for our new products to gain market acceptance, if at all.

**19. 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.

**20. If we inadvertently infringe on the patents of others, our business may be adversely affected.**

We operate in an industry characterized by extensive patent litigation, including frivolous litigation by competitors to delay grant of patent. Patent litigation can result in significant damages being awarded and injunctions that could prevent the sale of certain products or require us to pay significant royalties in order to continue to sell such products. While it is not possible to predict the outcome of patent litigation, we believe any adverse result of such litigation could include an injunction preventing us from selling our products or payment of significant damages or royalty, which would affect our ability to sell current or future products or prohibit us from enforcing our rights against others. The occurrence of any of these risks could adversely affect our business, financial condition and results of operations.

**21. Our Company exports our products to countries namely Philippines, Bolivia, DR CONGO. Any adverse events affecting these countries could have a significant adverse impact on our results from operations.**

Our Company exports its products to many countries namely Philippines, Bolivia, DR CONGO. Consequently, any adverse changes in these economies such as slowdown in the economy, appreciation of the Indian Rupee vis-à-vis the currencies of these economies, acts of terrorism or hostility targeting these countries, etc. would directly impact our revenues and results from operations. In the event of change in policies or laws in these regions with respect to Environment, Health and Safety (EHS) norms, quality standards, branding or restrictions on usage of certain products/raw materials, our financial condition and business operations may be adversely affected. In case of any contingencies in future due to which we are unable to operate effectively in these markets, our results from operations, revenues and profitability may be adversely affected.

**22. Non-compliance with the bar coding requirements stipulated by the Director General of Foreign Trade, (“DGFT), from time to time, for primary, secondary and tertiary level packaging of finished pharmaceutical products for export, could adversely affect our goodwill, business, financial condition and results of operations.**

Pursuant to applicable notices, notifications and circulars issued by the DGFT, from time to time, we are required to comply with bar coding requirements for primary, secondary and tertiary level packaging of finished pharmaceutical products for export, provided, the importing country has not mandated a specific bar coding requirement. As the bar coding requirements mandated by the DGFT, are applicable in addition to the standard labelling requirements under the DCA and the Drug Rules, it may lead to an increase in packaging and other costs, thereby requiring us to allocate more resources and impeding our ability to operate and grow our business. Any non-compliance with the bar coding requirements as stipulated by the DGFT, could result in counterfeiting or piracy of our pharmaceutical products, thereby affecting our goodwill. We cannot assure you that we will be able to comply with all the bar coding requirements as stipulated by the DGFT, from time to time, within the prescribed time, or at all, failing which our goodwill, business, financial condition and results of operations could be adversely affected.



**23. Our Peer Reviewed Auditor has included an observation in his report with regards to Segment reporting.**

We are a pharmaceutical company, dealing in pharmaceutical formulations, APIs. Considering the nature of the Business and Financial Reporting of the Company, we operate in two Geographical Segments, i.e. Domestic and Export Market. Although, the company has maintained separate data in books of accounts for Domestic and Export Market but due to lack of awareness of such reporting requirements, in our Audit report, revenue from operations have not been bifurcated into Domestic and Export Market.

**24. We generally do business with our customers on purchase order basis and do not enter into long term contracts with most of them.**

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of 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.

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

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

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

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

Further, disruptions of transportation services due to weather-related problems, strikes, lockouts, inadequacies in the road infrastructure and port facilities, or other events could impair ability to deliver goods on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

**27. We have been experiencing a decline in our profit after tax in the last two financial years.**

Our profit after tax has been decline from ₹ 103.38 lakhs in financial year 2017-18 to ₹ 62.59 lakhs in financial year 2018-19. Our management asserts that since domestic operations yielded low margins, they have been concentrating on expanding export operations. However we cannot assure you that we shall be able to successfully execute our business strategy and continue to grow our revenue from operations. Any decline in our revenue from operations could adversely affect our result of operations and financial condition.

**28. Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Further as on the date of the Prospectus our Company has received "No objection" certificate from our lenders to undertake this issue. Non receipt of such "No- Objection" certificate could lead to non-compliance of the terms of loan agreements entered into by our Company with said lenders.**

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business.

Further, as on the date of the Prospectus, we have received consent from the Bankers and No Objection certificate from the lenders. Our company has not taken permission for increase in share capital issued by way of right issue, bonus shares etc. as per the terms of sanction letter. Non-receipt of such consent could lead to non-compliance of the terms of loan agreements entered into by our Company with the lenders.

**29. Our Company has allotted Equity Shares at a price lower than the Issue Price during last 12 (twelve) months preceding the date of this Prospectus.**

During last 12 (twelve) months preceding the date of this Prospectus, As on August 30, 2019, our Company has made Right Issue - Allotment of 182000 Fully Paid up Equity Shares of ₹10/- each, in the Ratio of 1 Equity Shares for each 28 Equity Shares held at ₹40/- per Equity Share, i.e. at price lower than the Issue Price. For further details please refer the section titled “Capital Structure”

**30. Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements, and violation of these regulations could harm our business.**

Since we export our products to various countries like Philippines, Bolivia, DR CONGO. In addition, our management is planning to export in countries located in South East Asia, Middle East, Latin America, West Africa. We are subject to numerous, and sometimes conflicting, legal requirements on matters as diverse as import/export controls, content requirements, trade restrictions, the environment tariffs, taxation, sanctions, government affairs, anti-corruption, whistle blowing, internal and disclosure control obligations, data protection and privacy and labour relations and certain regulatory requirements that are specific to our clients’ industries. Non-compliance with these regulations in the conduct of our business could result in fines, penalties, criminal sanctions against us or our officers, disgorgement of profits, prohibitions on doing business and have an adverse impact on our reputation. Gaps in compliance with these regulations in connection with the performance of our obligations to our clients could also result in exposure to monetary damages, fines and/or criminal prosecution, unfavourable publicity, restrictions on our ability to process information and allegations by our clients that we have not performed our contractual obligations. Due to the varying degree of development of the legal systems of the countries in which we operate, local laws might be insufficient to defend us and preserve our rights. We could also be subject to risks to our reputation and regulatory action on account of any unethical acts by any of our employees or other related individuals.

We are subject to risks relating to compliance with a variety of national and local laws, including multiple tax regimes, and employee health, safety, wages and benefits laws. Our failure to comply with applicable regulatory requirements could have a material adverse effect on our business, financial condition and results of operations.

**31. We are subject to risks associated with expansion into new markets.**

Expansion into new markets, including in India and overseas, subjects us to various challenges, including those relating to our lack of familiarity with the culture, legal regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions.

The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

By expanding into new markets, we could be subject to additional risks associated with establishing and conducting operations, including: compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in

- laws, regulations and practices and their interpretation; local preferences and service requirements;
- fluctuations in foreign currency exchange rates;
- inability to effectively enforce contractual or legal rights and adverse tax consequences;
- differing accounting standards and interpretations;
- stringent as well as differing labour and other regulations;
- differing domestic and foreign customs, tariffs and taxes;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

- 32. The average cost of acquisition of Equity shares by our Promoters is lower than the Issue price. Our promoters average cost of acquisition of Equity shares in our Company is lower than the Issue Price of Equity shares as given below:**

| Sr. No. | Name of Promoters              | No. of Equity Shares held | Average Cost of Acquisition per equity share (in ₹)* |
|---------|--------------------------------|---------------------------|--|
| 1.      | Mr. Hemant Chandravadan Bhagat | 2906296                   | 11.35  |
| 2.      | Mr. Pranav Hemant Bhagat       | 657792                    | 7.73   |

The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the Prospectus.

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

Our company's 100% of the revenue is not derived from India. We export of products to various countries Philippines, Bolivia, DR CONGO. We receive revenue in foreign currency from such clients. In addition, our management is planning to export in countries located in South East Asia, Middle East, Latin America, West Africa countries. Any changes in value of currencies with respect to the rupee may cause fluctuations in our operating results expressed in rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect our company to the extent of cost of services sold in foreign currency terms. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations.

- 34. Our success depends in large part upon the strength of our management team and other skilled professionals. If we fail to attract, retain and manage transition of these personnel, our business may be unable to grow and our revenue could decline.**

The continued efforts of the senior members of our management team and other skilled professionals are critical to our success. Our ability to execute engagements and to obtain new clients depends in large part on our ability to attract, train, motivate and retain skilled professionals, especially senior management personnel, senior technical personnel, project managers etc. If we cannot hire and retain additional qualified personnel, our ability to obtain new projects and to continue to expand our business will be impaired and our revenue could decline. We believe that there is significant competition within our industry for professionals with the skills necessary to perform the services we offer, particularly in the locations in which we have operations. We may not be able to hire and retain enough skilled and experienced employees to replace those who leave. Increasing competition for technology professionals may also impact our ability to retain personnel. Changes in government policies may also affect our ability to attract hire and retain personnel. If we are unable to offer them higher compensation, we may be unable to attract or retain them. Our business, financial condition and results of operations could be adversely affected if we are unable to manage employee hiring and attrition to achieve a stable and efficient workforce structure.

- 35. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.**

The funds that we receive would be utilized for the objects of the Issue as has been stated in the chapter titled "OBJECTS OF THE ISSUE" on Page no. 62 of this Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, it may adversely affect our revenues and results of operations.

- 36. Our operations may be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other industrial unrest or dispute.**

While we have not experienced any unrest or dispute in our company in the past, we cannot be certain that we will not suffer any disruption to our operations due to strikes, work stoppages or increased salary demands in the future. Further, if our work force in our unit unionizes in the future, collective bargaining efforts by employee unions may divert our management's attention and result in increased costs. We may be unable to negotiate acceptable collective wage settlement agreements with those workers who have chosen to be represented by unions, which may lead to union-initiated strikes or work stoppages. Any shortage of skilled and experienced workers caused by such industrial unrest or disputes may adversely affect our business, results of operations and financial condition. Further, under Indian law, we

may be held liable for wage payments or benefits and amenities made available to “daily wage” workers. Any requirement to discharge such payment obligations, benefits or amenities or to absorb a significant portion of the salary on our own rolls may adversely affect our business, results of operations and financial condition.

**37. In addition to normal remuneration, other benefits and reimbursement of expenses to our Promoters and Directors; they are interested to the extent of their shareholding and dividend entitlement thereon in our Company and for the transactions entered into between our Company and themselves as well as between our Company and our Group Companies/Entities.**

Our Promoters – Directors are interested in our Company to the extent of their shareholding and dividend entitlement thereon in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. Our Promoters and Directors are interested in the transactions entered into between our Company and themselves as well as between our Company and our Group Company/Entity which may be or may not be at Arms’ Length Price and in Ordinary Course of Business. If the transactions are executed not on Arms’ Length Price and in Ordinary Course of Business, our financial position may get affected to that extent. For details of transactions already executed by our Company with our Promoters, Directors and Group Companies/Entities during last three years, please refer to the “Annexure – X” - “RELATED PARTY TRANSACTION” of Restated Financial Statements under the Chapter titled “RESTATED FINANCIAL INFORMATION” beginning on Page No. 127 of this Prospectus.

**38. We have experienced negative cash flows in previous years / periods. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial condition.**

Our Company had negative cash flows from our operating activities, investing activities as well as financing activities in the previous years as per the Restated Standalone Financial Statements and the same are summarized as under.


(₹In Lakh)

| Particulars                                  | For the period ended on July 31, 2019 | For the year ended |                |                |
|--|---------------------------------------|--------------------|----------------|----------------|
|  |                                       | March 31, 2019     | March 31, 2018 | March 31, 2017 |
| Net Cash Generated from Operating Activities | 340.68                                | 382.85             | (617.63)       | (902.55)       |

**39. Our Object has not been appraised by any Bank or Financial Institution. Any significant deviation in the Object could adversely impact our operations and sustainability in absence of any independent monitoring agency.**

We have estimated fund raising to the extent of ₹1020.00 Lakh to finance the ‘Objects of the Issue’ (including Issue Expenses). The proposed objects for which the funds are being raised have not been appraised by any Bank or Financial Institution and the fund requirements are based primarily on management estimates. There is no guarantee that our estimates will prove to be accurate and any significant deviation in the project cost could adversely impact our operations and sustainability in the absence of any independent monitoring agency. For details of the “OBJECT OF THE ISSUE”, please refer Page no. 62 of this Prospectus.

**40. Mrs. Chitra Bhagat, wife of our Promoter Mr. Hemant Bhagat has assigned logo  to our company. The company has been assigned for using the logo for a period of 5 years. If at later stage, Mrs. Chitra Bhagat, does not further assigned it, it may affect our financial conditions.**

Mrs. Chitra Bhagat, wife of our Promoter Mr. Hemant Bhagat has assigned logo  along with other 105 trademarks through deed of assignment entered into March 19, 2019, for which our company has paid deposit of ₹ 1.50 Crores to Mrs. Chitra Bhagat for acquisition of these 106 trademarks. All such trademark are assigned for a period of 5 years. If due to some or other reason, if at a later stage, Mrs. Chitra Bhagat, does not further assigned it, it may affect our financial conditions.

**41. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to and this may have a material adverse effect on our business.**

While we believe that we maintain insurance coverage in amounts consistent with industry norms. If any or all of our facilities are damaged in whole or in part and our operations are interrupted for a sustained period, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the cost of repairing or replacing the damaged facilities. If we suffer a large uninsured loss or any insured

loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and result of operations may be materially and adversely affected.

**42. Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters and executive Directors remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel and our inability to attract them may affect our operations.**

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters and executive Directors who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters and executive Directors have been actively involved in the day to day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters and executive Directors. If our Promoters and executive directors unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters and executive Directors, along with the key managerial personnel, have over the years built relations with various customers and other persons who form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**43. Our Company has entered into certain related party transactions and may continue to do so in the future.**

Our Company has entered into few related party transactions with our Promoters, Directors, Promoter Group, Group companies/entities during the last three Financial Years. While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to please refer to the "Annexure – X" - "RELATED PARTY TRANSACTION" of Restated Financial Statements under the Chapter titled "RESTATED FINANCIAL INFORMATION" beginning on Page No. 127 of this Prospectus.

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

Post this Issue, our Promoter and Promoter Group will collectively own 70.42% of our post issue equity share capital. As a result, our Promoter, together with the members of the Promoter Group, will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act, 2013 and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoter will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**45. Any variation in the utilization of the Net Proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.**

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Prospectus without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition

and may adversely affect our business and results of operations. For further details of the proposed objects of the Issue, refer chapter titled “OBJECTS OF THE ISSUE” on Page no. 62 of this Prospectus.

**46. There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.**

The issue proceeds is entirely at the discretion of the issuer/management. As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakh. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the Companies Act, 2013 the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

**47. Our inability to manage growth could disrupt our business and reduce profitability.**

A principal component of our strategy is to continuously grow by expanding the size and geographical scope of our businesses. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements.

Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

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.

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

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

**50. Our inability to effectively implement our business and growth strategy may have an adverse effect on our operation and growth.**

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.

**51. 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 and agents 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.

**52. Certain data mentioned in this 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.

**53. The requirements of being a public listed company may strain our resources and impose additional requirements.**

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange could lead to imposition of huge penalties, if any including suspension of trading, imposed by Stock Exchange.

## EXTERNAL RISK FACTORS

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**2. Any changes in the regulatory framework could adversely affect our operations and growth prospects**

Our Company is subject to various regulations and policies. For details see section titled "KEY INDUSTRY REGULATIONS" beginning on Page no. 95 of this Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

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

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

**4. Our 100% Revenue is not derived from India and a decrease in economic growth in respective countries could cause our business to suffer.**

We do not derive 100% of revenue from our operations in India and consequently, our performance and the quality and growth of our business are dependent on the health of the economy of respective countries from where we derive income. In addition, the Indian and exporting countries economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest

rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**5. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.**

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

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

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

**7. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.**

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates/slab will continue in the future. Further, with the Introduction of the Goods and Services Act, tax rates and its implication may have material impact on our products. Any changes in these tax rates/slabs could adversely affect our financial condition and results of operations.

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

The Issue Price of our Equity Shares is ₹51. This price is based on numerous factors (For further information, please refer chapter titled "BASIS FOR ISSUE PRICE" beginning on Page no. 68 of this Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation the following:

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

**9. You will not be able to sell immediately on Indian Stock Exchanges any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.**

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

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



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

## SECTION IV – INTRODUCTION

### THE ISSUE

Present Issue in terms of this Prospectus:

| Particulars                                  | Details  |
|--|--|
| Equity Shares offered                        | 2000000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 51 each aggregating to ₹ 1020.00 Lakh  |
| <b>Of which:</b>                             |  |
| Reserved for Market Makers                   | 100000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 51 each aggregating to ₹ 51.00 Lakh   |
| Net Issue to the Public*                     | 1900000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 51 each aggregating to ₹ 969.00 Lakh   |
| <b>Of which</b>                              |  |
| Retail Portion                               | 950000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 51/- each aggregating to ₹ 484.50 Lakh  |
| Non Retail Portion                           | 950000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 51/- each aggregating to ₹ 484.50 Lakh  |
| Equity Shares outstanding prior to the Issue | 5545056 Equity Shares of ₹ 10/- each   |
| Equity Shares outstanding after the Issue    | 7545056 Equity Shares of ₹ 10/- each   |
| Use of Proceeds                              | For details please refer chapter titled “OBJECTS OF THE ISSUE” beginning on Page no. 62 of this Prospectus for information on use of Issue Proceeds. |

\* Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253(2) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows;

- (a) minimum fifty per cent. to retail individual investors; and
- (b) remaining to:
  - i) individual applicants other than retail individual investors; and
  - ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

**Explanation:** If the retail individual investor category is entitled to more than fifty per cent of the net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

#### NOTES

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on November 1, 2019 and by the shareholders of our Company, pursuant to section 62(1)(c) of the Companies Act, 2013, vide a special resolution passed at the EoGM held on November 30, 2019.

**SUMMARY OF OUR FINANCIAL INFORMATION**

**CHANDRA BHAGAT PHARMA LIMITED  
(FORMERLY CHANDRA BHAGAT PHARMA PRIVATE LIMITED)**

**ANNEXURE – I : RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in Lakhs)

| Sr. No.   | Particulars                                      | Note No.    | As At 31st July, 2019 | As at 31st March |                 |                 |
|-----------|--|-------------|-----------------------|------------------|-----------------|-----------------|
|           |  |             |                       | 2019             | 2018            | 2017            |
| <b>A.</b> | <b>Equity and Liabilities</b>                    |             |                       |                  |                 |                 |
| <b>1</b>  | <b>Shareholders' Funds</b>                       |             |                       |                  |                 |                 |
|           | Share Capital                                    | <b>I.1</b>  | 536.31                | 67.04            | 41.80           | 41.80           |
|           | Reserves & Surplus                               | <b>I.2</b>  | 925.53                | 1,369.92         | 802.56          | 699.18          |
|           | <b>Share application money pending allotment</b> |             | 36.80                 | -                | -               | -               |
| <b>2</b>  | <b>Non-Current Liabilities</b>                   |             |                       |                  |                 |                 |
|           | Long-Term Borrowings                             | <b>I.3</b>  | 931.84                | 1,146.02         | 1,173.58        | 422.39          |
|           | Other Non-Current Liabilities                    | <b>I.4</b>  | 404.77                | 444.90           | 924.36          | 708.30          |
|           | Deferred Tax Liabilities                         | <b>I.10</b> | -                     | -                | -               | -               |
| <b>3</b>  | <b>Current Liabilities</b>                       |             |                       |                  |                 |                 |
|           | Short Term Borrowings                            | <b>I.5</b>  | 1,751.11              | 1,636.34         | 1,001.44        | 1,628.04        |
|           | Trade Payables                                   | <b>I.6</b>  | 3,329.17              | 2,970.10         | 1,547.88        | 1,627.05        |
|           | Other Current Liabilities                        | <b>I.7</b>  | 663.32                | 621.45           | 262.32          | 431.57          |
|           | Short Term Provisions                            | <b>I.8</b>  | 15.43                 | 29.75            | 51.81           | 31.26           |
|           | <b>Total</b>                                     |             | <b>8,594.26</b>       | <b>8,285.52</b>  | <b>5,805.76</b> | <b>5,589.60</b> |
| <b>B.</b> | <b>Assets</b>                                    |             |                       |                  |                 |                 |
| <b>1</b>  | <b>Non-Current Assets</b>                        |             |                       |                  |                 |                 |
|           | Fixed Assets                                     |             |                       |                  |                 |                 |
|           | Tangible Assets                                  | <b>I.9</b>  | 45.29                 | 46.39            | 50.94           | 55.20           |
|           | Intangible Assets                                |             | -                     | -                | -               | -               |
|           | Capital Work In Progress                         |             | -                     | -                | -               | -               |
|           | Non-Current Investments                          |             | -                     | -                | -               | -               |
|           | Deferred Tax Assets                              | <b>I.10</b> | 0.80                  | 1.15             | 2.05            | 3.07            |
|           | Other Non Current Assets                         | <b>I.11</b> | 109.17                | 109.17           | 47.28           | 3.97            |
| <b>2</b>  | <b>Current Assets</b>                            |             |                       |                  |                 |                 |
|           | Investments                                      | <b>I.12</b> | 408.09                | 403.38           | 105.35          | 463.90          |
|           | Inventories                                      | <b>I.13</b> | 4533.78               | 4391.36          | 3263.72         | 2,674.59        |
|           | Trade Receivables                                | <b>I.14</b> | 2773.73               | 2629.78          | 1786.43         | 1966.47         |
|           | Cash and Bank Balances                           | <b>I.15</b> | 63.58                 | 47.80            | 55.43           | 57.69           |
|           | Short-Term Loans and Advances                    | <b>I.16</b> | 577.09                | 572.09           | 444.90          | 341.82          |
|           | Other Current Assets                             | <b>I.17</b> | 82.72                 | 84.39            | 49.66           | 22.90           |
|           | <b>Total</b>                                     |             | <b>8,594.26</b>       | <b>8,285.52</b>  | <b>5,805.76</b> | <b>5,589.60</b> |

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, II, III.

As per our report of even date

For and on behalf of the Board of Directors

For A Y & Company

Firm Registration No. 020829C

Chartered Accountants

Arpit Gupta

Partner

Membership No. 421544

UDIN : 19421544AAAABK7043

Hemant Chandravadan Bhagat

(Managing Director)

DIN No: 00233530

Pranav Hemat Bhagat

(Wholetime Director)

DIN No: 00156362

Place : Mumbai

Date : December 11, 2019

Prachi Pranav Bhagat

(Chief Financial Officer)

**CHANDRA BHAGAT PHARMA LIMITED**  
(FORMERLY CHANDRA BHAGAT PHARMA PRIVATE LIMITED)

**ANNEXURE – II : RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs. in Lakhs)

| Sr. No    | Particulars   | Note No.    | For the Period Ended on 31st July, 2019 | For The Year Ended 31st March |                |                 |
|-----------|---|-------------|---|-------------------------------|----------------|-----------------|
|           |   |             |   | 2019                          | 2018           | 2017            |
| <b>A.</b> | <b>Revenue:</b>                                       |             |   |                               |                |                 |
|           | Revenue from Operations                               | <b>II.1</b> | 3335.24                                 | 10627.82                      | 9705.94        | 8,978.63        |
|           | Other income  | <b>II.2</b> | 9.25                                    | 44.01                         | 67.47          | 49.48           |
|           | <b>Total revenue</b>                                  |             | <b>3344.50</b>                          | <b>10671.83</b>               | <b>9773.41</b> | <b>9,028.11</b> |
| <b>B.</b> | <b>Expenses:</b>                                      |             |   |                               |                |                 |
|           | Cost of Material Consumed                             |             | -                                       | -                             | -              | -               |
|           | Purchase of Stock in Trade                            | <b>II.3</b> | 3104.53                                 | 10364.33                      | 8828.46        | 7,916.08        |
|           | Changes in Inventories                                | <b>II.4</b> | (142.42)                                | (1,127.65)                    | (589.13)       | (555.65)        |
|           | Employees Benefit Expenses                            | <b>II.5</b> | 126.47                                  | 471.24                        | 520.79         | 582.60          |
|           | Finance costs   | <b>II.6</b> | 112.93                                  | 373.62                        | 315.85         | 333.79          |
|           | Depreciation and Amortization                         | <b>II.7</b> | 1.05                                    | 5.16                          | 5.88           | 14.35           |
|           | Other expenses  | <b>II.8</b> | 108.95                                  | 496.56                        | 538.30         | 645.64          |
|           | <b>Total Expenses</b>                                 |             | <b>3311.51</b>                          | <b>10583.26</b>               | <b>9620.16</b> | <b>8,936.80</b> |
|           | <b>Profit/(Loss) before exceptional items and tax</b> |             | <b>32.99</b>                            | <b>88.57</b>                  | <b>153.25</b>  | <b>91.31</b>    |
|           | Exceptional Items                                     | <b>II.9</b> |   | -                             | -              | -               |
|           | <b>Profit before tax</b>                              |             | <b>32.99</b>                            | <b>88.57</b>                  | <b>153.25</b>  | <b>91.31</b>    |
|           | <b>Tax expense :</b>                                  |             |   |                               |                |                 |
|           | Current tax   |             | 7.76                                    | 25.08                         | 48.86          | 31.26           |
|           | Deferred Tax  |             | 0.35                                    | 0.90                          | 1.02           | (5.98)          |
|           | <b>Profit/(Loss) for the period/ year</b>             |             | <b>24.88</b>                            | <b>62.59</b>                  | <b>103.38</b>  | <b>66.03</b>    |
|           | <b>Earning per equity share in Rs.:</b>               |             |   |                               |                |                 |
|           | (1) Basic   |             | 0.46                                    | 1.17                          | 3.09           | 1.97            |
|           | (2) Diluted   |             | 0.46                                    | 1.17                          | 3.09           | 1.97            |

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities and cash flows appearing in Annexure IV, I, III.

As per our report of even date

For and on behalf of the Board of Directors

For A Y & Company

Firm Registration No. 020829C

Chartered Accountants

Arpit Gupta

Partner

Membership No. 421544

UDIN : 19421544AAAABK7043

Hemant Chandravadan Bhagat

(Managing Director)

DIN No: 00233530

Pranav Hemat Bhagat

(Wholtime Director)

DIN No: 00156362

Place : Mumbai

Date : December 11, 2019

Prachi Pranav Bhagat

(Chief Financial Officer)

**CHANDRA BHAGAT PHARMA LIMITED**  
**(FORMERLY CHANDRA BHAGAT PHARMA PRIVATE LIMITED)**

**ANNEXURE – III : RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lakhs)

| Particulars   | For the Period<br>Ended on 31st<br>July, 2019 | For The Year Ended 31st March |                 |                 |
|---|---|-------------------------------|-----------------|-----------------|
|   |   | 2019                          | 2018            | 2017            |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>   |   |                               |                 |                 |
| Profit/ (Loss) before tax   | 32.99   | 88.57                         | 153.25          | 91.31           |
| Adjustments for:  |   |                               |                 |                 |
| Depreciation  | 1.05  | 5.16                          | 5.88            | 14.35           |
| Interest Expense  | 112.93  | 373.62                        | 315.85          | 333.79          |
| Interest Received   | (5.49)  | (22.66)                       | (8.91)          | (30.71)         |
| <b>Operating profit before working capital changes</b>  | <b>141.48</b>                                 | <b>444.69</b>                 | <b>466.08</b>   | <b>408.74</b>   |
| Movements in working capital :  |   |                               |                 |                 |
| (Increase)/ Decrease in Inventories   | (142.42)                                      | (1,127.64)                    | (589.13)        | (555.65)        |
| (Increase)/Decrease in Trade Receivables  | (143.95)                                      | (843.36)                      | 180.04          | (519.96)        |
| (Increase)/Decrease in Current Investments  | (4.71)  | (298.03)                      | 358.55          | (129.26)        |
| (Increase)/Decrease in Short Term Loans & Advances  | (5.00)  | (127.20)                      | (103.08)        | 0.58            |
| (Increase)/Decrease in Other Current Assets/ Non Current Assets   | 1.67  | (34.73)                       | (26.77)         | (22.90)         |
| Increase/(Decrease) in Trade Payables   | 359.06  | 1,422.22                      | (79.17)         | 1,061.20        |
| Increase/(Decrease) in Short Term Borrowings  | 114.77  | 634.90                        | (626.60)        | (1,329.61)      |
| Increase/(Decrease) in Other Current Liabilities  | 19.78   | 359.13                        | (169.25)        | 209.48          |
| <b>Cash generated from operations</b>   | <b>340.68</b>                                 | <b>429.99</b>                 | <b>(589.33)</b> | <b>(877.40)</b> |
| Income tax paid during the year /period   | -   | 47.14                         | 28.30           | 25.15           |
| <b>Net cash from operating activities (A)</b>   | <b>340.68</b>                                 | <b>382.85</b>                 | <b>(617.63)</b> | <b>(902.55)</b> |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>   |   |                               |                 |                 |
| Purchase of Fixed Assets  | 0.06  | (0.61)                        | (1.62)          | (0.28)          |
| Increase in Other Non Current Assets  | -   | (61.89)                       | (43.31)         |                 |
| Interest Received   | 5.49  | 22.66                         | 8.91            | 30.71           |
| <b>Net cash from investing activities (B)</b>   | <b>5.55</b>                                   | <b>(39.84)</b>                | <b>(36.02)</b>  | <b>30.43</b>    |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>   |   |                               |                 |                 |
| Interest paid on borrowings   | (112.93)                                      | (373.62)                      | (315.85)        | (333.79)        |
| Proceeds/(Repayment) of Borrowings/Long Term Liabilities  | (254.32)                                      | (507.02)                      | 967.25          | 1,130.70        |
| Proceeds of Share Capital   | -   | 25.24                         | -               | -               |
| Proceeds from Securities Premium  | -   | 504.76                        | -               | -               |
| Proceeds from Share Application Money   | 36.80   | -                             | -               | -               |
| <b>Net cash from financing activities (C)</b>   | <b>(330.45)</b>                               | <b>(350.64)</b>               | <b>651.39</b>   | <b>796.91</b>   |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>  | <b>15.78</b>                                  | <b>(7.63)</b>                 | <b>(2.26)</b>   | <b>(75.21)</b>  |
| <b>Cash and cash equivalents at the beginning of the year</b>   | <b>47.80</b>                                  | <b>55.43</b>                  | <b>57.69</b>    | <b>132.90</b>   |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>63.58</b>                                  | <b>47.80</b>                  | <b>55.43</b>    | <b>57.69</b>    |
| <b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities & profits and losses appearing in Annexure IV, I, II. |   |                               |                 |                 |

As per our report of even date  
For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

For and on behalf of the Board of Directors

Arpit Gupta  
Partner  
Membership No. 421544  
UDIN : 19421544AAAABK7043

Hemant Chandravadan Bhagat  
(Managing Director)  
DIN No: 00233530

Pranav Hemat Bhagat  
(Wholetime Director)  
DIN No: 00156362

Place : Mumbai  
Date : December 11, 2019

Prachi Pranav Bhagat  
(Chief Financial Officer)

## SECTION V – GENERAL INFORMATION

Our Company was incorporated as “Chandra Bhagat Pharma Private Limited” at Mumbai on March 10, 2003, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by Assistant Registrar of Companies, Maharashtra, Mumbai. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Chandra Bhagat Pharma Limited” and fresh Certificate of Incorporation consequent upon the conversion from Private Limited Company to Public Limited Company dated March 20, 2019 was issued by the Registrar of Companies, RoC – Mumbai. The Corporate Identification Number of our Company is U24230MH2003PLC139534.

### BRIEF INFORMATION ON COMPANY AND ISSUE

| Particulars                                     | Details   |                                 |                         |                                    |
|---|---|---------------------------------|-------------------------|------------------------------------|
| <b>Name of Issuer</b>                           | Chandra Bhagat Pharma Limited   |                                 |                         |                                    |
| <b>Registered Office</b>                        | 323-F Bhagat Bhuvan, Dr. Ambedkar Road, Matunga (East), Mumbai- 400019;<br><b>Telephone No.:</b> +91 22 2414 6154;<br><b>Web site:</b> www.cbcpharma.com;<br><b>E-Mail:</b> compliance@cbcpharma.net;<br><b>Contact Person:</b> Ms. Payal Bansal              |                                 |                         |                                    |
| <b>Date of Incorporation</b>                    | March 10, 2003  |                                 |                         |                                    |
| <b>Company Identification Number</b>            | U24230MH2003PLC139534   |                                 |                         |                                    |
| <b>Company Registration Number</b>              | 139534  |                                 |                         |                                    |
| <b>Company Category</b>                         | Company Limited by Shares   |                                 |                         |                                    |
| <b>Registrar of Company</b>                     | Mumbai  |                                 |                         |                                    |
| <b>Address of the RoC</b>                       | Registrar of Companies, 100, Everest, Marine Drive, Mumbai- 400002.<br>Phone: 022-22812627/22020295/22846954, Fax: 022-22811977<br>Email: roc.mumbai@mca.gov.in   |                                 |                         |                                    |
| <b>Company Secretary and Compliance Officer</b> | Ms. Payal Bansal C/o. Chandra Bhagat Pharma Limited<br>323-F Bhagat Bhuvan, Dr. Ambedkar Road, Matunga (East), Mumbai- 400019;<br><b>Telephone No.:</b> +91 +91 22 2414 6154; <b>Web site:</b> www.cbcpharma.com;<br><b>E-Mail:</b> compliance@cbcpharma.net; |                                 |                         |                                    |
| <b>Designated Stock Exchange</b>                | SME Platform of BSE Limited<br>Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001<br>Phones : 91-22-22721233  |                                 |                         |                                    |
| <b>Issue Programme</b>                          | <b>Issue Opens On:</b>  | <b>FRIDAY, JANUARY 31, 2020</b> | <b>Issue Closes On:</b> | <b>THURSDAY, FEBRUARY 06, 2020</b> |

#### Note:

Investors can contact the Company Secretary and Compliance officer in case of any pre issue or post issue related problems such as non-receipt of letter of allotment or credit of securities in depository’s beneficiary account or dispatch of refund order etc.

All grievances relating to the ASBA process and UPI Process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted or Sponsor Bank, as the case may be. The Applicant should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, UPI ID (in case of RII’s if applicable), date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Investors shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries/SCSB in addition to the information mentioned hereinabove.

### BOARD OF DIRECTORS OF OUR COMPANY

Presently our Board of Directors comprises of following Directors.

| Sr. No. | Name of Directors              | Designation                    | Address   | DIN      |
|---------|--------------------------------|--------------------------------|---|----------|
| 1.      | Mr. Hemant Chandravadan Bhagat | Chairman Cum Managing Director | Flat No. 13, 323/F, Bhagat Bhuvan, Dr. Ambedkar Road, Between Union Bank and Lions Clinic Matunga East, Mumbai Maharashtra 400019.      | 00233530 |
| 2.      | Mr. Pranav Hemant Bhagat       | Whole-Time Director            | Flat No. 501-502, Plot No. 222 Wagh Manor, 27 <sup>th</sup> Road, Bandra West, Bandra, Mumbai Suburban, Bandra West, Maharashtra-400050 | 00156362 |
| 3.      | Mrs. Prachi Pranav Bhaga       | Executive Director             | Flat No. 501-502, Plot No. 222 Wagh Manor, 27 <sup>th</sup> Road, Bandra West, Bandra, Mumbai Suburban, Bandra West, Maharashtra-400050 | 07933601 |
| 4.      | Mr. Ravindra Gajanan Awati     | Independent Director           | H-702, Indravadan C.H.S., Padmabai Thakkar Rd., Shivaji Park, Mahim, Mumbai 400016  | 07143579 |
| 5.      | Ms. Abha Praveen Doshi         | Independent Director           | A-801, Interface Heights, Malad New Link Road, Near Goregaon Sport Club, Malad (W) Mumbai 400064  | 08510696 |

For further details pertaining to the education qualification and experience of our Directors, please refer the chapter titled “OUR MANAGEMENT” beginning on Page no. 110 of this Prospectus.

#### DETAILS OF KEY MARKET INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

| LEAD MANAGER TO THE ISSUE   | REGISTRAR TO THE ISSUE   |
|---|--|
| <b>BEELINE BROKING LIMITED</b><br><b>SEBI Registration Number:</b> INM000012546<br><b>Address:</b> 807, Phoenix Tower, Opp. New Girish Cold Drinks, Near Vijay Cross Roads, Navrangpura, Ahmedabad – 380 009<br><b>Telephone Number:</b> +91 79 4840 5357<br><b>Email Id:</b> mb@beelinemb.com<br><b>Investors Grievance Id:</b> ig@beelinebroking.com<br><b>Website:</b> www.beelinebroking.com<br><b>Contact Person:</b> Mrs. Khushbu Shah<br><b>CIN:</b> U51900GJ2014PLC080598 | <b>LINK INTIME INDIA PRIVATE LIMITED</b><br><b>SEBI Registration Number:</b> INR000004058<br><b>Address:</b> C-101, 1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra<br><b>Tel. No.:</b> +91 22 4918 6200;<br><b>Email Id:</b> cbpl.ipo@linkintime.co.in<br><b>Investors Grievance Id:</b> cbpl.ipo@linkintime.co.in<br><b>Website:</b> www.linkintime.co.in<br><b>Contact Person:</b> Ms. Shanti Goapalkrishnan<br><b>CIN:</b> U67190MH1999PTC118368 |
| BANKERS TO THE COMPANY  |  |
| <b>Axis Bank Limited</b><br><b>Address:</b> Ground Floor Manec Plaza Opp Central Plaza, Santacruz East Mumbai-400098 Maharashtra.<br><b>Tel. No.:</b> 022-26542007; <b>Fax No.:</b> 022-26542007<br><b>Website:</b> www.axisbank.com<br><b>Email:</b> kalina.branchhead@axisbank.com<br><b>Contact Person:</b> Mr. Pankaj Mishra<br><b>Designation:</b> Branch Head   | <b>Punjab National Bank</b><br><b>Address:</b> BO: Dadar K C, B/h. Swami Narayan Temple, L T Road, Dadar (E), Mumbai – 400 014<br><b>Phone No.:</b> 022 2411 3335<br><b>Email:</b> bo0060@pnb.co.in<br><b>Website:</b> www.pnb.co.in<br><b>Contact Person:</b> Mr. Mukesh Kumar<br><b>Designation:</b> Chief Manager (Branch Head)   |
| STATUTORY & PEER REVIEW AUDITOR OF THE COMPANY  | BANKERS TO THE ISSUE AND REFUND BANKER / SPONSOR BANK  |
| <b>M/s. A Y &amp; Company, Chartered Accountants</b><br><b>Address:</b> 404, Fourth Floor, ARG Corporate Park, Ajmer Road, Gopal Bari, Jaipur – 302006<br><b>Mobile No.:</b> +91 96496 87300<br><b>Email:</b> caarpitgupta@hotmail.com<br><b>Contact Person:</b> CA Arpit Gupta<br><b>Membership Number:</b> 421544<br><b>Firm Registration Number:</b> 020829C<br><b>Peer Review Certificate No.:</b> 011177 dated July 30, 2018   | <b>Axis Bank Limited</b><br><b>Address:</b> Ground Floor Manec Plaza Opp Central Plaza, Santacruz East Mumbai-400098 Maharashtra.<br><b>Tel. No.:</b> 022-26542007<br><b>Fax No.:</b> 022-26542007<br><b>Website:</b> www.axisbank.com<br><b>Email:</b> kalina.branchhead@axisbank.com<br><b>Contact Person:</b> Mr. Pankaj Mishra<br><b>Designation:</b> Branch Head  |
| LEGAL ADVISOR TO THE COMPANY  |  |
| <b>Ms. Pooja Sharma</b><br><b>Address:</b> 8/14, Malad Co-operative, Hsg Society Ltd, Poddar Park, Malad, East, Mumbai – 400 097  |  |

**Mobile No.:** +91 90228 69773  
**Email:** poojalegalventures@gmail.com  
**Bar Council No.** MAH/5967/2013

## DESIGNATED INTERMEDIARIES

### Self-Certified Syndicate Banks

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on Designated Branches of SCSBs collecting the Application Forms, please refer to the above mentioned SEBI link.

A list of the Designated SCSB Branches with which an ASBA Applicants (other than an RII using the UPI Mechanism), not Applying through a Registered Broker, may submit the ASBA Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form(s) of Applicants (other than RIIs) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

### Investors Banks or Issuer Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Application Forms, please refer to the above mentioned SEBI link.

## BROKERS TO THE ISSUE

Applicants can submit Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time. For details on Registered Brokers, please refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

## REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

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

## COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

## CREDIT RATING

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

## IPO GRADING

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

## APPRAISAL AND MONITORING AGENCY



As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹10,000 Lakh. Hence, our Company is not required to appoint a monitoring agency in relation to the issue. However, Audit Committee of our Company will be monitoring the utilization of the Issue Proceeds.

The object of the issue and deployment of funds are not appraised by any independent agency/bank/financial institution.

#### STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Beeline Broking Limited is only Lead Manager to the issue, all the responsibility of the issue will be managed by them.

#### FILING OF DRAFT PROSPECTUS/ PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES

A soft copy of Draft Prospectus was filed with SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Prospectus along with due diligence certificate including additional confirmations shall be filed with SEBI. Pursuant to SEBI Circular Number 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 the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the RoC Office situated at Registrar of Companies, 100, Everest, Marine Drive, Mumbai- 400002.

#### CHANGES IN AUDITORS

The Statutory Audit of the company up to financial year 2017-18 was carried out by M/s. Bharat Desai & Co., Chartered Accountants, (FRN No. 120179W). In the EGM called on August 30, 2019, our Company has appointed M/s A Y & Company, Chartered Accountants, 404, Fourth Floor, ARG Corporate Park, Ajmer Road, Gopal Bari, Jaipur – 302006, peer review certificate no. 011177, as Statutory Auditor of the Company for 2018-19.

As per SEBI (Listing Obligation and Disclosure Requirement) 2015 Audited of Listed Companies are required to be audited by Auditor or Auditors Firms who are subject to peer review process of Institute of Chartered Accountants of India and holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. Since M/s Bharat Desai & Co., Chartered Accountants, (FRN No. 120179W) is not having peer review certificate. The Members of the Company have appointed M/s. A Y & Company, Chartered Accountants, having peer review certificate no. 011177, as statutory auditor of the Company.

#### TRUSTEES

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

#### UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement has been entered on December 4, 2019. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

| Details of the Underwriter  | No. of shares underwritten | Amount Underwritten (₹in Lakh) | % of the total Issue Size Underwritten |
|---|----------------------------|--------------------------------|--|
| <b>BEELINE BROKING LIMITED</b><br><b>SEBI Registration Number:</b> INM000012546<br><b>Address:</b> 807, Phoenix Tower, Opp. New Girish Cold Drinks, Near Vijay Cross Roads, Navrangpura, Ahmedabad – 380 009<br><b>Tel Number:</b> +91 79 4840 5357<br><b>Email Id:</b> mb@beelinemb.com<br><b>Investors Grievance Id:</b> ig@beelinebroking.com<br><b>Website:</b> www.beelinebroking.com<br><b>Contact Person:</b> Mrs. Khushbu Shah<br><b>CIN:</b> U51900GJ2014PLC080598 | 2000000                    | 1020.00                        | 100.00%                                |

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges.

#### **DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE**

Our Company and the Lead Manager have entered into an agreement dated December 4, 2019 with the following Market Maker to fulfil the obligations of Market Making:

##### **BEELINE BROKING LIMITED**

**CIN:** U51900GJ2014PLC080598; **SEBI Registration No.:** INZ000000638

**Address:** Office No. 1 To 3, Vishwa Complex, First Floor Opp. Jain Derasar, Navrangpura Ahmedabad - 380009.

**Contact Person:** Mr. Vanesh Panchal; **Tel Number:** +91 – 079 – 6817 4040;

**Website:** www.beelinebroking.com; **E-mail:** vanesh@beelinebroking.com

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018 and the circulars issued by the BSE and SEBI in this regard from time to time.

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 4) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the 100000 Equity Shares ought to be allotted under this Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 100000 Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
- 5) 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.
- 6) 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.
- 7) 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. In case equilibrium price is not discovered the price band in the normal trading session shall be based on issue price.
- 8) The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 9) 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.
- 10) The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager 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 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager 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 particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

- 11) Risk containment measures and monitoring for Market Makers: SME Platform of BSE will have all margins which are applicable on the 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.
- 12) Punitive Action in case of default by Market Makers: SME Platform of BSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

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

- 13) Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹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 trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

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

- 14) 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 Crore To ₹50 Crore | 20%   | 19%  |
| ₹50 Crore To ₹80 Crore | 15%   | 14%  |
| Above ₹80 Crore        | 12%   | 11%  |

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / BSE Limited from time to time.

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

## SECTION VI – CAPITAL STRUCTURE

The Equity Share Capital of our Company, before the issue and after giving effect to the issue, as on the date of filing of the Prospectus, is set forth below:

(₹ in Lakh except per share amount)

| Sr. No. | Particulars   | Aggregate Nominal value | Aggregate value at issue price |
|---------|---|-------------------------|--------------------------------|
| 1.      | <b>AUTHORIZED SHARE CAPITAL</b><br>8500000 Equity Shares of face value of ₹ 10/- each   | 850.00                  | -                              |
| 2.      | <b>ISSUED SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE</b><br>5545056 Equity Shares of face value of ₹ 10/- each  | 554.51                  | -                              |
| 3.      | <b>PRESENT ISSUE IN TERMS OF THE PROSPECTUS</b>   |                         |                                |
|         | Issue of 2000000 Equity Shares of ₹ 10/- each at a price of ₹ 51 per Equity Share.  | 200.00                  | 1,020.00                       |
|         | <b>Which comprises</b>  |                         |                                |
|         | 100000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 51 per Equity Share reserved as Market Maker Portion   | 10.00                   | 51.00                          |
|         | Net Issue to Public of 1900000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 51 per Equity Share to the Public  | 190.00                  | 969.00                         |
|         | <b>Net Issue* to Public consists of</b>   |                         |                                |
|         | 950000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 51 per Equity Share will be available for allocation for Investors investing amount up to ₹ 2.00 Lakh                      | 95.00                   | 484.50                         |
|         | 950000 Equity Shares of ₹ 10/- each at an Issue Price of ₹ 51 per Equity Share will be available for allocation for Investors investing amount above ₹ 2.00 Lakh (Non Retail Portion) | 95.00                   | 484.50                         |
| 4.      | <b>PAID UP EQUITY CAPITAL AFTER THE ISSUE</b><br>7545056 Equity Shares of ₹ 10/- each   | 754.51                  | -                              |
| 5.      | <b>SECURITIES PREMIUM ACCOUNT</b>   | <b>Before the Issue</b> | 517.10                         |
|         |   | <b>After the Issue</b>  | 1337.10                        |

\* For detailed information on the Net Issue and its allocation various categories, please refer chapter titled “THE ISSUE” on Page no. 31 of this Prospectus.

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on November 1, 2019 and by the shareholders of our Company vide a special resolution passed at the EoGM held on November 30, 2019.

### CLASS OF SHARES

The company has only one class of shares i.e. Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari-passu in all respect. All Equity Shares issued are fully paid-up as on date of the Prospectus.

Our Company has not issued any partly paid-up equity shares since its incorporation nor does it has any partly paid-up equity shares as on the date of the Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Prospectus.

### NOTES TO THE CAPITAL STRUCTURE:

#### 1. Changes in the Authorized Share Capital of our Company:

Since Incorporation of our Company, the authorized share capital of our Company has been changed in the manner set forth below:

| Sr. No. | Particulars of Increase | Cumulative no. of Equity Shares | Cumulative Authorized Share Capital (₹ in Lakh) | Date of Meeting | Whether AGM/ EoGM |
|---------|-------------------------|---------------------------------|---|-----------------|-------------------|
| 1.      | On incorporation        | 250000                          | 25.00   | N.A.            | N.A.              |

| Sr. No. | Particulars of Increase   | Cumulative no. of Equity Shares | Cumulative Authorized Share Capital (₹ in Lakh) | Date of Meeting | Whether AGM/ EoGM |
|---------|---|---------------------------------|---|-----------------|-------------------|
| 2.      | Increased in authorized capital from ₹25.00 Lakh to ₹50.00 Lakh   | 500000                          | 50.00   | April 3, 2013   | EoGM              |
| 3.      | Increased in authorized capital from ₹50.00 Lakh to ₹100.00 Lakh  | 1000000                         | 100.00  | August 26, 2016 | EoGM              |
| 4.      | Increased in authorized capital from ₹100.00 Lakh to ₹850.00 Lakh | 8500000                         | 850.00  | July 10, 2019   | EoGM              |

## 2. History of Paid-up Share Capital:

Our existing Paid-up Share Capital has been subscribed and allotted in the manner set forth below:

| Date of allotment                | Nature of allotment                                      | Number of equity shares Allotted | Face value (In ₹) | Issue price (In ₹) | Nature of consideration (Cash, other than Cash, Bonus)   | Cumulative Number of Equity Shares | Cumulative Paid up share Capital (₹ in Lakh) | Cumulative Share Premium (₹ in Lakh) |
|----------------------------------|--|----------------------------------|-------------------|--------------------|--|------------------------------------|--|--------------------------------------|
| April 1, 2003 (on Incorporation) | Subscription to Memorandum of Association <sup>(1)</sup> | 10000                            | 10                | 100                | Other than Cash – Subscription to MOA (For acquisition of going concern business of M/s. Chandra Bhagat Corporation) | 10000                              | 1.00   | 9.00                                 |
| April 1, 2003 <sup>^</sup>       | Preferential Allotment <sup>(2)</sup>                    | 240000                           | 10                | 100                | Other than Cash (For acquisition of going concern business of M/s. Chandra Bhagat Corporation)                       | 250000                             | 25.00  | 225.00                               |
| April 17, 2013                   | Preferential Allotment <sup>(3)</sup>                    | 80000                            | 10                | 125                | Other than Cash (Conversion of Unsecured Loans)  | 330000                             | 33.00  | 317.00                               |
| March 31, 2014                   | Preferential Allotment <sup>(4)</sup>                    | 88000                            | 10                | 135                | Other than Cash (Conversion of Unsecured Loans)  | 418000                             | 41.80  | 427.00                               |
| June 25, 2018                    | Allotment on Right Basis <sup>(5)</sup>                  | 119050                           | 10                | 210                | Other than Cash (Conversion of Unsecured Loans)  | 537050                             | 53.70  | 665.10                               |
| March 30, 2019                   | Allotment on Right Basis <sup>(6)</sup>                  | 133332                           | 10                | 210                | Cash   | 670382                             | 67.04  | 931.76                               |
| July 22, 2019                    | Bonus Allotment in the Ratio of 7:1 <sup>(7)</sup>       | 4692674                          | 10                | -                  | Bonus Allotment  | 5363056                            | 536.31                                       | 462.49                               |
| August 30, 2019                  | Allotment on Right Basis <sup>(8)</sup>                  | 182000                           | 10                | 40                 | Cash   | 5545056                            | 554.51                                       | 517.10                               |

<sup>^</sup> Form 2 filed in respect of said allotment is not available in the record of the Company, and the same is based on the Register of Members and other records maintained by the Company.

(1) The details of allotment of 10000 Fully Paid up Equity Shares made to the subscribers to the Memorandum of Associations on April 1, 2003 (Based on the information as per books of accounts of the Company), at an Issue price of ₹ 100/- per equity share, are as follows:

| Sr. No.      | Name of Allottee                       | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|--|-------------------------------|-----------------------------|------------------------------|
| 1.           | Late Mr. Chandravadan Chhotalal Bhagat | 5000                          | 10                          | 100                          |
| 2.           | Mr. Hemant Chandravadan Bhagat         | 5000                          | 10                          | 100                          |
| <b>Total</b> |  | <b>10000</b>                  | <b>10</b>                   | <b>100</b>                   |

(2) The details of allotment of 240000 Fully Paid up Equity Shares made on Preferential Allotment Basis on April 1, 2003, at an Issue price of ₹ 100/- (Based on the information as per books of accounts of the Company) per equity share, are as follows:

| Sr. No.      | Name of Allottee                       | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|--|-------------------------------|-----------------------------|------------------------------|
| 1.           | Late Mr. Chandravadan Chhotalal Bhagat | 20000                         | 10                          | 100                          |
| 2.           | Mr. Hemant Chandravadan Bhagat         | 137000                        | 10                          | 100                          |
| 3.           | Mrs. Padmaben Chandravadan Bhagat      | 40000                         | 10                          | 100                          |
| 4.           | Mr. Mahesh Chandravadan Bhagat         | 15000                         | 10                          | 100                          |
| 5.           | Mr. Pranav Hemant Bhagat               | 4000                          | 10                          | 100                          |
| 6.           | Mrs. Lopa Mahesh Bhagat                | 1000                          | 10                          | 100                          |
| 7.           | Mrs. Chitra Hemant Bhagat              | 15000                         | 10                          | 100                          |
| 8.           | Ms. Naynaben Chandravadan Bhagat       | 8000                          | 10                          | 100                          |
| <b>Total</b> |  | <b>240000</b>                 | <b>10</b>                   | <b>100</b>                   |

(3) The details of allotment of 80000 Fully Paid up Equity Shares made on Preferential Allotment Basis on April 17, 2013, at an Issue price of ₹ 125/- per equity share, are as follows:

| Sr. No.      | Name of Allottee               | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|--------------------------------|-------------------------------|-----------------------------|------------------------------|
| 1.           | Mr. Hemant Chandravadan Bhagat | 40000                         | 10                          | 125                          |
| 2.           | Mr. Chitra Hemant Bhagat       | 40000                         | 10                          | 125                          |
| <b>Total</b> |                                | <b>80000</b>                  | <b>10</b>                   | <b>125</b>                   |

(4) The details of allotment of 88000 Fully Paid up Equity Shares made on Preferential Allotment Basis on March 31, 2014 (based on revised Form PAS-3 filed with ROC), at an Issue price of ₹ 135/- per equity share, are as follows:

| Sr. No.      | Name of Allottee                | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|---------------------------------|-------------------------------|-----------------------------|------------------------------|
| 1.           | Mr. Mahesh Chandravadan Bhagat* | 88000                         | 10                          | 135                          |
| <b>Total</b> |                                 | <b>88000</b>                  | <b>10</b>                   | <b>135</b>                   |

\* Allotted to Mahesh Chandravadan Bhagat, however fund received from his firm M/s. HDLM ASSOCIATES INC. USA.

(5) The details of allotment of 119050 Fully Paid up Equity Shares made on Right Basis in the ratio of 45 new equity shares for every 158 equity shares held in the Company on June 25, 2018 by way of Conversion of Unsecured Loans, at an Issue price of ₹ 210/- per equity share, are as follows:

| Sr. No.      | Name of Allottee               | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|--------------------------------|-------------------------------|-----------------------------|------------------------------|
| 1.           | Mr. Hemant Chandravadan Bhagat | 33335                         | 10                          | 210                          |
| 2.           | Mr. Pranav Hemant Bhagat       | 19524                         | 10                          | 210                          |
| 3.           | Mrs. Chitra Hemant Bhagat      | 47619                         | 10                          | 210                          |
| 4.           | Hemant C Bhagat HUF            | 18572                         | 10                          | 210                          |
| <b>Total</b> |                                | <b>119050</b>                 | <b>10</b>                   | <b>210</b>                   |

(6) The details of allotment of 133332 Fully Paid up Equity Shares made on Right Basis in the ratio of 36 new equity shares for every 145 equity shares held in the Company on March 30, 2019, at an Issue price of ₹ 210/- per equity share, are as follows:

| Sr. No.      | Name of Allottee               | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|--------------------------------|-------------------------------|-----------------------------|------------------------------|
| 1.           | Mr. Hemant Chandravadan Bhagat | 30952                         | 10                          | 210                          |
| 2.           | Mrs. Chitra Hemant Bhagat      | 102380                        | 10                          | 210                          |
| <b>Total</b> |                                | <b>133332</b>                 | <b>10</b>                   | <b>210</b>                   |

(7) The details of 4692674 Bonus equity shares allotted on July 22, 2019 in the ratio of 7:1 (7 equity shares for every 1 equity share) are as follows:

| Sr. No.      | Name of Allottee                  | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|--------------|-----------------------------------|-------------------------------|-----------------------------|------------------------------|
| 1.           | Mr. Hemant Chandravadan Bhagat    | 2543009                       | 10                          | -                            |
| 2.           | Mrs. Padmaben Chandravadan Bhagat | 35000                         | 10                          | -                            |
| 3.           | Mr. Mahesh Chandravadan Bhagat    | 105,000                       | 10                          | -                            |
| 4.           | Mr. Pranav Hemant Bhagat          | 575568                        | 10                          | -                            |
| 5.           | Mrs. Lopa Mahesh Bhagat           | 7000                          | 10                          | -                            |
| 6.           | Mrs. Chitra Hemant Bhagat         | 1122793                       | 10                          | -                            |
| 7.           | Ms. Naynaben Chandravadan Bhagat  | 28000                         | 10                          | -                            |
| 8.           | Mr. Jay Hemantkumar Bhagat        | 73150                         | 10                          | -                            |
| 9.           | Mrs. Prachi Pranav Bhagat         | 73150                         | 10                          | -                            |
| 10.          | Hemant C Bhagat HUF               | 130004                        | 10                          | -                            |
| <b>Total</b> |                                   | <b>4692674</b>                | <b>10</b>                   | <b>-</b>                     |

(8) The details of allotment of 182000 Fully Paid up Equity Shares made on Right Basis in the ratio of 1 new equity shares for every 28 equity shares held in the Company on August 30, 2019 at an Issue price of ₹ 40/- per equity share, are as follows:

| Sr. No. | Name of Allottee                        | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---------|---|-------------------------------|-----------------------------|------------------------------|
| 1.      | Mrs. Aartiben Kamleshbhai Sarvaiya      | 2000                          | 10                          | 40                           |
| 2.      | Mr. Jitendrabhai Joshi                  | 2000                          | 10                          | 40                           |
| 3.      | Mrs. Kajal Sandipbhai Limbasiya         | 2000                          | 10                          | 40                           |
| 4.      | Mrs. Nikitaben Tusharbhai Limbasiya     | 2000                          | 10                          | 40                           |
| 5.      | Mrs. Gitaben V. Kuvadiya                | 4000                          | 10                          | 40                           |
| 6.      | Mrs. Induben Babulal Shah               | 2000                          | 10                          | 40                           |
| 7.      | Mrs. Bhanuben Navinchandra Shah         | 2000                          | 10                          | 40                           |
| 8.      | Mrs. Shardaben Zaverbhai Kevadiya       | 4000                          | 10                          | 40                           |
| 9.      | Mrs. Hiralben Kishorbhai Kuvadiya       | 4000                          | 10                          | 40                           |
| 10.     | Mrs. Vaishaliben Jagdishbhai Dodiya     | 2000                          | 10                          | 40                           |
| 11.     | Mr. Tarkik Zaverbhai Kevadiya           | 4000                          | 10                          | 40                           |
| 12.     | Mrs. Shitalben Bhaveshbhai Dodiya       | 2000                          | 10                          | 40                           |
| 13.     | Mrs. Kajalben J. Dodiya                 | 2000                          | 10                          | 40                           |
| 14.     | Mr. Arifali Vajirali Bhojani            | 14000                         | 10                          | 40                           |
| 15.     | Mrs. Ruksabanu A. Bhojani               | 14000                         | 10                          | 40                           |
| 16.     | Mr. Arvindkumar D. Joshi                | 12000                         | 10                          | 40                           |
| 17.     | Mr. Mohammad Mahendi A. Bhojani         | 14000                         | 10                          | 40                           |
| 18.     | Mr. Bhojani Hasnain Arifali             | 14000                         | 10                          | 40                           |
| 19.     | Mr. Kamleshbhai Sarvaiya                | 2000                          | 10                          | 40                           |
| 20.     | Mrs. Vinaben Prafulbhai Vaghela         | 2000                          | 10                          | 40                           |
| 21.     | Mr. Sanjaybhai Jerambhai Italiya        | 2000                          | 10                          | 40                           |
| 22.     | Mrs. Kinjalben Vipulbhai Navadiya       | 4000                          | 10                          | 40                           |
| 23.     | Mr. Dayabhai Laxmanbhai Navadiya        | 6000                          | 10                          | 40                           |
| 24.     | Mrs. Komalben Bhaveshbhai Sankadasariya | 4000                          | 10                          | 40                           |

| Sr. No. | Name of Allottee                    | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---------|-------------------------------------|-------------------------------|-----------------------------|------------------------------|
| 25.     | Mr. Mohammedreza Sarfaraz Bhimani   | 2000                          | 10                          | 40                           |
| 26.     | Mr. Naushadali Zulfikarali Minsaria | 6000                          | 10                          | 40                           |
| 27.     | Mr. Kalyanbhai Jivrajbhai Anghan    | 6000                          | 10                          | 40                           |
| 28.     | Mrs. Shirinbanu S Nayani            | 14000                         | 10                          | 40                           |
| 29.     | Mr. Munira Naushadali Minsaria      | 8000                          | 10                          | 40                           |
| 30.     | Mrs. Siddikabanu Gulamabbas Ummati  | 6000                          | 10                          | 40                           |
| 31.     | Mr. Joshi Sahil A                   | 8000                          | 10                          | 40                           |
| 32.     | Mrs. Avani M. Joshi                 | 10000                         | 10                          | 40                           |
|         | <b>Total</b>                        | <b>182000</b>                 | <b>10</b>                   | <b>40</b>                    |

- Except allotment of equity shares to subscribers to the Memorandum of Association of our Company against the outstanding Credit Balance of respective Individual Partners' Capital Account and issue of bonus shares, Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, at any point of time since Incorporation.
- Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to 234 of the Companies Act, 2013.
- Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Our Company has made allotment of 4692674 Bonus equity shares on July 22, 2019 in the ratio of 7:1 (7 equity shares for every 1 equity share) and 182000 equity shares ₹ 40 each on right basis on August 30, 2019, in the ratio of 1:28 (1 new equity shares for every 28 equity shares) i.e. at price lower than the Issue Price during past one year from the date of the Prospectus, details of which are as follows;

#### Issue of 4692674 Bonus Shares on July 22, 2019

| Sr. No. | Name of Allottee                  | Category of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) | Reason for Issue                | Reason for Issue Price          |
|---------|-----------------------------------|----------------------|-------------------------------|-----------------------------|------------------------------|---------------------------------|---------------------------------|
| 1.      | Mr. Hemant Chandravadan Bhagat    | Promoter             | 2543009                       | 10                          | -                            | Bonus Allotment to Shareholders | Bonus Allotment to Shareholders |
| 2.      | Mr. Pranav Hemant Bhagat          | Promoter             | 575568                        | 10                          | -                            |                                 |                                 |
| 3.      | Mrs. Padmaben Chandravadan Bhagat | Promoter Group       | 35000                         | 10                          | -                            |                                 |                                 |
| 4.      | Mr. Mahesh Chandravadan Bhagat    | Promoter Group       | 105,000                       | 10                          | -                            |                                 |                                 |
| 5.      | Mrs. Lopa Mahesh Bhagat           | Promoter Group       | 7000                          | 10                          | -                            |                                 |                                 |
| 6.      | Mrs. Chitra Hemant Bhagat         | Promoter Group       | 1122793                       | 10                          | -                            |                                 |                                 |
| 7.      | Ms. Naynaben Chandravadan Bhagat  | Promoter Group       | 28000                         | 10                          | -                            |                                 |                                 |
| 8.      | Mr. Jay Hemantkumar Bhagat        | Promoter Group       | 73150                         | 10                          | -                            |                                 |                                 |
| 9.      | Mrs. Prachi Pranav Bhagat         | Promoter Group       | 73150                         | 10                          | -                            |                                 |                                 |
| 10.     | Hemant C Bhagat HUF               | Promoter Group       | 130004                        | 10                          | -                            |                                 |                                 |
|         | <b>Total</b>                      |                      | <b>4692674</b>                |                             |                              |                                 |                                 |

#### Issue of 182000 equity shares on right basis on August 30, 2019



| Sr. No. | Name of Allottee                        | Category of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) | Reason for Issue  | Reason for Issue Price           |
|---------|---|----------------------|-------------------------------|-----------------------------|------------------------------|---|----------------------------------|
| 1.      | Mrs. Aartiben Kamleshbhai Sarvaiya      | Public               | 2000                          | 10                          | 40                           | To expand equity base of Company for business development | As Decided by Board of Directors |
| 2.      | Mr. Jitendrabhai Joshi                  | Public               | 2000                          | 10                          | 40                           |   |                                  |
| 3.      | Mrs. Kajal Sandipbhai Limbasiya         | Public               | 2000                          | 10                          | 40                           |   |                                  |
| 4.      | Mrs. Nikitaben Tusharbhai Limbasiya     | Public               | 2000                          | 10                          | 40                           |   |                                  |
| 5.      | Mrs. Gitaben V. Kuvadiya                | Public               | 4000                          | 10                          | 40                           |   |                                  |
| 6.      | Mrs. Induben Babulal Shah               | Public               | 2000                          | 10                          | 40                           |   |                                  |
| 7.      | Mrs. Bhanuben Navinchandra Shah         | Public               | 2000                          | 10                          | 40                           |   |                                  |
| 8.      | Mrs. Shardaben Zaverbhai Kevadiya       | Public               | 4000                          | 10                          | 40                           |   |                                  |
| 9.      | Mrs. Hiralben Kishorbhai Kuvadiya       | Public               | 4000                          | 10                          | 40                           |   |                                  |
| 10.     | Mrs. Vaishaliben Jagdishbhai Dodiya     | Public               | 2000                          | 10                          | 40                           |   |                                  |
| 11.     | Mr. Tarkik Zaverbhai Kevadiya           | Public               | 4000                          | 10                          | 40                           |   |                                  |
| 12.     | Mrs. Shitalben Bhaveshbhai Dodiya       | Public               | 2000                          | 10                          | 40                           |   |                                  |
| 13.     | Mrs. Kajalben J. Dodiya                 | Public               | 2000                          | 10                          | 40                           |   |                                  |
| 14.     | Mr. Arifali Vajirali Bhojani            | Public               | 14000                         | 10                          | 40                           |   |                                  |
| 15.     | Mrs. Ruksabanu A. Bhojani               | Public               | 14000                         | 10                          | 40                           |   |                                  |
| 16.     | Mr. Arvindkumar D. Joshi                | Public               | 12000                         | 10                          | 40                           |   |                                  |
| 17.     | Mr. Mohammad Mahendi A. Bhojani         | Public               | 14000                         | 10                          | 40                           |   |                                  |
| 18.     | Mr. Bhojani Hasnain Arifali             | Public               | 14000                         | 10                          | 40                           |   |                                  |
| 19.     | Mr. Kamleshbhai Sarvaiya                | Public               | 2000                          | 10                          | 40                           |   |                                  |
| 20.     | Mrs. Vinaben Prafulbhai Vaghela         | Public               | 2000                          | 10                          | 40                           |   |                                  |
| 21.     | Mr. Sanjaybhai Jerambhai Italiya        | Public               | 2000                          | 10                          | 40                           |   |                                  |
| 22.     | Mrs. Kinjalben Vipulbhai Navadiya       | Public               | 4000                          | 10                          | 40                           |   |                                  |
| 23.     | Mr. Dayabhai Laxmanbhai Navadiya        | Public               | 6000                          | 10                          | 40                           |   |                                  |
| 24.     | Mrs. Komalben Bhaveshbhai Sankadasariya | Public               | 4000                          | 10                          | 40                           |   |                                  |
| 25.     | Mr. Mohammedreza Sarfaraz Bhimani       | Public               | 2000                          | 10                          | 40                           |   |                                  |
| 26.     | Mr. Naushadali Zulfikarali Minsaria     | Public               | 6000                          | 10                          | 40                           |   |                                  |
| 27.     | Mr. Kalyanbhai Jivrajbhai Anghan        | Public               | 6000                          | 10                          | 40                           |   |                                  |
| 28.     | Mrs. Shirinbanu S Nayani                | Public               | 14000                         | 10                          | 40                           |   |                                  |
| 29.     | Mr. Munira Naushadali Minsaria          | Public               | 8000                          | 10                          | 40                           |   |                                  |
| 30.     | Mrs. Siddikabanu Gulamabbas Ummati      | Public               | 6000                          | 10                          | 40                           |   |                                  |
| 31.     | Mr. Joshi Sahil A                       | Public               | 8000                          | 10                          | 40                           |   |                                  |
| 32.     | Mrs. Avani M. Joshi                     | Public               | 10000                         | 10                          | 40                           |   |                                  |
|         |   | <b>Total</b>         | <b>182000</b>                 |                             |                              |   |                                  |

7. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme 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.

#### 8. Our Shareholding Pattern:

The shareholding pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

#### Declaration

| Sr. No. | Particular   | Yes/No | Promoter and Promoter Group | Public shareholder | Non Promoter-Non Public |
|---------|--|--------|-----------------------------|--------------------|-------------------------|
| 1.      | Whether the Company has issued any partly paid up shares?                        | No     | No                          | No                 | No                      |
| 2.      | Whether the Company has issued any Convertible Securities?                       | No     | No                          | No                 | No                      |
| 3.      | Whether the Company has issued any Warrants?                                     | No     | No                          | No                 | No                      |
| 4.      | Whether the Company has any shares against which depository receipts are issued? | No     | No                          | No                 | No                      |
| 5.      | Whether the Company has any shares in locked-in?*                                | No     | No                          | No                 | No                      |
| 6.      | Whether any shares held by promoters are pledge or otherwise encumbered?         | No     | No                          | NA                 | NA                      |
| 7.      | Whether company has equity shares with differential voting rights?               | No     | No                          | No                 | No                      |

\* All Pre-IPO Equity Shares of our Company will be locked-in prior to listing of shares on SME Platform of BSE Limited.

(A). Table I - Summary Statement holding of specified securities

| Sr. No. (I)  | Category of shareholder (II)   | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | 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 (IX) |                           |                | No of shares Underlying Outstanding convertible securities (Including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2) | Number of Locked in shares (XII)* |          | Number of shares pledged or otherwise encumbered (XIII) |             | Number of equity shares held in dematerialized form |                                 |
|--|--------------------------------|----------------------------|--|--|---|--|---|---|---------------------------|----------------|---|--|-----------------------------------|----------|---|-------------|---|---------------------------------|
|  |                                |                            |  |  |   |  |   | Class eg: X   | No of Voting (XIV) Rights |                |   |  | Total as a % of (A+B+C)           | No. (a)  | As a % of total shares held (b)                         | No. (a)     |   | As a % of total shares held (b) |
|  |                                |                            |  |  |   |  |   |   | Class eg: Y               |                |   |  |                                   |          |   |             |   |                                 |
| (A)  | Promoter & Promoter Group      | 10                         | 5313056                                      | 0  | 0   | 5313056                                      | 95.82   | 5313056   | 0                         | 5313056        | 95.82   | 0  | 95.82                             | 0        | 0.00  | 0           | 0.00  | 5313056                         |
| (B)  | Public                         | 42                         | 232000                                       | 0  | 0   | 232000                                       | 4.18  | 232000  | 0                         | 232000         | 4.18  | 0  | 4.18                              | 0        | 0.00  | N.A.        | N.A.  | 232000                          |
| (C)  | Non Promoter-Non Public        |                            |  |  |   |  |   |   |                           |                |   |  |                                   |          |   |             |   |                                 |
| (C1)   | Shares underlying DRs          | 0                          | 0  | 0  | 0   | 0  | NA  | 0   | 0                         | 0              | 0   | 0  | 0                                 | 0        | 0.00  | N.A.        | N.A.  | 0                               |
| (C2)   | Shares held by Employee Trusts | 0                          | 0  | 0  | 0   | 0  | 0   | 0   | 0                         | 0              | 0   | 0  | 0                                 | 0        | 0.00  | N.A.        | N.A.  | 0                               |
|  | <b>Total</b>                   | <b>52</b>                  | <b>5545056</b>                               | <b>0</b>                                     | <b>0</b>  | <b>5545056</b>                               | <b>100.00</b>   | <b>5545056</b>  | <b>0</b>                  | <b>5545056</b> | <b>100.00</b>   | <b>0</b>   | <b>100.00</b>                     | <b>0</b> | <b>0.00</b>   | <b>N.A.</b> | <b>N.A.</b>   | <b>5545056</b>                  |
| <b>Note:</b>   |                                |                            |  |  |   |  |   |   |                           |                |   |  |                                   |          |   |             |   |                                 |
| * All Pre-IPO Equity Shares of our Company will be locked-in as mentioned above prior to listing of shares on SME Platform of BSE Limited. |                                |                            |  |  |   |  |   |   |                           |                |   |  |                                   |          |   |             |   |                                 |

**(B). Table II - Statement showing shareholding pattern of the Promoters and Promoters' Group**

| Sr. No. (I) | Category of shareholder (II)       | Nos. of shares held (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Share holding as a % of total no. of shares (calculated as per SCRR, 1957), As a % of (A+B+C2) (VIII) | Number of Voting Rights held in each class of securities (IX) |             |         | No of shares Underlying Outstanding convertible securities (Including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2) | Number of Locked in shares (XII)* |         | Number of shares pledged or otherwise encumbered (XIII) |         | Number of equity shares held in dematerialized form |                                 |
|-------------|------------------------------------|---------------------------|--|--|---|--|---|---|-------------|---------|---|--|-----------------------------------|---------|---|---------|---|---------------------------------|
|             |                                    |                           |  |  |   |  |   | No of Voting (XIV) Rights                                     |             |         |   |  | Total as a % of (A+B+C)           | No. (a) | As a % of total shares held (b)                         | No. (a) |   | As a % of total shares held (b) |
|             |                                    |                           |  |  |   |  |   | Class eg: X   | Class eg: y | Total   |   |  |                                   |         |   |         |   |                                 |
| (1)         | <b>Indian</b>                      |                           |  |  |   |  |   |   |             |         |   |  |                                   |         |   |         |   |                                 |
| (a)         | Individuals/Hindu undivided Family | 8                         | 5235056                                      | 0  | 0   | 5235056                                      | 94.41   | 5235056   | 0           | 5235056 | 94.91   | 0  | 94.41                             | 0       | 0.00  | 0       | 0.00  | 5235056                         |
| 1           | Mr. Hemant Chandravadan Bhagat     | -                         | 2906296                                      | 0  | 0   | 2906296                                      | 52.41   | 2906296   | 0           | 2906296 | 52.41   | 0  | 52.41                             | 0       | 0.00  | 0       | 0.00  | 2906296                         |
| 2           | Mr. Pranav Hemant Bhagat           | -                         | 657792                                       | 0  | 0   | 657792                                       | 11.86   | 657792  | 0           | 657792  | 11.86   | 0  | 11.86                             | 0       | 0.00  | 0       | 0.00  | 657792                          |
| 3           | Mrs. Prachi Pranav Bhagat          | -                         | 83600  | 0  | 0   | 83600  | 1.51  | 83600   | 0           | 83600   | 1.51  | 0  | 1.51                              | 0       | 0.00  | 0       | 0.00  | 83600                           |
| 4           | Mrs. Padmaben Chandravadan Bhagat  | -                         | 40000  | 0  | 0   | 40000  | 0.72  | 40000   | 0           | 40000   | 0.72  | 0  | 0.72                              | 0       | 0.00  | 0       | 0.00  | 40000                           |
| 5           | Mrs. Chitra Hemant Bhagat          | -                         | 1233192                                      | 0  | 0   | 1233192                                      | 22.24   | 1233192   | 0           | 1233192 | 22.24   | 0  | 22.24                             | 0       | 0.00  | 0       | 0.00  | 1233192                         |
| 6           | Ms. Naynaben Chandravadan Bhagat   | -                         | 32000  | 0  | 0   | 32000  | 0.58  | 32000   | 0           | 32000   | 0.58  | 0  | 0.58                              | 0       | 0.00  | 0       | 0.00  | 32000                           |
| 7           | Mr. Jay Hemantkumar Bhagat         | -                         | 83600  | 0  | 0   | 83600  | 1.51  | 83600   | 0           | 83600   | 1.51  | 0  | 1.51                              | 0       | 0.00  | 0       | 0.00  | 83600                           |

|     |   |           |                |          |          |                |              |                |          |                |              |          |              |          |             |          |             |                |
|-----|---|-----------|----------------|----------|----------|----------------|--------------|----------------|----------|----------------|--------------|----------|--------------|----------|-------------|----------|-------------|----------------|
| 8   | Hemant C Bhagat HUF   | -         | 148576         | 0        | 0        | 148576         | 2.68         | 148576         | 0        | 148576         | 2.68         | 0        | 2.68         | 0        | 0.00        | 0        | 0.00        | 148576         |
| (b) | Central Government/ State Government(s)   | 0         | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        | 0              | 0.00         | 0        | 0.00         | 0        | 0.00        | 0        | 0.00        | 0              |
| (c) | Financial Institutions/ Banks   | 0         | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        | 0              | 0.00         | 0        | 0.00         | 0        | 0.00        | 0        | 0.00        | 0              |
| (d) | Any Other (specify)   | 0         | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        | 0              | 0.00         | 0        | 0.00         | 0        | 0.00        | 0        | 0.00        | 0              |
|     | <b>Sub-Total (A)(1)</b>   | <b>8</b>  | <b>5185056</b> | <b>0</b> | <b>0</b> | <b>5185056</b> | <b>93.51</b> | <b>5185056</b> | <b>0</b> | <b>5185056</b> | <b>93.51</b> | <b>0</b> | <b>93.51</b> | <b>0</b> | <b>0.00</b> | <b>0</b> | <b>0.00</b> | <b>5185056</b> |
| (2) | Foreign   |           |                |          |          |                |              |                |          |                |              |          |              |          |             |          |             |                |
| (a) | Individuals (Non Resident & Foreign Individuals)  | 2         | 128000         | 0        | 0        | 128000         | 2.31         | 128000         | 0        | 128000         | 2.31         | 0        | 2.31         | 0        | 0.00        | 0        | 0.00        | 128000         |
| 1   | Mr. Mahesh Chandravadan Bhagat  | -         | 120000         | 0        | 0        | 120000         | 2.17         | 120000         | 0        | 120000         | 2.17         | 0        | 2.17         | 0        | 0.00        | 0        | 0.00        | 120000         |
| 2   | Mrs. Lopa Mahesh Bhagat   | -         | 8000           | 0        | 0        | 8000           | 0.15         | 8000           | 0        | 8000           | 0.15         | 0        | 0.15         | 0        | 0.00        | 0        | 0.00        | 8000           |
| (b) | Government  | 0         | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        | 0              | 0.00         | 0        | 0.00         | 0        | 0.00        | 0        | 0.00        | 0              |
| (c) | Institutions  | 0         | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        | 0              | 0.00         | 0        | 0.00         | 0        | 0.00        | 0        | 0.00        | 0              |
| (d) | Foreign Portfolio Investor  | 0         | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        | 0              | 0.00         | 0        | 0.00         | 0        | 0.00        | 0        | 0.00        | 0              |
| (e) | Any Other (specify)   | 0         | 0              | 0        | 0        | 0              | 0.00         | 0              | 0        | 0              | 0.00         | 0        | 0.00         | 0        | 0.00        | 0        | 0.00        | 0              |
|     | <b>Sub-Total (A)(2)</b>   | <b>2</b>  | <b>128000</b>  | <b>0</b> | <b>0</b> | <b>128000</b>  | <b>2.31</b>  | <b>128000</b>  | <b>0</b> | <b>128000</b>  | <b>0.00</b>  | <b>0</b> | <b>0.00</b>  | <b>0</b> | <b>0.00</b> | <b>0</b> | <b>0.00</b> | <b>128000</b>  |
|     | <b>Total Shareholding (A)=(A)(1)+(A)(2)</b>   | <b>10</b> | <b>5313056</b> | <b>0</b> | <b>0</b> | <b>5313056</b> | <b>95.82</b> | <b>5313056</b> | <b>0</b> | <b>5313056</b> | <b>95.82</b> | <b>0</b> | <b>95.82</b> | <b>0</b> | <b>0.00</b> | <b>0</b> | <b>0.00</b> | <b>5313056</b> |
|     | <b>Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A</b> |           |                |          |          |                |              |                |          |                |              |          |              |          |             |          |             |                |
|     | <b>Note:</b>  |           |                |          |          |                |              |                |          |                |              |          |              |          |             |          |             |                |
|     | PAN of the Shareholders will be provided by our Company to the Stock Exchange but would not be displayed on website of Stock Exchange(s).   |           |                |          |          |                |              |                |          |                |              |          |              |          |             |          |             |                |
|     | The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.   |           |                |          |          |                |              |                |          |                |              |          |              |          |             |          |             |                |
| *   | All Pre-IPO Equity Shares of our Company will be locked-in as mentioned above prior to listing of shares on SME Platform of BSE Limited.  |           |                |          |          |                |              |                |          |                |              |          |              |          |             |          |             |                |

(C). Table III - Statement showing shareholding pattern of the Public shareholder

| Sr. No. (I) | Category of shareholder (II)      | No. of shareholders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) |                           |          | No. of shares Underlying Outstanding convertible securities (Including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2) | Number of Locked in shares (XII)* |          | Number of shares pledged or otherwise encumbered (XIII) |             | Number of equity shares held in dematerialized form |                                 |
|-------------|-----------------------------------|---------------------------|--|--|---|--|---|---|---------------------------|----------|--|--|-----------------------------------|----------|---|-------------|---|---------------------------------|
|             |                                   |                           |  |  |   |  |   | Class eg: X   | No of Voting (XIV) Rights |          |  |  | Total as a % of (A+B+C)           | No. (a)  | As a % of total shares held (b)                         | No. (a)     |   | As a % of total shares held (b) |
|             |                                   |                           |  |  |   |  |   |   | Class eg: Y               | Total    |  |  |                                   |          |   |             |   |                                 |
| (1)         | <b>Institutions</b>               |                           |  |  |   |  |   |   |                           |          |  |  |                                   |          |   |             |   |                                 |
| (a)         | Mutual Funds                      | 0                         | 0  | 0  | 0   | 0  | 0.00  | 0   | 0                         | 0        | 0.00   | 0  | 0.00                              | 0        | 0.00  | N.A.        | N.A.  | 0                               |
| (b)         | Venture Capital Funds             | 0                         | 0  | 0  | 0   | 0  | 0.00  | 0   | 0                         | 0        | 0.00   | 0  | 0.00                              | 0        | 0.00  | N.A.        | N.A.  | 0                               |
| (c)         | Alternate Investment Funds        | 0                         | 0  | 0  | 0   | 0  | 0.00  | 0   | 0                         | 0        | 0.00   | 0  | 0.00                              | 0        | 0.00  | N.A.        | N.A.  | 0                               |
| (d)         | Foreign Venture Capital Investors | 0                         | 0  | 0  | 0   | 0  | 0.00  | 0   | 0                         | 0        | 0.00   | 0  | 0.00                              | 0        | 0.00  | N.A.        | N.A.  | 0                               |
| (e)         | Foreign Portfolio Investors       | 0                         | 0  | 0  | 0   | 0  | 0.00  | 0   | 0                         | 0        | 0.00   | 0  | 0.00                              | 0        | 0.00  | N.A.        | N.A.  | 0                               |
| (f)         | Financial Institutions/Banks      | 0                         | 0  | 0  | 0   | 0  | 0.00  | 0   | 0                         | 0        | 0.00   | 0  | 0.00                              | 0        | 0.00  | N.A.        | N.A.  | 0                               |
| (g)         | Insurance Companies               | 0                         | 0  | 0  | 0   | 0  | 0.00  | 0   | 0                         | 0        | 0.00   | 0  | 0.00                              | 0        | 0.00  | N.A.        | N.A.  | 0                               |
| (h)         | Provident Funds/Pension Funds     | 0                         | 0  | 0  | 0   | 0  | 0.00  | 0   | 0                         | 0        | 0.00   | 0  | 0.00                              | 0        | 0.00  | N.A.        | N.A.  | 0                               |
| (i)         | Any Other (specify)               | 0                         | 0  | 0  | 0   | 0  | 0.00  | 0   | 0                         | 0        | 0.00   | 0  | 0.00                              | 0        | 0.00  | N.A.        | N.A.  | 0                               |
|             | <b>Sub-Total (B)(1)</b>           | <b>0</b>                  | <b>0</b>                                     | <b>0</b>                                     | <b>0</b>  | <b>0</b>                                     | <b>0.00</b>   | <b>0</b>  | <b>0</b>                  | <b>0</b> | <b>0.00</b>  | <b>0</b>   | <b>0.00</b>                       | <b>0</b> | <b>0.00</b>   | <b>N.A.</b> | <b>N.A.</b>   | <b>0</b>                        |

|  |   |           |               |          |          |               |             |               |          |          |             |          |             |          |             |             |             |               |
|--|---|-----------|---------------|----------|----------|---------------|-------------|---------------|----------|----------|-------------|----------|-------------|----------|-------------|-------------|-------------|---------------|
| (2)  | Central Government/<br>State Government(s)/<br>President of India   | 0         | 0             | 0        | 0        | 0             | 0.00        | 0             | 0        | 0        | 0.00        | 0        | 0.00        | 0        | 0.00        | N.A.        | N.A.        | 0             |
|  | <b>Sub-Total (B)(2)</b>   | <b>0</b>  | <b>0</b>      | <b>0</b> | <b>0</b> | <b>0</b>      | <b>0.00</b> | <b>0</b>      | <b>0</b> | <b>0</b> | <b>0.00</b> | <b>0</b> | <b>0.00</b> | <b>0</b> | <b>0.00</b> | <b>N.A.</b> | <b>N.A.</b> | <b>0</b>      |
| (3)  | <b>Non-institutions</b>   |           |               |          |          |               |             |               |          |          |             |          |             |          |             |             |             |               |
| (a<br>i))  | Individuals -<br>i. Individual<br>shareholders holding<br>nominal share capital<br>up to ₹ 2 lakhs.                                       | 42        | 232000        | 0        | 0        | 232000        | 4.18        | 232000        | 0        | 0        | 4.18        | 0        | 4.18        | 0        | 0.00        | N.A.        | N.A.        | 232000        |
| (a<br>ii))   | Individuals -<br>ii. Individual<br>shareholders holding<br>nominal share capital<br>in excess of ₹ 2 lakhs.                               | 0         | 0             | 0        | 0        | 0             | 0.00        | 0             | 0        | 0        | 0           | 0        | 0.00        | 0        | 0.00        | N.A.        | N.A.        | 0             |
| (b)  | NBFCs registered<br>with RBI  | 0         | 0             | 0        | 0        | 0             | 0.00        | 0             | 0        | 0        | 0.00        | 0        | 0.00        | 0        | 0.00        | N.A.        | N.A.        | 0             |
| (c)  | Employee Trusts   | 0         | 0             | 0        | 0        | 0             | 0.00        | 0             | 0        | 0        | 0.00        | 0        | 0.00        | 0        | 0.00        | N.A.        | N.A.        | 0             |
| (d)  | Overseas Depositories<br>(holding DRs)<br>(balancing figure)  | 0         | 0             | 0        | 0        | 0             | 0.00        | 0             | 0        | 0        | 0.00        | 0        | 0.00        | 0        | 0.00        | N.A.        | N.A.        | 0             |
| (e)  | Any Other (specify)   | 0         | 0             | 0        | 0        | 0             | 0.00        | 0             | 0        | 0        | 0.00        | 0        | 0.00        | 0        | 0.00        | N.A.        | N.A.        | 0             |
|  | <b>Sub-Total (B)(3)</b>   | <b>0</b>  | <b>0</b>      | <b>0</b> | <b>0</b> | <b>0</b>      | <b>0.00</b> | <b>0</b>      | <b>0</b> | <b>0</b> | <b>0.00</b> | <b>0</b> | <b>0.00</b> | <b>0</b> | <b>0.00</b> | <b>N.A.</b> | <b>N.A.</b> | <b>0</b>      |
|  | <b>Total Public<br/>Shareholding<br/>(B)=(B)(1)+(B)(2)+(<br/>B)(3)</b>  | <b>42</b> | <b>232000</b> | <b>0</b> | <b>0</b> | <b>232000</b> | <b>4.18</b> | <b>232000</b> | <b>0</b> | <b>0</b> | <b>4.18</b> | <b>0</b> | <b>4.18</b> | <b>0</b> | <b>0.00</b> | <b>N.A.</b> | <b>N.A.</b> | <b>232000</b> |
| <b>Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): - N.A</b>  |   |           |               |          |          |               |             |               |          |          |             |          |             |          |             |             |             |               |
| <b>Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A.</b> |   |           |               |          |          |               |             |               |          |          |             |          |             |          |             |             |             |               |
| <b>Note:</b>   |   |           |               |          |          |               |             |               |          |          |             |          |             |          |             |             |             |               |
|  | PAN of the Shareholders will be provided by our Company to the Stock Exchange but would not be displayed on website of Stock Exchange(s). |           |               |          |          |               |             |               |          |          |             |          |             |          |             |             |             |               |
| *  | All Pre-IPO Equity Shares of our Company will be locked-in as mentioned above prior to listing of shares on SME Platform of BSE Limited.  |           |               |          |          |               |             |               |          |          |             |          |             |          |             |             |             |               |

(D). Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

| Sr. No. (I) | Category of shareholder (II)   | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) |             |          | No of shares Underlying Outstanding convertible securities (Including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2) | Number of Locked in shares (XII) |          | Number of shares pledged or otherwise encumbered (XIII) |             | Number of equity shares held in dematerialized form |                                 |
|-------------|--|----------------------------|--|--|---|--|---|---|-------------|----------|---|--|----------------------------------|----------|---|-------------|---|---------------------------------|
|             |  |                            |  |  |   |  |   | No of Voting (XIV) Rights                                     |             |          |   |  | Total as a % of (A+B+C)          | No. (a)  | As a % of total shares held (b)                         | No. (a)     |   | As a % of total shares held (b) |
|             |  |                            |  |  |   |  |   | Class eg: X   | Class eg: Y | Total    |   |  |                                  |          |   |             |   |                                 |
| (1)         | Custodian/DR Holder - Name of DR Holders (If Available)                              | 0                          | 0  | 0  | 0   | 0  | 0.00  | 0   | 0           | 0        | 0.00  | 0  | 0.00                             | 0        | 0.00  | N.A.        | N.A.  | 0                               |
| (2)         | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0                          | 0  | 0  | 0   | 0  | 0.00  | 0   | 0           | 0        | 0.00  | 0  | 0.00                             | 0        | 0.00  | N.A.        | N.A.  | 0                               |
|             | <b>Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)</b>                | <b>0</b>                   | <b>0</b>                                     | <b>0</b>                                     | <b>0</b>  | <b>0</b>                                     | <b>0.00</b>   | <b>0</b>  | <b>0</b>    | <b>0</b> | <b>0.00</b>   | <b>0.00</b>  | <b>0.00</b>                      | <b>0</b> | <b>0.00</b>   | <b>N.A.</b> | <b>N.A.</b>   | <b>0.00</b>                     |

Our Company will file shareholding pattern of our Company in the format prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of BSE before commencement of trading of such equity shares.



9. The shareholding pattern of our Promoters and Promoters' Group and public before and after the Issue:

| Sr. No.   | Name of share holder                    | Pre issue            |                           | Post issue           |                           |
|---|---|----------------------|---------------------------|----------------------|---------------------------|
|   |   | No. of equity shares | As a % of Issued Capital* | No. of equity shares | As a % of Issued Capital* |
| <b>Promoters</b>                                |   |                      |                           |                      |                           |
| 1.  | Mr. Hemant Chandravadan Bhagat          | 2906296              | 52.41                     | 2906296              | 38.52                     |
| 2.  | Mr. Pranav Hemant Bhagat                | 657792               | 11.86                     | 657792               | 8.72                      |
| <b>Sub Total</b>                                |   | <b>3564088</b>       | <b>64.27</b>              | <b>3564088</b>       | <b>47.12</b>              |
| <b>Promoters' Group</b>                         |   |                      |                           |                      |                           |
| 3.  | Mrs. Prachi Pranav Bhagat               | 83600                | 1.51                      | 83600                | 1.11                      |
| 4.  | Mrs. Padmaben Chandravadan Bhagat       | 40000                | 0.72                      | 40000                | 0.53                      |
| 5.  | Mr. Mahesh Chandravadan Bhagat          | 120000               | 2.16                      | 120000               | 1.59                      |
| 6.  | Mrs. Lopa Mahesh Bhagat                 | 8000                 | 0.14                      | 8000                 | 0.11                      |
| 7.  | Mrs. Chitra Hemant Bhagat               | 1233192              | 22.24                     | 1233192              | 16.34                     |
| 8.  | Ms. Naynaben Chandravadan Bhagat        | 32000                | 0.58                      | 32000                | 0.42                      |
| 9.  | Mr. Jay Hemantkumar Bhagat              | 83600                | 1.51                      | 83600                | 1.11                      |
| 10.   | Hemant C Bhagat HUF                     | 148576               | 2.68                      | 148576               | 1.97                      |
| <b>Sub Total</b>                                |   | <b>1748968</b>       | <b>31.54</b>              | <b>1748968</b>       | <b>23.18</b>              |
| <b>Total Promoters and Promoters' Group (A)</b> |   | <b>5313056</b>       | <b>95.82</b>              | <b>5313056</b>       | <b>70.42</b>              |
| <b>Public -</b>                                 |   |                      |                           |                      |                           |
| 11.   | Other than promoter and promoters group | 232000               | 4.18                      | 232000               | 3.07                      |
| <b>Total-B</b>                                  |   | <b>232000</b>        | <b>4.18</b>               | <b>232000</b>        | <b>3.07</b>               |
| <b>Equity prior to IPO (A+B)</b>                |   | <b>5545056</b>       | <b>100.00</b>             | <b>5545056</b>       | <b>73.49</b>              |
| 12.   | <b>Initial Public Offer</b>             | 0                    | 0.00                      | 2000000              | 26.51                     |
| <b>Total-C</b>                                  |   | <b>0</b>             | <b>0.00</b>               | <b>2000000</b>       | <b>26.51</b>              |
| <b>Grand Total (A+B+C)</b>                      |   | <b>5545056</b>       | <b>100.00</b>             | <b>7545056</b>       | <b>100.00</b>             |

\* Rounded off

10. Details of Major Shareholders:

(A) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Prospectus:

| Sr. No. | Name of shareholders           | No. of Equity Shares held* | % of Paid up Capital# |
|---------|--------------------------------|----------------------------|-----------------------|
| 1.      | Mr. Hemant Chandravadan Bhagat | 2906296                    | 52.41                 |
| 2.      | Mr. Pranav Hemant Bhagat       | 657792                     | 11.86                 |
| 3.      | Mrs. Prachi Pranav Bhagat      | 83600                      | 1.51                  |
| 4.      | Mr. Mahesh Chandravadan Bhagat | 120000                     | 2.16                  |
| 5.      | Mrs. Chitra Hemant Bhagat      | 1233192                    | 22.24                 |
| 6.      | Mr. Jay Hemantkumar Bhagat     | 83600                      | 1.51                  |
| 7.      | Hemant C Bhagat HUF            | 148576                     | 2.68                  |

\* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Prospectus.

# the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.

(B) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date two years prior to the date of the Prospectus:

| Sr. No. | Name of shareholders              | No. of Equity Shares held* | % of Paid up Capital# |
|---------|-----------------------------------|----------------------------|-----------------------|
| 1.      | Mr. Hemant Chandravadan Bhagat    | 182000                     | 43.54                 |
| 2.      | Mahesh Chandravadan Bhagat        | 88000                      | 21.05                 |
| 3.      | Mrs. Chitra Hemant Bhagat         | 55000                      | 13.16                 |
| 4.      | Mrs. Padmaben Chandravadan Bhagat | 40000                      | 9.57                  |
| 5.      | Mr. Chandravadan Chhotalal Bhagat | 25000                      | 5.98                  |

| Sr. No. | Name of shareholders             | No. of Equity Shares held* | % of Paid up Capital# |
|---------|----------------------------------|----------------------------|-----------------------|
| 6.      | Mr. Mahesh Chandravadan Bhagat   | 15000                      | 3.59                  |
| 7.      | Ms. Naynaben Chandravadan Bhagat | 8000                       | 1.91                  |

\* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Prospectus.

# the % has been calculated based on the then existing Paid up Capital of the Company.

**(C) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of the Prospectus:**

| Sr. No. | Name of shareholders           | No. of Equity Shares held* | % of Paid up Capital# |
|---------|--------------------------------|----------------------------|-----------------------|
| 1.      | Mr. Hemant Chandravadan Bhagat | 332335                     | 61.88                 |
| 2.      | Mr. Pranav Hemant Bhagat       | 82224                      | 15.31                 |
| 3.      | Mr. Mahesh Chandravadan Bhagat | 15000                      | 2.79                  |
| 4.      | Mrs. Prachi Pranav Bhagat      | 10450                      | 1.95                  |
| 5.      | Mr. Jay Hemantkumar Bhagat     | 10450                      | 1.95                  |
| 6.      | Mrs. Chitra Hemant Bhagat      | 58019                      | 10.80                 |
| 7.      | Hemant C Bhagat HUF            | 18572                      | 3.46                  |

\* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Prospectus.

# the % has been calculated based on the then existing Paid up Capital of the Company.

**(D) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Prospectus:**

| Sr. No. | Name of shareholders           | No. of Equity Shares held* | % of Paid up Capital# |
|---------|--------------------------------|----------------------------|-----------------------|
| 1.      | Mr. Hemant Chandravadan Bhagat | 2906296                    | 52.41                 |
| 2.      | Mr. Pranav Hemant Bhagat       | 657792                     | 11.86                 |
| 3.      | Mrs. Prachi Pranav Bhagat      | 83600                      | 1.51                  |
| 4.      | Mr. Mahesh Chandravadan Bhagat | 120000                     | 2.16                  |
| 5.      | Mrs. Chitra Hemant Bhagat      | 1233192                    | 22.24                 |
| 6.      | Mr. Jay Hemantkumar Bhagat     | 83600                      | 1.51                  |
| 7.      | Hemant C Bhagat HUF            | 148576                     | 2.68                  |

\* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Prospectus.

# the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.

11. 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 Prospectus until the Equity Shares of our Company have been listed or refund of application monies in pursuance of the Prospectus. Further, our Company may alter its capital structure by way of split / consolidation of the denomination of Equity Shares or issue of equity shares on a preferential basis or issue of bonus or rights or further public issue of equity shares or qualified institutions placement, within a period of six months from the date of opening of the present issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose, as the Board 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.

**12. Shareholding of the Promoters of our Company:**

As on the date of the Prospectus, our Promoters – Mr. Hemant Chandravadan Bhagat and Mr. Pranav Hemant Bhagat hold total 3564088 Equity Shares representing 64.28% of the pre-issue paid up equity share capital of our Company. The build-up of equity shareholding of Promoters of our Company are as follows:

| MR. HEMANT CHANDRAVADAN BHAGAT   |                                      |                         |                                 |                             |  |                                 |                        |                         |
|----------------------------------|--------------------------------------|-------------------------|---------------------------------|-----------------------------|--|---------------------------------|------------------------|-------------------------|
| Date of Allotment / Transfer     | Nature of Issue Allotment / Transfer | Number of Equity shares | Cumulative No. of Equity Shares | Face Value (in ₹) per share | Issue/ Transfer Price (in ₹) per share | Total Consideration Paid (in ₹) | % of Pre Issue Capital | % of post issue Capital |
| April 1, 2003 (on Incorporation) | Subscription to Memorandum           | 5000                    | 5000                            | 10                          | 100                                    | 500000                          | 0.09                   | 0.07                    |
| April 1, 2003                    | Preferential Allotment               | 137000                  | 142000                          | 10                          | 100                                    | 13700000                        | 2.47                   | 1.82                    |
| April 17, 2013                   | Preferential Allotment               | 40000                   | 182000                          | 10                          | 125                                    | 5000000                         | 0.72                   | 0.53                    |
| April 4, 2018                    | Transfer (Acquisition)               | 35100 <sup>1</sup>      | 217100                          | 10                          | 10                                     | 351000                          | 0.63                   | 0.47                    |
| April 4, 2018                    | Transfer (Acquisition)               | 28900 <sup>1</sup>      | 246000                          | 10                          | 10                                     | 289000                          | 0.52                   | 0.38                    |
| April 9, 2018                    | Transfer (Disposal)                  | -35100 <sup>2</sup>     | 210900                          | 10                          | 10                                     | -351000                         | -0.63                  | -0.47                   |
| June 25, 2018                    | Allotment on Right Basis             | 33335                   | 244235                          | 10                          | 210                                    | 7000350                         | 0.60                   | 0.44                    |
| January 12, 2019                 | Gift (Acquisition)                   | 88000 <sup>3</sup>      | 332235                          | 10                          | 0                                      | 0                               | 1.59                   | 1.17                    |
| January 12, 2019                 | Transfer (Acquisition)               | 100                     | 332335                          | 10                          | 10                                     | 1000                            | 0.00                   | 0.00                    |
| March 30, 2019                   | Allotment on Right Basis             | 30952                   | 363287                          | 10                          | 210                                    | 6499920                         | 0.56                   | 0.41                    |
| July 22, 2019                    | Allotment of Bonus equity shares     | 2543009                 | 2906296                         | 10                          | 0                                      | 0                               | 45.86                  | 33.70                   |
| <b>Total</b>                     |                                      | <b>2906296</b>          |                                 |                             |  | <b>32990270</b>                 | <b>52.41</b>           | <b>38.52</b>            |

<sup>1</sup> Mr. Hemant Bhagat had acquired 60000 equity share from Mrs. Padma Chandravadan Bhagat and 4000 equity shares from Mrs. Nayana Chandravadan Bhagat on April 4, 2018. Out of 64000 equity shares acquired, 35100 equity shares are transferred as per information mentioned in point <sup>2</sup>. Therefore in the table above acquisition of 64000 equity shares are bifurcated in shares acquired and transferred (35100 equity shares) and shares acquired and kept in holding (28900 equity shares).

<sup>2</sup> On April 9, 2018 Mr. Hemant C Bhagat had transferred 10450 equity shares to Mr. Jay Hemant Bhagat, 10450 equity shares to Mrs. Prachi Pranav Bhagat, 14100 equity shares Mr. Pranav Hemant Bhagat and 100 equity shares to Hemant C Bhagat HUF.

<sup>3</sup> Mr. Hemant C Bhagat has received 88000 equity shares from Mr. Mahesh C Bhagat.

| MR. PRANAV HEMANT BHAGAT     |                                      |                         |                                 |                             |  |                                 |                        |                         |
|------------------------------|--------------------------------------|-------------------------|---------------------------------|-----------------------------|--|---------------------------------|------------------------|-------------------------|
| Date of Allotment / Transfer | Nature of Issue Allotment / Transfer | Number of Equity shares | Cumulative No. of Equity Shares | Face Value (in ₹) per share | Issue/ Transfer Price (in ₹) per share | Total Consideration Paid (in ₹) | % of Pre Issue Capital | % of post issue Capital |
| April 1, 2003                | Preferential Allotment               | 4000                    | 4000                            | 10                          | 100                                    | 400000                          | 0.07                   | 0.05                    |
| April 9, 2018                | Transfer (Acquisition)               | 58700 <sup>1</sup>      | 62700                           | 10                          | 10                                     | 587000                          | 1.06                   | 0.78                    |
| June 25, 2018                | Allotment on Right Basis             | 19524                   | 82224                           | 10                          | 210                                    | 4100040                         | 0.35                   | 0.26                    |
| July 22, 2019                | Allotment of Bonus equity shares     | 575568                  | 657792                          | 10                          | 0                                      | 0                               | 10.38                  | 7.63                    |
| <b>Total</b>                 |                                      | <b>657792</b>           |                                 |                             |  | <b>5087040</b>                  | <b>11.86</b>           | <b>8.72</b>             |

<sup>1</sup> Mr. Pranav Hemant Bhagat had acquired 14100 equity shares from Mr. Hemant C Bhagat and 44600 equity shares from Mrs. Chitra Hemant Bhagat on April 9, 2018.

All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself. Further, none of the Equity Shares held by our Promoters are subject to any pledge.

13. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

| Sr. No. | Name of Promoters              | No. of Equity Shares held | Average Cost of Acquisition per equity share (in ₹) |
|---------|--------------------------------|---------------------------|---|
| 1.      | Mr. Hemant Chandravadan Bhagat | 2906296                   | 11.35   |
| 2.      | Mr. Pranav Hemant Bhagat       | 657792                    | 7.73  |

The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the Prospectus.

14. We have 52 (Fifty Two) shareholders as on the date of filing of the Prospectus.

15. As on the date of the Prospectus, our Promoters and Promoters' Group hold total 5313056 Equity Shares representing 95.82% of the pre-issue paid up share capital of our Company.

16. Except provided below, none of our shareholders belonging to Promoters and Promoters' Group, Directors and their relatives have purchased or sold the Equity Shares of our Company during the past six months immediately preceding the date of filing the Prospectus;

| Sr. No. | Date of Allotment | Name of Allottees/ Transferor     | Category         | Nature                    | Name of Transferee | Category | No. of Equity Shares | Amount per Equity share (in ₹) |
|---------|-------------------|-----------------------------------|------------------|---------------------------|--------------------|----------|----------------------|--------------------------------|
| 1.      | July 22, 2019     | Mr. Hemant Chandravadan Bhagat    | Promoter         | Allotment of Bonus Shares | N.A.               | N.A.     | 2543009              | NA                             |
| 2.      | July 22, 2019     | Mr. Pranav Hemant Bhagat          | Promoter         | Allotment of Bonus Shares | N.A.               | N.A.     | 575568               | NA                             |
| 3.      | July 22, 2019     | Mrs. Prachi Pranav Bhagat         | Promoters' Group | Allotment of Bonus Shares | N.A.               | N.A.     | 73150                | NA                             |
| 4.      | July 22, 2019     | Mrs. Padmaben Chandravadan Bhagat | Promoters' Group | Allotment of Bonus Shares | N.A.               | N.A.     | 35000                | NA                             |
| 5.      | July 22, 2019     | Mr. Mahesh Chandravadan Bhagat    | Promoters' Group | Allotment of Bonus Shares | N.A.               | N.A.     | 105000               | NA                             |
| 6.      | July 22, 2019     | Mrs. Lopa Mahesh Bhagat           | Promoters' Group | Allotment of Bonus Shares | N.A.               | N.A.     | 7000                 | NA                             |
| 7.      | July 22, 2019     | Mrs. Chitra Hemant Bhagat         | Promoters' Group | Allotment of Bonus Shares | N.A.               | N.A.     | 1122793              | NA                             |
| 8.      | July 22, 2019     | Ms. Naynaben Chandravadan Bhagat  | Promoters' Group | Allotment of Bonus Shares | N.A.               | N.A.     | 28000                | NA                             |
| 9.      | July 22, 2019     | Mr. Jay Hemantkumar Bhagat        | Promoters' Group | Allotment of Bonus Shares | N.A.               | N.A.     | 73150                | NA                             |
| 10.     | July 22, 2019     | Hemant C Bhagat HUF               | Promoters' Group | Allotment of Bonus Shares | N.A.               | N.A.     | 130004               | NA                             |

| Sr. No. | Date of Allotment | Name of Allottees/ Transferor | Category         | Nature             | Name of Transferee                 | Category          | No. of Equity Shares | Amount per Equity share (in ₹) |
|---------|-------------------|-------------------------------|------------------|--------------------|------------------------------------|-------------------|----------------------|--------------------------------|
| 11.     | December 27, 2019 | Mrs. Chitra Hemant Bhagat     | Promoters' Group | Transfer of Shares | Mrs. Farida Kutbuiddin Zaveri      | Public Individual | 2000                 | 40.00                          |
| 12.     | December 27, 2019 | Mrs. Chitra Hemant Bhagat     | Promoters' Group | Transfer of Shares | Mr. Gulamhaidar Yusufali Varteji   | Public Individual | 14000                | 40.00                          |
| 13.     | December 30, 2019 | Mrs. Chitra Hemant Bhagat     | Promoters' Group | Transfer of Shares | Mrs. Jumnaben Mustanshir Paipwala  | Public Individual | 2000                 | 40.00                          |
| 14.     | December 30, 2019 | Mrs. Chitra Hemant Bhagat     | Promoters' Group | Transfer of Shares | Mr. Shabbirali Khushalbhai Bhimani | Public Individual | 4000                 | 40.00                          |
| 15.     | December 30, 2019 | Mrs. Chitra Hemant Bhagat     | Promoters' Group | Transfer of Shares | Mrs. Basiraben Husainali Bhimani   | Public Individual | 2000                 | 40.00                          |
| 16.     | December 30, 2019 | Mrs. Chitra Hemant Bhagat     | Promoters' Group | Transfer of Shares | Mr. Ramjan Habbibali Bhimani       | Public Individual | 2000                 | 40.00                          |
| 17.     | December 30, 2019 | Mrs. Chitra Hemant Bhagat     | Promoters' Group | Transfer of Shares | Mr. Arvind S Andhariya             | Public Individual | 2000                 | 40.00                          |
| 18.     | December 30, 2019 | Mrs. Chitra Hemant Bhagat     | Promoters' Group | Transfer of Shares | Mr. Shahidabbas M Nayani           | Public Individual | 6000                 | 40.00                          |
| 19.     | December 30, 2019 | Mrs. Chitra Hemant Bhagat     | Promoters' Group | Transfer of Shares | Mrs. Bansari Umeshkumar Jivani     | Public Individual | 12000                | 40.00                          |
| 20.     | December 30, 2019 | Mrs. Chitra Hemant Bhagat     | Promoters' Group | Transfer of Shares | Mr. Kapilbhai A Vyas               | Public Individual | 4000                 | 40.00                          |

17. The members of the Promoters' Group, our Directors and the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing the Prospectus.

#### 18. Details of Promoter's Contribution locked in for three years:

Our Promoter has given written consent to include 1510521 Equity Shares subscribed and held by them as a part of Minimum Promoters' Contribution constituting 20.02% of the post issue Paid-up Equity Shares Capital of our Company ("Minimum Promoters' contribution") in terms of Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018 and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution, and to be marked Minimum Promoters' Contribution as locked-in.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Offer, whichever is later.

**Explanation:** The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilised as stated in the offer document, is expected to commence.

We further confirm that Minimum Promoters' Contribution of 20.02% of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters' Contribution has been brought into to the extent of not less than the 20% of the Post Issue Capital and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoters' Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details Minimum Promoters' Contribution are as follows:

| MR. HEMANT CHANDRAVADAN BHAGAT   |                                  |                                       |                         |                             |  |   |                        |                         |   |
|----------------------------------|----------------------------------|---------------------------------------|-------------------------|-----------------------------|--|---|------------------------|-------------------------|---|
| Date of Allotment / Transfer     | Date when Fully Paid-up          | Nature of Issue/ Allotment / Transfer | Number of Equity shares | Face Value (in ₹) per share | Issue/ Transfer Price (in ₹) per share | Source of Contribution *  | % of Pre issue Capital | % of post issue Capital | Date up to which Equity Shares are subject to Lock-in |
| On Incorporation (April 1, 2003) | On Incorporation (April 1, 2003) | Subscription to Memorandum            | 5000                    | 10                          | 100                                    | Other than Cash – Subscription to MOA (For acquisition of going concern business) | 0.09                   | 0.07                    | January 31, 2023                                      |
| April 1, 2003                    | April 1, 2003                    | Preferential Allotment                | 137000                  | 10                          | 100                                    | Other than Cash – Subscription to MOA (For acquisition of going concern business) | 0.09                   | 1.82                    | January 31, 2023                                      |
| April 17, 2013                   | April 17, 2013                   | Preferential Allotment                | 40000                   | 10                          | 125                                    | Owned Capital   | 0.72                   | 0.53                    | January 31, 2023                                      |
| April 4, 2018                    | Not Applicable                   | Transfer (Acquisition)                | 28900                   | 10                          | 10                                     | Owned Capital   | 0.52                   | 0.38                    | January 31, 2023                                      |
| July 22, 2019                    | July 22, 2019                    | Allotment of Bonus equity shares      | 1299621                 | 10                          | 0                                      | Not Applicable  | 23.44                  | 17.22                   | January 31, 2023                                      |
| <b>Total</b>                     |                                  |                                       | <b>1510521</b>          |                             |  |   | <b>27.24</b>           | <b>20.02</b>            |   |

\* The Source of Contribution as certified by the M/s. A Y & Company, Chartered Accountant, Jaipur vide their certificate dated December 24, 2019 vide UDIN: 20421544AAAAAE6975.

All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself. Our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoters' Group shall be dematerialized prior to listing of shares.

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoters' Contribution of 20% of the Post Issue Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;
  - consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
  - resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- The Equity Shares held by the Promoters and offered for Minimum Promoters' contribution which are subject to any pledge with any creditor;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;
- Equity shares which have been issued to our promoters upon conversion of a partnership firm 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 or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management are ineligible for Minimum Promoters' Contribution.

*Provided that specified securities, allotted to the promoters against the capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible.*

### **19. Lock in of Equity Shares held by Promoters in excess of Minimum Promoters' contribution:**

In addition to Minimum Promoters' Contribution which shall be locked-in for three years, the balance 2053567 Equity Shares held by Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

### **20. Lock in of Equity Shares held by Persons other than the Promoters:**

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly 1980968 Equity shares held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

### **21. Inscription or Recording of non-transferability:**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock-in is recorded by the Depository.

### **22. Pledge of Locked in Equity Shares:**

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

### **23. Transferability of Locked in Equity Shares:**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

**24.** Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.

**25.** As on date of the Prospectus, there are no Partly Paid-up Shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.

**26.** Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Prospectus.

**27.** Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large.

28. There are no safety net arrangements for this public issue.
29. As on the date of filing of the Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
30. As per RBI regulations, OCBs are not allowed to participate in this offer.
31. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we may consider raising bridge financing facilities, pending receipt of the Net Proceeds.
32. There are no Equity Shares against which depository receipts have been issued.
33. As on date of the Prospectus, other than the Equity Shares, there are is no other class of securities issued by our Company.
34. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
35. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
36. Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253(2) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows:
- (a). minimum fifty per cent. to retail individual investors; and
- (b). remaining to:
- i) individual applicants other than retail individual investors; and
- ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

**Explanation:** If the retail individual investor category is entitled to more than fifty per cent. of the Net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

37. No incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise shall be offered by any person connected with the distribution of the issue to any person for making an application in the Initial Public Offer, except for fees or commission for services rendered in relation to the issue.
38. Our Promoters and the members of our Promoters' Group will not participate in this offer.
39. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoters' Group between the date of filing the Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
40. Except as stated below, none of our other Directors or Key Managerial Personnel holds Equity Shares in our Company.

| Sr. No. | Name                           | Designation                              | No. of Equity Shares held | % of Pre Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---------|--------------------------------|--|---------------------------|-------------------------------------|--------------------------------------|
| 1.      | Mr. Hemant Chandravadan Bhagat | Chairman cum Managing Director           | 2906296                   | 52.41                               | 38.52                                |
| 2.      | Mr. Pranav Hemant Bhagat       | Whole-Time Director                      | 657792                    | 11.86                               | 8.72                                 |
| 3.      | Mrs. Prachi Pranav Bhagat      | Executive Director & CFO                 | 83600                     | 1.51                                | 1.11                                 |
| 4.      | Ms. Payal Bansal               | Company Secretary and Compliance Officer | Nil                       | Nil                                 | Nil                                  |



## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue is a public Issue of 2000000 Equity Shares of our Company at an Issue Price of ₹ 51/- per Equity Share.

#### THE FRESH ISSUE

The Issue Proceeds from the Fresh Issue will be utilized towards the following objects:

1. To Meet Incremental Working Capital Requirements;
2. Setting up Distribution and Warehousing Centre's;
3. General Corporate Purpose;
4. To meet Public 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 Ethical marketing of Pharmaceutical formulation & products in Domestic and International market through own distribution network and Sales force under own brand, Getting our approved formulations manufacture through Contract Manufacturers, Source & Supply of Generic Pharma formulation and also engaged in source, deal in Import, indenting and Supply in API & its intermediate.

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.

#### REQUIREMENTS OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ 945.00 Lakhs (the “**Net Proceeds**”).

The following table summarizes the requirement of funds:

| Sr. No.                     | Particulars                                      | Amount<br>(₹ in) Lakhs | % of total Issue<br>Size |
|-----------------------------|--|------------------------|--------------------------|
| 1.                          | To Meet Incremental Working Capital Requirements | 700.00                 | 68.63                    |
| 2.                          | Setting up Distribution and Warehousing Centre's | 150.00                 | 14.71                    |
| 3.                          | General Corporate Purpose                        | 95.00                  | 9.31                     |
| 4.                          | To meet Public Issue Expenses                    | 75.00                  | 7.35                     |
| <b>Gross Issue Proceeds</b> |  | <b>1020.00</b>         | <b>100.00</b>            |
| <b>Less: Issue Expenses</b> |  | <b>75.00</b>           |                          |
| <b>Net Issue Proceeds</b>   |  | <b>945.00</b>          |                          |

#### UTILIZATION OF NET ISSUE PROCEEDS

The Net Issue Proceeds will be utilized for following purpose:

| Sr. No.      | Particulars                                      | Amount (₹ in)<br>Lakhs | % of the Net<br>Proceeds |
|--------------|--|------------------------|--------------------------|
| 1.           | Incremental Working Capital Requirement          | 700.00                 | 74.07                    |
| 2.           | Setting up Distribution and Warehousing Centre's | 150.00                 | 15.87                    |
| 3.           | General Corporate Purpose                        | 95.00                  | 10.05                    |
| <b>Total</b> |  | <b>945.00</b>          | <b>100.00</b>            |

#### MEANS OF FINANCE

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

(₹ in Lakhs)

| Sr. No. | Objects of the Issue                             | Amount Required | From IPO Proceeds | Internal Accruals/Equity/Reserves | Balance from Long/Short Term Borrowing |
|---------|--|-----------------|-------------------|-----------------------------------|--|
| 1.      | Total Working Capital Requirement                | 5417.13         | 700.00            | 1,449.98                          | 3267.16                                |
| 2.      | Setting up Distribution and Warehousing Centre's | 150.00          | 150.00            | -                                 | -                                      |
| 3.      | General Corporate Purpose                        | 95.00           | 95.00             | -                                 | -                                      |
| 4.      | To meet the expenses of the Issue                | 75.00           | 75.00             | -                                 | -                                      |
|         | <b>Total</b>                                     | <b>5737.13</b>  | <b>1020.00</b>    |                                   |  |

Accordingly, we confirm that we are in compliance with the requirement to make the firm arrangement of finance under Regulation 230(1) (e) of the SEBI ICDR Regulations and Clause 9 (C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals).

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors. 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.

We further confirm that no part proceed of the Issue shall be utilized for repayment of any Part of unsecured loan outstanding as on date of Prospectus. 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 no. 15 of this Prospectus.

## DETAILS OF USE OF ISSUE PROCEEDS

### 1. To Meet Working Capital Requirements:

Our Company is Ethical marketing of Pharmaceutical formulation & products in Domestic and International market through own distribution network and Sales force under own brand, Getting our approved formulations manufacture through Contract Manufacturers, Source & Supply of Generic Pharma formulation and also engaged in source, deal in Import, indenting and Supply in API & its intermediate. As on March 31, 2019, Net Working Capital requirement of our Company ₹4,507.50 Lakhs as against that of ₹ 3,843.47 lakhs as on March 31, 2018. The Net Working capital requirements for the financial year 2019-20 is estimated to be ₹ 5,417.13 Lakhs. The Company will meet the requirement to the extent of ₹ 700.00 Lacs from the Net Proceeds of the Issue and balance from borrowings and internal accruals at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows;

(₹ In Lakhs)

| Particulars  | 2017-18<br>(Restated) | 2018-19<br>(Restated) | 2019-20<br>(Estimated) |
|--|-----------------------|-----------------------|------------------------|
| <b>Current Assets</b>                              |                       |                       |                        |
| Current Investment                                 | 105.35                | 403.38                | 408.09                 |
| Inventory –Stock in Trade                          | 3,263.72              | 4,391.36              | 4,928.98               |
| Trade receivables                                  | 1,786.43              | 2,629.78              | 3181.07                |
| Cash and Cash Equivalents                          | 55.43                 | 47.80                 | 30.74                  |
| Short-term loans and advances                      | 444.90                | 572.09                | 600.00                 |
| Other Current Assets                               | 49.66                 | 84.39                 | 80.00                  |
| <b>Total Current Assets</b>                        | <b>5,705.49</b>       | <b>8,128.81</b>       | <b>9,228.88</b>        |
| <b>Current Liabilities</b>                         |                       |                       |                        |
| Trade payables                                     | 1,547.88              | 2,970.10              | 3,080.61               |
| Other current liabilities                          | 262.32                | 621.45                | 700.00                 |
| Short-term provisions                              | 51.81                 | 29.75                 | 31.14                  |
| <b>Total Current Liabilities</b>                   | <b>1,862.01</b>       | <b>3,621.31</b>       | <b>3,811.75</b>        |
| <b>Net Working Capital</b>                         | <b>3,843.47</b>       | <b>4,507.50</b>       | <b>5,417.13</b>        |
|  |                       |                       |                        |
| <b>Sources of Funds</b>                            |                       |                       |                        |
| Short Term Borrowings                              | 1001.44               | 1636.34               | 2,061.25               |
| <b>Long term tem Borrowing</b>                     |                       |                       |                        |
| Loan from Bank and NBFCs                           | 952.79                | 487.51                | 306.79                 |
| Loan from Directors and Their Relatives and Others | 1,145.15              | 1,103.41              | 899.12                 |
| Internal Accruals / Reserves/ Equity Share Capital | 744.09                | 1,280.24              | 1,449.98               |
| IPO Proceeds                                       | -                     | -                     | 700.00                 |
| <b>Total Sources</b>                               | <b>3,843.47</b>       | <b>4,507.50</b>       | <b>5,417.13</b>        |

**Justification:**

| Particulars  | Inventory ( In Days)  | Debtors ( In Days)  | Creditors ( In Days)   |
|--|---|---|--|
| F.Y. 2017-18 (As per Restated Financial Information) | 135   | 67  | 64   |
| F.Y. 2018-19(As per Restated Financial Information)  | 155   | 90  | 105  |
| F.Y. 2019-20 (Estimated)                             | 160   | 95  | 100  |
| Justification  | Company expects Inventory levels of stock in trade to maintain at 160 days approximately for F.Y. 2019-20 to maintaining required level of inventory. | Company expects Debtors Holding days to be at 95 days approximately for F.Y. 2019-20 based on Holding period estimate for FY 2018-19 and Increase in Sales. | Company expects Creditors to maintain 100 days approximately for F.Y. 2019-20 based on increased purchase of stock in trade. Our Company can reap the benefit of cash discount by early payment. |

**2. Setting up Distribution and Warehousing Centre's**

Our Company shall to utilize Rs. 150.00 Lakhs, i.e., 15.87% of the Net Proceeds in the following manner:

| Sr. No. | Particulars  | Amount (₹ In Lakhs) @ |
|---------|--|-----------------------|
| 1.      | Distribution and Warehousing Centre's: Our Company has identified 1 centre at each at following locations to set up its distribution and warehousing centre:<br>a) Bhiwandi, Maharashtra;<br>b) Chennai, Tamil Nadu;<br>c) Ahmedabad, Gujarat; and<br>d) Delhi | 150.00                |
|         | <b>Total</b>   | <b>150.00</b>         |

@ Please note that the cost mentioned is an estimate quotation as obtained from the respective parties and includes/excludes GST, interest rate and inflation cost.

### Distribution and Warehousing Centre's

Our Management has identified 4 locations to set up its Distribution and Warehousing Centre's within India. The identified 4 locations are: a) Bhiwandi, Maharashtra; b) Chennai, Tamil Nadu; c) Ahmedabad, Gujarat; and d) Delhi.

Within each of these locations, our company shall have 1 Distribution centre and 1 Warehousing centre. These centre' will be on lease basis and shall act as a centre point for storage of our Pharmaceuticals and specialty chemicals products and for distribution within western, southern and northern parts of India.

The details break-up for fund utilization for setting up the Distribution and Warehousing Centre's is as follows:

(₹ In Lakhs)

| Sr. No. | Particulars   | Per centre cost @ | Total cost for setting up all each centre in all 4 locations @ |
|---------|---|-------------------|--|
| 1.      | Approximate Lease Deposit Payable- one time (As per management estimates) | 5.00              | 20   |
| 2.      | Interiors Including furniture arrangement*                                | 4.94              | 19.76  |
| 3.      | Set of 4 Air-Conditioners^  | 2.20              | 8.80   |
| 4.      | Set of 8 Refrigerators <sup>§</sup>                                       | 24.40             | 97.6   |
| 5.      | Other Miscellaneous/Contingencies Expenses (As per management estimates)  | 0.96              | 3.84   |
|         | <b>Total (for 4 locations)</b>  | <b>37.50</b>      | <b>150.00</b>  |

\* Our Company has received quotation dated December 11, 2019 from Vishwakarma Interior Work of ₹4.94 Lakhs. The quotation is valid for a period of 3 months.

^ Our Company has received quotation dated November 21, 2019 from S.K. Traders for two Air condition of around ₹0.55 Lakhs (One Set). As estimated by management, 4 such sets of Air Conditioners are required at one location. The quotation is valid for a period of 3 months.

§ Our Company has received quotation dated November 21, 2019 from S.K. Traders for two Refrigerators of around ₹3.05 Lakhs (One Set). As estimated by management, 8 such sets of Refrigerators are required at one location. The quotation is valid for a period of 3 months.

@ Please note that the cost mentioned is an estimate quotation as obtained from the respective parties and excludes GST, interest rate and inflation cost.

**Note:** Till the date of Prospectus, we have not placed any order in respect of any of above items.

### 3. General Corporate Purpose:

We intend to deploy ₹ 95.00 Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

1. Strategic initiatives;
2. Brand building and strengthening of marketing activities; and
3. On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

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

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 this Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

### 4. To meet Public Issue Expenses:

The total expenses of the Issue are estimated to be approximately ₹ 75.00 lakhs. The expenses of this include, among others, underwriting and issue management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

| Expenses  | Expenses<br>(₹ in Lakhs) | Expenses (% of<br>total Issue<br>expenses) | Expenses (% of<br>Gross Issue<br>Proceeds) |
|---|--------------------------|--|--|
| Lead Manger Fees including Underwriting Commission  | 18.00                    | 24.00                                      | 1.76                                       |
| Fees Payable to Registrar to the Issue  | 1.00                     | 1.33                                       | 0.10                                       |
| Fees Payable for Marketing and Advertisement Expenses   | 38.00                    | 50.67                                      | 3.73                                       |
| Fees Payable to Regulators including Stock Exchanges  | 2.50                     | 3.33                                       | 0.25                                       |
| Payment for Printing and Distribution of Issue Stationaries   | 1.20                     | 1.60                                       | 0.12                                       |
| Others (Fees Payable to Peer Review Auditor, Fees to Legal Advisors, Marketing Expenses, Custodians Fees, Market Making, Brokerage, Processing Fees for Application and Miscellaneous Expenses) | 13.80                    | 18.40                                      | 1.35                                       |
| Processing Fees to SCSBs for ASBA Application Procured by the Members of the Syndicate or Registered Brokers and Submitted with SCSB's  | 0.35                     | 0.47                                       | 0.03                                       |
| Processing Fees Issued to Issuer Bank for UPI Mechanism w.r.t. Application forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDP's and submitted to them          | 0.15                     | 0.20                                       | 0.01                                       |
| <b>Total Estimated Issue Expenses</b>   | <b>75.00</b>             | <b>100.00</b>                              | <b>7.35</b>                                |

**Note:**

- Up to December 10, 2019, Our Company has deployed/incurred expense of ₹ 2.60 Lakhs towards Issue Expenses out of internal accruals duly certified by Statutory Auditor M/s. A Y & Company, Chartered Accountants vide its certificate dated December 11, 2019 bearing UDIN: 19421544AAAABJ6373.
- Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:  
Portion for RIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)  
Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)  
^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).
- The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
- Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
- SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.
- Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.

**SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS**

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

| Sr. No.      | Particulars   | Amount to be funded<br>from the Net<br>Proceeds(₹ in Lakhs) | Estimated Utilization of<br>Net Proceeds (₹ in Lakhs)<br>(Financial year 2019-20)* |
|--------------|---|---|--|
| 1.           | Incremental Working Capital Requirement             | 700.00  | 700.00   |
| 2.           | Setting up Distribution and Warehousing<br>Centre's | 150.00  | 150.00   |
| 3.           | General Corporate Purpose                           | 95.00   | 95.00  |
| 4.           | To meet the expenses of the Issue                   | 75.00   | 75.00  |
| <b>Total</b> |   | <b>1020.00</b>  | <b>1020.00</b>   |

\*To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

## APPRAISAL REPORT

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

## BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing working capital facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance setting up of additional manufacturing facility requirements will be repaid from the Net Proceeds of the Issue.

## INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

## SHORTFALL OF FUNDS

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

## MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application 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 this 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.

## VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## OTHER CONFIRMATIONS

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law. However, out of the fund allocated towards general corporate purpose, our company may acquire assets from promoters and promoter group, directors, associates, Key Management Personnel or Group companies.

## BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Company's Restated Financial Statements. Investors should also refer to the sections/chapters titled "RISK FACTORS" and "RESTATED FINANCIAL INFORMATION" on page no. 15 and 127, respectively of this Prospectus to get a more informed view before making the investment decision.

### QUALITATIVE FACTORS

- Experienced Promoters and management team
- Scalable Business Model
- Relationships with multi-national companies
- Wide and diverse range of product offerings
- Strategic Location of Contract Manufacturing Facilities
- Diversified business operations and revenue base
- Strong sales, marketing and distribution capabilities

For details of qualitative factors, please refer to the paragraph "OUR COMPETITIVE STRENGTHS" in the chapter titled "BUSINESS OVERVIEW" beginning on page no. 77 of this Prospectus.

### QUANTITATIVE FACTORS

#### 1. Basic & Diluted Earnings Per Share (EPS):

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Diluted Potential Equity Shares outstanding during the year}}$$

| Financial Year/Period               | Basic and Diluted EPS (in ₹)# | Weights |
|-------------------------------------|-------------------------------|---------|
| Financial Year ended March 31, 2017 | 1.97                          | 1       |
| Financial Year ended March 31, 2018 | 3.09                          | 2       |
| Financial Year ended March 31, 2019 | 1.17                          | 3       |
| <b>Weighted Average</b>             | <b>1.94</b>                   |         |
| <b>Period Ended July 31, 2019*</b>  | <b>0.46</b>                   |         |

# Face Value of Equity Share is ₹ 10. \*Not Annualized

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 51:

$$\text{Price to Earnings Ratio (P/E)} = \frac{\text{Issue Price}}{\text{Earnings Per Share}}$$

| Particulars   | EPS (in ₹) | P/E at the Issue Price (₹ 51) |
|---|------------|-------------------------------|
| Based on EPS of Financial Year ended March 31, 2019 | 1.17       | 43.59                         |
| Based on EPS of Period ended July 31, 2019*         | 0.46       | 110.87                        |
| Based on Weighted Average EPS                       | 1.94       | 26.24                         |

\*Not Annualized

#### 3. Average Return on Net Worth:

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Net Worth}} * 100$$

| Financial Year/Period               | Return on Net Worth (%) | Weights |
|-------------------------------------|-------------------------|---------|
| Financial Year ended March 31, 2017 | 8.91                    | 1       |
| Financial Year ended March 31, 2018 | 12.91                   | 2       |
| Financial Year ended March 31, 2019 | 4.71                    | 3       |
| <b>Weighted Average</b>             | <b>8.14</b>             |         |
| <b>Period Ended July 31, 2019</b>   | <b>1.84</b>             |         |

#### 4. Net Asset Value per Equity Share:

Restated Net Asset Value per equity share (₹) =  $\frac{\text{Restated Net Worth as at the end of the year}}{\text{Total number of equity shares outstanding at the end of the period or year}}$

| Particular                           | Amount (in ₹) |
|--------------------------------------|---------------|
| As at July 31, 2019*                 | 25.22         |
| As at March 31, 2019*                | 198.06        |
| NAV per Equity Share after the Issue | 32.41         |
| Issue Price per Equity Share         | 51.00         |

\* NAV of our company as at July 31, 2019 has decreased to Rs. 25.22 as compares to Rs. 198.06 as at March 31, 2019 because of issuance of bonus Equity Shares by our company on July 22, 2019 in the ratio of 7:1 (Seven Equity Shares for every 1 Equity Share held).

#### 5. Comparison of Accounting Ratios with Peer Group Companies:

| Name of the company                        | Standalone/ Consolidated | Face Value (₹) | Current Market Price (₹) <sup>@</sup> | EPS (₹) Basic | P/E Ratio | RoNW (%) | NAV per Equity Share (₹) | Revenue from operations (₹ in Lakhs) |
|--|--------------------------|----------------|---------------------------------------|---------------|-----------|----------|--------------------------|--------------------------------------|
| <b>Chandra Bhagat Pharma Limited</b>       | Standalone               | 10             | 51.00                                 | 1.17          | 43.59     | 4.71     | 198.06                   | 10,627.82                            |
| <b>Peer Group</b>                          |                          |                |                                       |               |           |          |                          |                                      |
| Earum Pharmaceuticals Limited <sup>^</sup> | Standalone               | 10             | 45.00                                 | 53.83         | 0.84      | 27.95    | 192.67                   | 5,070.00                             |
| Vaishali Pharma Limited <sup>^</sup>       | Standalone               | 10             | 26.05                                 | 1.08          | 24.12     | 3.73     | 32.47                    | 7,509.10                             |

**Note:** The EPS, P/E Ratio, NAV, RoNW and revenue from operations are taken as per Restated Financial Statement for the Financial Year 2018-19.

<sup>@</sup> Current Market Price (CMP) is taken as the closing price of respective scripts as on December 11, 2019 at National Stock Exchange of India Limited/BSE Limited. For our Company, we have taken the issue price of equity share.

<sup>^</sup> The Figures as at March 31, 2019 and are taken from the Annual Report uploaded on Stock Exchange(s).

6. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is 5.1 times the face value of equity share.

The Issue Price of ₹ 51/- is determined by our Company in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled “RISK FACTORS” and chapters titled “BUSINESS OVERVIEW” and “RESTATED FINANCIAL INFORMATION” beginning on page nos. 15, 77 and 127 respectively of this Prospectus.



## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors  
**Chandra Bhagat Pharma Limited**  
323 – F, Bhagat Bhuvan,  
Dr. Ambedkar Road, Matunga (East),  
Mumbai – 400019, Maharashtra.

Dear Sir,

**Subject - Statement of possible tax benefits (“the statement”) available to Chandra Bhagat Pharma Limited (“the company”) and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.**

**Reference - Initial Public Offer of Equity Shares by Chandra Bhagat Pharma Limited**

We hereby report that the enclosed annexure for the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 (“Act”) as amended by the Finance Act, 2019 (i.e. applicable to Financial Year 2019-20 relevant to Assessment Year 2020-21), presently in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits, if any, is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure cover special tax benefits only which are available to the Company and its Shareholders and do not cover any general tax benefits available to the Company or its Shareholders.

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. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

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

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

The contents of the enclosed annexure 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.

No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates 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.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**For A Y & Company**  
**Chartered Accountants**  
**FRN : 020829C**

**CA Arpit Gupta**  
**Partner**

**M.NO. 421544**

**UDIN: 19421544AAAABI1654**

**Place:** Jaipur

**Date:** December 11, 2019

## ANNEXURE TO THE STATEMENT OF TAX BENEFITS

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

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

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

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

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

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

#### **Note:**

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

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document.

## SECTION VIII – ABOUT US

### 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.

#### GLOBAL PHARMACEUTICAL INDUSTRY - STATISTICS & FACTS

The pharmaceutical industry is responsible for the development, production and marketing of medications. Thus, its immense importance as a global sector is inarguable. In 2014, total pharmaceutical revenues worldwide had exceeded one trillion U.S. dollars for the first time. North America is responsible for the largest portion of these revenues, due to the leading role of the U.S. pharmaceutical industry. However, as in many other industries, the Chinese pharmaceutical sector has shown the highest growth rates over previous years.

Still, the leading pharmaceutical companies come from the United States and Europe. Based on prescription sales, NYC-based Pfizer is the world's largest pharmaceutical company. In 2018, the company generated some 53.6 billion U.S. dollars in pure pharmaceutical sales. Other top global players from the United States include Johnson & Johnson, Merck & Co., and AbbVie. Novartis and Roche from Switzerland, GlaxoSmithKline and AstraZeneca from the United Kingdom, and French Sanofi are the European big five.

Branded, patented medicines by far make up the largest share of pharmaceutical revenues. Humira, an anti-inflammatory drug, generated some 20 billion U.S. dollars of revenue worldwide in 2018. Oncologics continue to be the leading therapeutic class based on revenue. In 2018, cancer drugs made nearly 100 billion U.S. dollars of revenue globally. Other major therapy classes were respiratory drugs and antidiabetics.

More than any other industry, the pharmaceutical sector is highly dependent on its research and development segment. Some pharmaceutical companies invest 20 percent and more of their revenues in R&D measures. This share can be significantly higher at small, research-specialized companies. The United States is a traditional stronghold of pharmaceutical innovation. The origin of most new substances introduced to the market can be traced back to the United States. Because of the steady loss of patent protection, the invention of new drugs is of vital importance for the pharmaceutical industry. Revenue losses due to patent expiry often are very significant, as can be seen with Pfizer's Lipitor from 2012 on.

(Source:- <https://www.statista.com/topics/1764/global-pharmaceutical-industry/>)

#### **The factors that affect the pharmaceutical market size include disease prevalence, drug affordability, consumer attitudes, government policies and some supply-side factors:**

- Disease prevalence is related to population size, age, genetic inheritance and behavior (infectious disease incidence is lower where sanitation practices are better; sedentary lifestyles also encourage chronic disease).
- Affordability is related to income but also to drug prices.
- Consumer attitudes include willingness to use alternative therapies or distrust of taking drugs.
- Government (and insurance company) policies affect reimbursement and who the payer is. Other government policies determine regulation, which can be a significant barrier to the launch of new treatments.
- A major supply-side factor is availability of an appropriate treatment, which may be a matter of quantity, as in an epidemic, or of drug discovery and development.

#### PESTEL ANALYSIS FOR THE PHARMACEUTICALS MARKET

Current and ongoing changes in political, economic, social, technological, legal and environmental factors are influencing growth in the healthcare market, where drugs play an important part. The following factors are all boosting healthcare market growth:

- Reduced taxes and lowered drug prices in the USA
- GDP growth of over 6% in China and India
- Widespread population aging and sedentary lifestyles leading to increased chronic disease prevalence
- Industrialized data services in R&D enabling the use of clinical trial data in trial simulations
- Lowered regulatory barriers for new drugs in the USA

- High urban pollution levels increasing the incidence of conditions like asthma

As a result, healthcare expenditure per capita is set to rise from its 2017 level of \$1137 to \$1427 by 2021.

**PHARMACEUTICAL MARKET RESTRAINTS AND DRIVERS**

Part of the explanation for the relatively slow current growth of the pharma market is that the launch of major new products has slowed and that companies are restricting their R&D investment. For example, despite the huge potential for any effective and safe new drug for treating Alzheimer’s disease, Pfizer has ended its Alzheimer’s research program while AstraZeneca and GSK have cut back. High failure rates, the \$2 billion average cost of developing a new drug, and falling returns on investment - down from 10.1% a year in 2010 to 3.2% in 2017 for the big pharma companies, according to Deloitte’s - are restraining the launch of high-priced new breakthrough drugs such as those that boosted the market in earlier years.

Most pharmaceutical industry growth now is coming instead from the increased size of the global aging population, which boosts demand for long-term treatments for chronic diseases, and better access to healthcare in emerging economies.

**The Changing Geography of Pharma Markets**

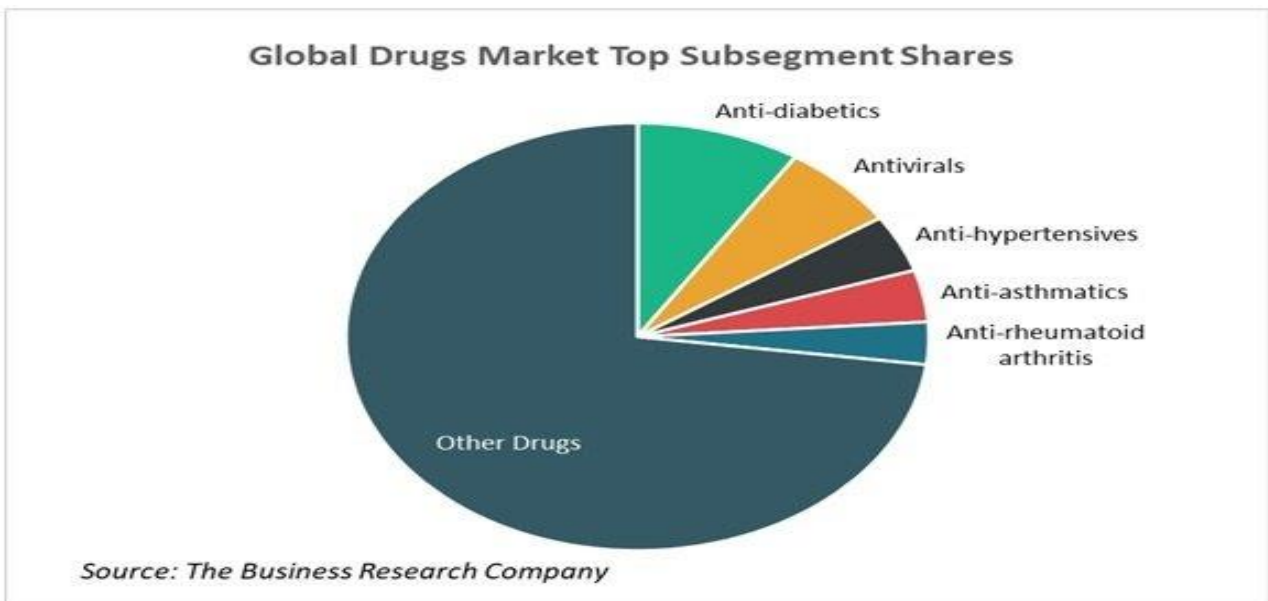
Growth over past decades means that North America and Western Europe still account for 56% of the global market, but Asia Pacific has overtaken Western Europe as the second largest region. Growth in Asia Pacific is fueled by increased affordability of drugs resulting from the launch of low-priced generics. Other factors that are positive for growth in Asia Pacific are the rise of GDP per capita in the region, government programs to support healthcare, and rapid urbanization, which brings both doctors and pharmacies within easy reach of increasing proportions of growing populations. Pharma sales in Asia Pacific will grow at 8.4% a year to 2021.

The story is a similar one at the level of country. The USA, by itself worth 25% of the global total, is restraining global growth by rising at below 5% a year, while the much smaller pharma markets of India and China are both achieving double that pace.

**Key Segments in the Pharmaceutical Market**

The largest pharma market globally is for musculoskeletal drugs. These are treatments for diseases such as rheumatoid- and osteo- arthritis, osteoporosis, carpal tunnel syndrome, tendonitis, rotator cuff tear, muscular dystrophy, myasthenia gravis, lupus erythematosus and others. Major drugs in this segment include Piroxicam Glaxo, Dolonex, Felden, and Piroxicam Pfizer. The segment accounted for 14% of the global total in 2017. Cardiovascular, oncology and ant-infective drugs are the second third and fourth largest markets.

Drugs for treating metabolic disorders such as diabetes and diseases of the thyroid and pituitary glands will be the fastest-growing segment of the global pharma market to 2021. This segment will grow at 9% a year going forward, following recent growth of 11.6%, but it will remain in fifth place for market size.



Anti-diabetic drugs are the largest sub segment of the global pharmaceutical industry, worth over \$85 billion in 2017; second are the anti-virals and third come anti-hypertensive. Drugs for some of the less prevalent cancers — thyroid, skin and ovarian cancer — are the fastest-growing sub segments. This is in part because the US Federal Drug Administration has allowed a less rigorous regulatory procedure and lower endpoint benchmark for cancer drugs, so increasing the rate of innovation.

### Competitive Landscape & Top Pharmaceutical Companies

Pharmaceutical drugs are subject to a large number of laws and regulations that deal with patenting, testing, safety, efficacy and marketing and affect the size and growth rates of the market. Together with the high R&D costs involved in creating new drug solutions, these can act as barriers to entry for small companies. However, pharmaceutical companies produce both generic and branded drugs. Generics, which are copies of patent-expired drugs, are opportunities for smaller entrants. They are taking an increasing share of the market, particularly in developing economies, where governments are encouraging their production in order to make lower-price treatments more widely available.

#### **In the overall market, top pharmaceutical companies include:**

- Novartis
- Sanofi
- Pfizer
- Hoffman-La Roche
- Gilead

Together the top ten pharmaceutical companies account for 30% of global sales, making the market moderately fragmented. Within individual segments, however, the share of these pharmaceutical companies varies: Hoffman-La Roche is by some way the leading pharmaceutical company in the large oncology drugs market, but Sanofi leads in the cardiovascular and metabolic disorders segments.

In markets where biologics have penetrated, the leading players are not in the top ten pharma manufacturers: Biogen, for instance, leads in the central nervous system segment, while Bristol-Myers Squibb and Eli Lilly have significant shares in oncology.

Deal activity in the healthcare industry has surged in recent years. Most mergers and acquisitions are aimed at boosting product portfolios and expanding the market reach of products and services. For example, in August 2014 Merck acquired a clinical-stage pharmaceutical company, Idenix Pharmaceuticals Inc., for nearly \$4 billion. Through this acquisition Merck strengthened its product portfolio by adding Idenix’s potential hepatitis drug.

*(Source:-<https://blog.marketresearch.com/the-growing-pharmaceuticals-market-expert-forecasts-and-analysis>)*

## **INDIAN PHARMACEUTICAL INDUSTRY**

India is the largest provider of generic drugs globally. Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.



*Note: \*Top 10 companies as per research by HDFC Securities, R&D – Research & Development*

## Market Size

The pharmaceutical sector was valued at US\$ 33 billion in 2017. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2015–20 to reach US\$ 55 billion. India's pharmaceutical exports stood at US\$ 17.27 billion in FY18 and have reached US\$ 19.14 billion in FY19. Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals.

Indian companies received 304 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected to grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025.

## Investments and Recent Developments

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 15.98 billion between April 2000 and March 2019, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Some of the recent developments/investments in the Indian pharmaceutical sector are as follows:

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

## Government Initiatives

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

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

## Road Ahead

Medicine spending in India is projected to grow 9-12 per cent over the next five years, leading India to become one of the top 10 countries in terms of medicine spending.

Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

The Indian government has taken many steps to reduce costs and bring down healthcare expenses. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

(Source:- <https://www.ibef.org/industry/pharmaceutical-india.aspx>)

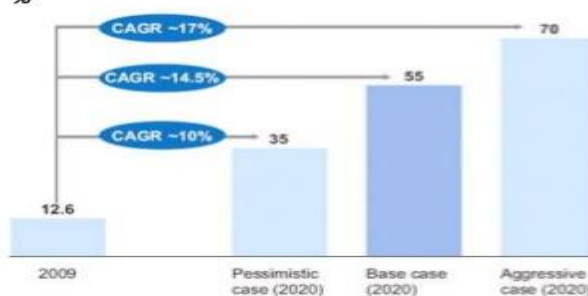
## INDIA PHARMA 2020: PROPELLING ACCESS AND ACCEPTANCE, REALISING TRUE POTENTIAL

Global pharmaceutical markets are in the midst of major discontinuities. While growth in developed markets will slow down, emerging markets will become increasingly important in the coming decade. The Indian pharmaceuticals market, along with the markets of China, Brazil and Russia, will spearhead growth within these markets. The Indian pharmaceuticals market has characteristics that make it unique. First, branded generics dominate, making up for 70 to 80 per cent of the retail market. Second, local players have enjoyed a dominant position driven by formulation development capabilities and early investments. Third, price levels are low, driven by intense competition. While India ranks tenth globally in terms of value, it is ranked third in volumes. These characteristics present their own opportunities and challenges. In 2007, we undertook an exercise to assess the potential of the market by 2015. At that time, the country was beginning to witness greater affordability and higher spending across a range of categories driven by a decade of reforms. The total market for healthcare products and services had grown at a compounded annual growth rate of 14 per cent from 2000 to 2005. The pharmaceutical industry had grown at a compounded annual growth rate of 9 per cent during that period. We felt in 2007 that the Indian pharmaceutical market was poised for a clear and discernable step-up in its growth trajectory. In our earlier report, India Pharma 2015 – Unlocking the Potential of the Indian Pharmaceutical Market, we projected that the market would grow at a compounded annual growth rate of 12 to 14 per cent to become a USD 20 billion to USD 24 billion market by 2015. This growth would be driven primarily by rising incomes, and be supported by five other factors: enhanced medical infrastructure; rise in the prevalence and treatment of chronic diseases; greater health insurance coverage; launches of patented products; and new market creation in existing white spaces. These factors are now bearing fruit, and market growth has kept pace with projections. Various industry reports suggest that the industry has been growing at 13 to 14 per cent over the last 5 years—a sharp rise from the 9 per cent compounded annual growth rate between 2000 and 2005. Most of the growth drivers have kept pace with expectations. India’s GDP from 2005 to 2009 grew at about 8 per cent. Growth in medical infrastructure and health insurance coverage has been in line with expectations. The treatment of chronic diseases has gone up. The remarkable success of a few recent launches has demonstrated the true potential of patented products.

### IPM: Going Forward

Increasing affordability, accessibility, acceptability and epidemiological factors expected to drive IPM growth of 14.5% CAGR

**Projected Growth Rates**  
%



• McKinsey’s projections are broader & directional in nature

Source : India Pharma 2020 : Propelling access and acceptance and realizing true potential; McKinsey & Company Report-2010

## BUSINESS OVERVIEW

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Prospectus, including the information contained in the section titled “RISK FACTORS”, beginning on page no. 15 of this Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled “RISK FACTORS” and the chapters titled “RESTATED FINANCIAL STATEMENT” and “MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS” beginning on page no. 15, 127 and 161 respectively, of this Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Prospectus, all references to “we”, “us”, “our”, “CBC” and “our Company” are to Chandra Bhagat Pharma Limited.*

### OVERVIEW

Our Company was incorporated as “Chandra Bhagat Pharma Private Limited” at Mumbai on March 10, 2003, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by Assistant Registrar of Companies, Maharashtra, Mumbai. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Chandra Bhagat Pharma Limited” and fresh Certificate of Incorporation consequent upon the conversion from Private Limited Company to Public Limited Company dated March 20, 2019 was issued by the Registrar of Companies, RoC – Mumbai. The CIN of the Company is U24230MH2003PLC139534.

Inspired by our founder Late Shree Chandravadan Bhagat’s sense of personal mission, we are driven to fill the gap in pharma sector especially in critical lifesaving medicines in India. Our company was incorporated on March 10, 2003 by Mr. Hemant Bhagat and Late. Shree Chandravadan Bhagat. On April 1, 2003, our company acquired the going concern business of M/s. Chandra Bhagat Corporation (“partnership firm”) along with all its assets and liabilities. Consequently, our company issued equity shares to respective partners of M/s. Chandra Bhagat Corporation against the acquisition of going concern business along with all its assets and liabilities. Our promoter Mr. Hemant Bhagat decided to continue on the footsteps of his father Late Shree Chandravadan Bhagat by focusing on marketing of life saving medicines like Antibiotics, Antineoplastic, Cardiovascular, Hormones etc. and set up our company’s marketing force in order to wider the product portfolio. Subsequently in the year 2004, our promoter Mr. Pranav Bhagat son of Mr. Hemant Bhagat, being third generation also joined the business and decided to market the pharmaceuticals and special chemical products in domestic as well as in international market.

Our promoters have a combined experience of more than 41 years in the Pharmaceutical products, Bulk drugs and vaccines. Driven by the passion for building an integrated pharmaceutical company, backed by their more than two decades of experience, our Promoters have been the pillars of our Company’s growth since inception and have built a strong value system for our Company. With their enriching experience and progressive thinking, we aim to continue to grow in the pharmaceutical and bulk drugs in India and abroad.

#### **Our Core business as follows:**

- Ethical marketing of Pharmaceutical formulation & products in Domestic and International market through own distribution network and Sales force under own brand. Major focus in Injection – IV (Intravenous) & IM (Intramuscular), dry syrup, tablets and capsules supply to Hospital and Health care center for critical deceases.
- Getting our approved formulations manufacture through Contract Manufacturers, Source & Supply of Generic Pharma formulation and medicines to healthcare institution, Government, NGO, Hospitals & Distributors.
- Specialty Chemicals, Intermediates & Active Pharmaceuticals Ingredients (API) – We source, deal in Import, indenting and Supply in API & its intermediate.

We are engaged in the business of marketing pharmaceutical critical care & health care products. For which we have obtain necessary approvals from FDA for getting the formulations manufacture from contract manufacturers on Loan license or on principle to principle basis. We also take the necessary Trademark approvals & registrations wherever required.

At present, we have a wide range of products portfolio of pharmaceutical formulation including IV & IM range Injections, few tablets to cater the Domestic & Export Market. We have established presence in major therapeutic categories for formulations such as Anti-cancer (Oncology), Antibiotics, Anesthesia, Hormones, Orthopedic, Cardiac, Cardiovascular,



Anti-fungal, Antiviral, Pediatrics, Cardiology, Nephrology, Neurology etc. We are also engaged in promoting and marketing of Active Pharmaceutical Ingredients (API's) in India.

Our core strength lies in marketing & also getting our approved formulation manufacture through Contract Manufacturers and marketing of therapeutic formulations under our own brand and trading of various API's, which we commercialize through our marketing network across geographies and by developing relationships with pharmaceutical companies of different sizes.

Our Company & its executives have developed the skill and expertise in innovation in sourcing and supply pharmaceutical formulation, specialty API and to provide the products having wide applications in pharma industry.

Under the guidance of promoters, our company has gained goodwill and reputation among the manufactures of pharma formulation. Our company also supplies pharmaceutical formulation under own brand name through own sales and distribution team. Our Core business is in marketing of Pharmaceutical formulation under IV (Intravenous) and IM (Intramuscular) – Injection, capsule and tablets to cater the multi-specialty hospitals, Government hospitals and nursing homes.

Our Pharma business operations are supported by various contract manufacturers having facilities which are approved by FDA/WHO and other relevant authorities. We typically enter into contract manufacturing agreements (Loan License Agreement) or in Principle to Principle arrangement for periods ranging from one to five years with manufacturer of Pharma products.

Presently our company has Contract Manufacturing Agreement with 4 pharmaceutical companies/entities. Our company has maintained relationship with the regular suppliers having FDA and WHO approved plant to supply pharma formulations. These units manufacture IV, tablets, capsules, dry powder, dry injections powder, liquids, Injections & dry injections under our own brands.

We have launched wide products range in pharma formulation having Trademarks such as Tigemor, Uroprase, Oncoginase and many more and established goodwill for quality products and have the regular clients for the same. Further our company also supply generic pharmaceutical formulation as – Make to order – for bulk supply to hospital, Health Centre of Corporate, Municipality and also for exports.

Our Company has entered into Lease Agreements for Storage Houses/ Warehouses facility at Bhiwandi- Thane, Maharashtra for using premises for stock keeping of our products. For further details on the Registered Office and Corporate Office, Storage/ Warehouse Facility and other related properties, please refer to “**OUR BUSINESS – PROPERTIES**” on page no. 89 of this Prospectus.

We operate both in domestic and international markets. Presently, we are supplying Pharmaceutical formulation, Active Pharmaceutical Ingredients (APIs) in the domestic markets. We export Pharmaceutical Formulation to countries like Philippines, Bolivia, DR CONGO. Further, our company is planning for exports in countries located in South East Asia, Middle East, Latin America, and West Africa.

In domestic Pharmaceuticals markets, currently we have presence in Uttar Pradesh, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Gujarat, Kerala, West Bengal, Maharashtra, Madhya Pradesh and are servicing these states through a Supply Chain Network of C&F, Consignee Agents, dealers, marketing representatives with our products range. Further, we are offering customized solutions to our customers for their requirement of specialty chemical/ API. We also offer onsite support & assistance to our clients using our years of experience & sourcing abilities.

Our company has established own distribution and marketing network in major states of India. With its own network, company has developed the reputation and goodwill for timely supply of material to their reputed clients. Currently, we have a registered and corporate office located in Mumbai, Maharashtra. The company establishes a long-term relationship with their clients by providing good quality product. The company is backed by a team of highly creative and experienced professionals who have an affinity for creating innovative approach in sourcing & marketing of formulations. The company's team has been a major strength as it understands the varied needs of the clients and works accordingly. From processing to finish, the company tries its best to ensure the quality of every single product delivered by the company.

Our Company is consistent in supplying of quality products round the year as customized products are made available to customers as per the market demand. Our products comply with requisite safety standards. We are a quality conscious company. We are constantly striving to expand our line of products and we are always looking for complementary products that will add to our range of critical care products.

We have entered into a supply and distribution agreement with Sinopharm India Private Limited, a subsidiary company of China National Pharmaceutical Group for importing the vaccines known as “HEPATITIS A (HepA)”. We have



conducted clinical trials of HepA Vaccine for DCGI Approvals. As per letter dated October 1, 2019, the application is under review with Director General of Health Services Central Drugs standard Control Organization. On receipt of approval we will proceed for commercial launch of HepA Vaccine after clinical trial.

Major Active Pharmaceutical Ingredients we deal into L-Asparaginase (Oncology), Heparin Sodium (Nephrology) and Enoxaparin Sodium (Cardiac).

In the past three (3) years our revenue from operations have increased from ₹ 8,978.63 Lakh in F. Y. 2016-17 to ₹ 9,705.94 Lakh in F. Y. 2017-18 and further to ₹ 10,627.82 Lakh in F. Y. 2018-19.

## **OUR COMPETITIVE STRENGTHS**

### ***Experienced Promoters and management team***

Our Promoters have played a key role in guiding, developing and growing our business. Under the leadership and experience of our Promoters our company has seen a significant growth in the overall business since 2003. We believe that, leadership is the result of team work where a consensus is arrived at for implementation of new ideas & business practices to widen our competitive advantage. Our Promoters, who also form part of Board of Directors of our Company, have a proven background and experience in the finished pharmaceutical formulations.

Also, our Company is managed by a team of industry experienced personnel in domestic and international markets. The team comprises of personnel having technical, operational and business development experience in pharmaceutical industries. We believe that our management team's experience and their understanding of the industry, regulatory affairs, manufacturing through contract manufacturing, quality control, sales, marketing and finance will enable us to continue to take advantage of both current and future market opportunities within India and Abroad.

We believe our Promoters and Management's overall experience and vision will enable us to manage and grow our business in the existing markets and to enter new geographies with our competitive advantage. This will help us in addressing and mitigating various risks inherent in our business, including technical problems, facing the competitive landscape changes in global economy resulting in fluctuations in chemical and pharmaceutical pricing across the globe, etc.

For further details of our Promoter's experience and background, please refer the chapter titled "OUR PROMOTER AND PROMOTER GROUP" on page no. 122 of this Prospectus.

### ***Scalable Business Model***

We believe that we have a scalable business model as our business model is customer centric and order driven, and requires optimum utilization of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to development of new markets and products in the both domestic and international markets by exploring customer needs, marketing expertise and by consistent product quality.

### ***Relationships with multi-national companies***

We have entered into a supply and distribution agreement with:

Sinopharm India Private Limited, a subsidiary company of China National Pharmaceutical Group Corporation for importing the vaccines known as "HEPATITIS A (Hep A)".

The relationship is through long-term and broad-based marketing contracts. Our regulatory procedures and Business Development & management have led to maintain continue relationships with this company. We believe that we have emerged as a dependable, strong, rooted and a quality conscious company of choice for this company.

### ***Wide and diverse range of product offerings***

Our Company has wide product portfolio comprising of pharmaceuticals, and API. At present, we are supplying products in the form of injections (liquid, powder, lyophilized, small volume, large volume in vials & ampoules etc) some capsules & tablets. We propose to enhance our product basket by introducing vaccination and healthcare products in the segment. We get various types of Pharmaceutical products manufactured which is under major therapeutic categories for formulations such as Anti-cancer (Oncology), Antibiotics, Anesthesia, Hormones, Orthopedic, Cardiac, Cardiovascular, Anti-fungal, Antiviral, Pediatrics, Cardiology, nephrology, Neurology etc.

We get products manufactured on the basis of needs and requirements of the clients. We believe that we have necessary resources, experience and network to launch additional products in future. With an operating history of more than 16 years in the finished dosages segment, we are primarily known for our range of formulations.

#### ***Strategic Location of Contract Manufacturing Facilities***

Our Company has contract manufacturing facility arrangements with many companies to manufacture our formulations. These manufacturing facilities are located in Maharashtra, Gujarat & Himachal Pradesh. As regards to our pharma formulation business is concerned, we have developed regular manufacturers to supply formulation as per the specification order. Our company has selected the contract manufacturing facilities and suppliers as there are strategically located. We have also developed the manufacturers of Pharma Formulation in Principle to Principle basis for various products.

#### ***Diversified business operations and revenue base***

Our business is diversified in terms of geographies and therapeutic areas within the pharmaceutical industry. In terms of geographical diversity, we have marked our presence in India and international markets. We have exports of Formulation to countries like Philippines, Bolivia, DR CONGO.

In terms of products, our brands across various therapeutic areas in Pharmaceuticals industry and Specialty/Performance enhancing products in the industry. Our diversified revenue base enables us to mitigate the risk of income concentration by spreading revenue across multiple sources and opens opportunities to new prospects of growth.

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

We have been supplying our products in major states of India i.e. Uttar Pradesh, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Gujarat, Kerala, West Bengal, Maharashtra, Madhya Pradesh and hence are not dependent on any particular region. We believe that our wide spread domestic presence not only mitigates the risk of dependence on few regions but also helps us to leverage our brand value. We have dedicated sales and marketing team and an extensive domestic distribution network for Pharma business. This division focuses on generating significant demand for our products in India. This division also works to maintaining the existing clients and acquiring new clients for our products.

### **OUR BUSINESS STRATEGY**

We intend to strengthen our position in India and further expand our operations internationally in regulated and semi-regulated markets in order to achieve long-term sustainable growth, increase brand value, achieve operational excellence, strengthening existing services, customer satisfaction, innovation and marketing etc. Our principal strategies and initiatives to achieve these objectives are set out below:

#### ***Focus on increasing our global sales***

Our company has focus in direct export of our Pharma Products. We have exports of Formulation to countries like Philippines, Bolivia, DR CONGO. Further, our company is planning to export in countries in South East Asia, Middle East, Latin America, West Africa.

Presently we are exporting products & also registering in the form of injections (liquid, powder, lyophilized, small volume, large volume in vials & ampoules etc) some capsules & tablets. The product registrations will boost our exports and business operations. Our aim will be to expand our business by continuing to file product registrations in international markets for business growth. With our long-standing operations and quality products, we have built a strong relationship with our customers for APIs and Formulations. However, our growth strategy will vary from country to country depending on applicable regulatory norms.

#### ***Increasing Operational efficiency***

We will continue to invest in increasing our operational efficiency throughout the organization. Higher operational effectiveness results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over a higher number of units sold, thereby increasing profit margins. We further intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control over our critical resources for optimal utilization.

#### ***Broaden and Deepen presence in existing product portfolio***

We intend to continue to consolidate our position in our key therapeutic areas for the domestic markets such as Antibiotics, Anesthesia, Hormones, Orthopedic, Anti-cancer (Oncology), Cardiovascular, Anti-fungal, Antiviral, Pediatrics, Cardiology, nephrology, Neurology etc.

We have entered into a supply and distribution agreement with Sinopharm India Private Limited, a subsidiary company of China National Pharmaceutical Group for importing the vaccines known as “HEPATITIS A (HepA)”. We have conducted clinical trials of HepA Vaccine for DCGI Approvals. As per letter dated October 1, 2019, the application is under review with Director General of Health Services Central Drugs standard Control Organization. On receipt of approval we will proceed for commercial launch of HepA Vaccine after clinical trial.

For exports, we intend to pursue therapeutic areas such as Antibiotics, Anesthesia, Hormones, Orthopedic, Anti-cancer (Oncology), Cardiovascular, Anti-fungal, Antiviral, Pediatrics, Cardiology, nephrology, Neurology etc.

Our overall Market share will be increased through the following initiatives:

- Identification of gaps in our product portfolio for the introduction of new products in Vaccination
- Enhancing the productivity and efficiency of our sales and marketing personnel through training & development.
- Launching new innovation driven products adding value to our product/Sales mix;
- Strengthen our position with focus on marketing value based products with a target to penetrate those states/countries where we are not represented.

#### ***Increase by targeting unexplored markets***

As part of our growth strategy, we intend to target regulated markets as well as enhance our presence in existing geographies. We intend to obtain approvals for launching our newer products in the countries located in South East Asia, Middle East, Latin America, West Africa region. Our growth strategy will vary from country to country depending on applicable regulatory norms. The commercialization of products under registration will add to growth. We will continue to evaluate additional markets and product opportunities, including potential acquisitions and relationships which we believe will be beneficial to increase our presence in Domestic Markets as well as Export markets.

#### ***Expand our scope by adding more products***

We currently manufacture, market and sell different therapeutic segments like Antibiotics, Anesthesia, Hormones, Orthopedic, Anti-cancer (Oncology), Cardiovascular, Anti-fungal, Antiviral, Pediatrics, Cardiology, nephrology, Neurology. With our current and proposed products, we intend to increase our product range further and thus cater to more specific segments - Vaccines and enhance our reach to diversified customers. Our Company believes that expanding and launching our product range will enable us to utilize our capacities, manpower and other resources better. The marketing of the new products will be aided by our existing customer base, long standing trade relations and overall goodwill in the pharmaceutical industry.

CBC Plans to launch four Vaccination products in different category.

- |                                   |                        |
|-----------------------------------|------------------------|
| ➤ Hepatitis A Vaccine (Hep A)     | ➤ Pneumococcal Vaccine |
| ➤ Inactivated Polio Vaccine (IPV) | ➤ Varicella Vaccine    |

#### ***SWOT ANALYSIS OF OUR COMPANY***

##### **Strengths:**

- Quality & Innovative product gives a market edge for most of the suppliers.
- Getting our approved formulations manufacture through Reliable Contract Manufacturing & sourcing of Formulation, API and drugs
- Demand for API and Formulation is continuously rising.
- Competitive edge in terms of quality and competitive bidding.
- The company has well established marketing & distribution network.
- Vast Experience of Promoter in the Field.

##### **Weaknesses:**

- Dependent upon growth in Pharma and API industry & competition from China and International suppliers

- Requirement of Finance to cater on national level
- Limited market share & presence in few segments
- Competitors can offer similar products quickly

#### **Opportunities:**

- Vaccines and certain formulations are under approval having huge market demand in India.
- In various global markets, governments are focusing on speedy introduction of generic drugs into the market
- Growing acceptance by consumers of new and innovative formulation and awareness
- Rising in the demand for products in emerging areas and export
- E commerce and Online sale is growing and can able to cater on national level easily
- Development of specialize products suitable for Pharma and API has huge demand

#### **Threats:**

- Changes of government policies
- Fluctuations in raw material prices
- Change of behavior of consumer demand
- Increase in Input cost can cause upward pricing
- Too many players entering and exit the market

#### **Our Present Business**

Management has structured the business verticals in three divisions as profit centers as follows

##### **Pharma and Formulation**

##### **Ethical and own branding – Domestic and Export market**

- Ethical Pharma products – in the form of injections (liquid, powder, lyophilized, small volume, large volume in vials & ampoules etc) some capsules & tablets.
- Manufacturing under contract manufacturing facility and vendors
- Own sales and distribution networks
- Plans to introduce formulation under Vaccines range

##### **Pharma and Formulation**

##### **Generic and Bulk supply**

- Sourcing, supply, export and make to order of Pharma and formulation products to supply Institution, wholesale, hospital and health care center's & Government organization

##### **Specialty Chemicals, Bulk drugs & API**

- Import, Indenting, Sourcing, make to order outsource & Supply of Specialty API for domestic clients in Pharma industry.
- Arrangement with International Vendors to Supply API in Indian Market

The CBC is very well accepted in the industry by the health care experts as well as the pharmaceutical industry players. The goodwill created by the CBC amongst doctors & manufacturers is because of the quality standards of the product which are always maintained by CBC & the business ethics followed by the company which is rooted on the grounds of loyalty & honesty & the win-win model to all.

CBC in India majorly deals in marketing of critical care range of products. These higher antibiotics, Cardiovascular, anti-infective and many more such range of injectable products are supplied by the company under own brand to hospitals, nursing homes, govt. institutes etc.

The critical range of products are not available over the counter (NO OTC), rather a patient receives critical care range of products when he/she is admitted in the hospital for specialized treatments, for surgery, is in ICU or is critically ill. CBC never compromises on quality & timely supplies as a result of which such highly specialized doctors like surgeons, intensivist, gastro physicians, physicians etc at hospital levels trust our brand for their patients. The critical care segment

of products which the company promotes as the name suggest is critical as they are all injectable products, the drug is directly given to the patient in an injectable form which immediately reaches the patients' blood stream & gives the necessary affect.

It takes a dedicated team of professionals to deal & offer such critical range of products. It's a highly specialized job as we are dealing with patients' life. So, it gives us immense pleasure to have been successfully supplying quality & effective FDA approved brand products to patients' who are critically ill through doctors who trust our brands by the medium & channel of Marketing Managers, distributors & stockiest in major state of India who successfully distribute the products wherever there is a requirement. The logistics team of CBC is technical to handle such injectable products which require temperature control at each step to maintain its efficacy & quality.

### **Finished Pharmaceuticals Formulations**

- Exports of Formulation
- Domestic Sales
- Ethical Marketing and sales under own Brand
- Generic Formulation and sales without Brand

### **Active Pharmaceuticals Ingredients (API's)**

- Source Imported / Domestic API for Pharma

### **Overview of Business Verticals & Products**

#### **1. Pharmaceutical Formulations – Ethical business with our own brand for Domestic and Export markets:**

Our Company is engaged in development and marketing of pharmaceutical formulation under Ethical & generic Pharma products ranges having wide application. Our company has obtained trade mark registration and approval from FDA for marketing in India and few products for exports.

The Formulations are supplied in - Our Formulations are used through in the form of injections (liquid, powder, lyophilized, small volume, large volume in vials & ampoules etc.) some capsules & tablets.

Formulations used through injections which are in power can be further categorized by its use as follows:-

- i. Intramuscular Use (IM):**  
Administering medication directly into muscle. This route is commonly used for immunizations.
- ii. Subcutaneous Use (SC):**  
Administering medication below epidermis and dermis layers into the subcutaneous tissue. This route is commonly used for insulin and heparin.
- iii. Intravenous Use (I.V.)**  
Intravenous (IV) medications are a solutions administered directly into the venous circulation via a syringe or intravenous catheter.

IV \ IM Injections – ampoules, vials, pre-filled syringe, lyophilized vials Tablets, Capsules and Syrup

Pharmaceutical formulations are suitable for following treatment segments like Antibiotics, Anesthesia, Hormones, Orthopedic, Anti-cancer (Oncology), Cardiovascular, Anti-fungal, Antiviral, Pediatrics, Cardiology, nephrology, Neurology.

Our company has developed own distribution and marketing network in major states of India. Products are supply to hospital, Nursing home where operation takes and recommenced by only MS surgeon or specialty doctors.

## **OUR PRODUCTS**



## 2. Pharmaceutical and Finished Formulation – Bulk supply

Our company deals in pharmaceutical formulation and generic medicines suitable for following treatment:

- Anti-cancer (Oncology),
- Antibiotics,
- Anesthesia,
- Orthopedic
- Cardiovascular
- Anti-fungal,
- Antiviral
- Pediatrics
- Gastrointestinal
- Nephrology
- Neurology

CBC has contract manufacturing and quality control facility tie up with companies whose plants are duly approved by FDA & WHO and follow GMP certification. CBC has Warehousing and logistic facility to supply basic raw materials and QC for quality and cost improvement.

The products are sourced and also manufactured by Pharmaceutical Manufacturers on a Principal to Principal basis (P2P) business model for institution, hospital and wholesalers. CBC also have entered into contract manufacturing (Loan License) facility arrangement with 4 companies for Pharma Formulations and medicines. These facilities are approved by FDA, GMP/GLP & WHO-GMP.

## 3. Specialty Chemicals, Intermediates & Active Pharmaceuticals Ingredients (API)

Our company has developed the team and network for sourcing, indenting, make to order facility with suppliers to supply the bulk drug & API. The Active Pharmaceutical Ingredient (API) is the part of any drug that produces its effects. Some drugs, such as combination therapies, have multiple active ingredients to treat different symptoms or act in different ways. APIs denote the dosage in a drug or in other words the key chemicals that make the drug work.

All drugs are made up of two core components: the API, which is the central ingredient, and the excipients, the substances other than the drug that helps deliver the medication to your system. Excipients are chemically inactive substances, such as lactose or mineral oil.

Our major Active Pharmaceutical Ingredients includes L-Asparaginase (Oncology), Heparin Sodium (Nephrology), and Enoxaparin Sodium (Cardiac). We focus in products suitable for and have wide applications in Pharmaceuticals, Finished Formulations, Key Starting Materials for API.

We have developed the reputation and goodwill among our clients for quality supply of API across India.

## BUSINESS PLAN

Considering the experience of promoters in Pharmaceutical Formulation and growth in Pharma Industry, Management has proposed plan to expand in Pharma Industry in following stages and areas.

- Enter MOU and identify Dedicated Manufacturing Plant in near Mumbai & Ahmedabad with high tech fully automated machines duly approved by FDA and WHO to manufacture Pharmaceutical Formulation.
- Setup Warehousing and distribution center at additional locations to cater the Indian Market
- Introduce Vaccination – Hepatitis A (“Hep A”) and few more formulation

- Develop the new Pharma formulations and medicine in Domestic and Export market
- Develop the brand and confidence of Doctors for Pharma formulation
- Develop own sales and distribution network in Pan India and for export

Management has plans to focus in Pharma formulation and generic medicines. The future plans as follows:

- Launch the Formulation in Vaccines & few other Chronic diseases treatment range.
- Expand the secondary sales team for Ethical Marketing and sales
- Expand and have Presence in more states with more deep penetration
- Organize and participate in Medical Association Programmed and Conference
- Invest in R & D for formulation
- Expand the warehousing and distribution channel
- Develop the E – Retail and Online marketing & local order \ delivery channel with digitalization.

## PROPOSED BUSINESS PLAN

Considering the growth prospects in Pharma Industry and experience of promoters, Management has plans to launch in phase manner the formulation in Vaccines range where growth potential is high due to Government Health Incentive Program and Awareness for preventive diseases by Pediatric doctors and NGOs.

### Categories

- Hepatitis A Vaccine (Hep A)
- Inactivated Polio Vaccine (IPV)
- Pneumococcal Vaccine
- Varicella Vaccine

Management plan to launch the Hepatitis A and Inactivated Polio Vaccine in first phase and remaining formulation will in phase manner in 3 years.

We have exclusive rights with Sinopharm India Private Limited, a subsidiary company of China National Pharmaceutical Group for the import, distribution and sale of the Hepatitis A Vaccine under our brand name in the territory of the Republic of India and to promote and market the product to have the maximum penetration in the areas of sale of the product. Sinopharm India Private Limited imports Hepatitis A Vaccine after necessary approvals from various authorities and to sell the same in the territory of India. Hepatitis A (Live) Vaccine Freeze Dried is manufactured by Changchun Institute of Biological Products Co., a subsidiary company of Sinopharm Group Corporation, China.

### Hepatitis A (“Hep A”) -Product in brief & disease

#### A. Infection:

- Hepatitis A virus (HAV) is a non-enveloped single-stranded RNA virus.
- HAV replicates in hepatocytes (liver cells) and interferes with liver function, sparking an immune response that causes liver inflammation.
- Four of the seven genotypes of HAV affect humans (genotypes I and III are the most common), but only one serotype exists.
- Infection with any of the genotypes usually results in lifelong immunity against all strains of Hepatitis A virus.
- Hepatitis A vaccine is used to prevent infection caused by the Hep A virus (HAV).
- Hepatitis A Vaccination is recommended for all children age 12 months and older & adults, for travellers to certain countries, and for people at high risk for infection with the virus.

#### B. Transmission:

- HAV is transmitted via the faecal-oral route either by direct contact with an infectious person or by ingestion of contaminated food or water.

#### C. Risk Factors:

- Low household socio economic status.
- Larger household size and crowding.
- Residence in a rural area.
- Limited access to improved water sources.
- Limited access to sanitation facility.



#### D. Opportunity:

- Benefits of including vaccine in Immunization schedule of IAP.
- All the qualified pediatric practitioners across country have to follow the schedule.
- Government is initiating lot of immunization programme based on the IAP guidelines.
- This schedule is followed by all, Irrespective of government/private institutes.

### FUTURE ROADMAP

The Management has prepared growth plans for the future as follows:-

- Identify and enter MOU on long term basis as dedicated State of the Art manufacturing facility for vaccination, Injection, other dosage forms with approval from WHO,GMP and upgrade up to PICS and MHRA.
- Create a contract manufacturing and development of FDF (Finished Dosage Formulations) vertical for giving single point solution to customers from Raw materials to compression to bulk packing.
- Create a team with infrastructure to offer best in class products & services for Contract manufacturing at competitive rates.
- Create CRAMS (Contract Research and Manufacturing Services) for offering end to end solution for Formulation development & commercial mfg. for clients at competitive costs.
- Expand our Sales footprint in the Pharma formulations and medicines in the domestic and export markets.
- Focus on Pharma formulations and generic medicines through launch of new products in the Chronic diseases& Anti-allergic treatments.
- Increase our Field force for Ethical marketing of Generics drugs and medicines.
- Develop E-Retail & online marketing & local distribution channel for products with use of digital technology.
- Create new Warehousing & distribution facility for our Pharma & API-Chemical business to service our customers. Services offered will be Bulk repacking for retail customers with customized requirements.

### OUR PRESENT INFRASTRUCTURE FACILITY

#### Registered and corporate office

Our company has well equipped and furnished Registered & corporate office located at 323-F Bhagat Bhuvan, Dr. Ambedkar Road, Matunga (East), Mumbai – 400019 India. The premises are on lease basis.

#### Our Warehousing Facility

Our company has warehousing and storage facility on lease basis \ arrangement for storage of Pharmaceutical Formulation, API and bulk drugs. The warehousing facilities are located at follows:

| Warehouse  | Address   | Pharma / chemical products              |
|--|---|---|
| Storage Facility – Cold storage and dry area.<br>Area 160 sqmt | R.C.C Godown, D-Dharam Complex, Phase II at Bhoir Compound, Near Gram Panchayat, Office Survey no. 47, Hissa No. 1, Paiki Village, Taluka- Bhiwandi, District- Thane MH | Pharma Formulation and API - Bulk Drugs |

#### Contract Manufacturing Facility

Our Company has entered into a contract manufacturing agreement with various units wherein each unit is dedicated to manufacturing certain products in Formulations as per the terms of the agreement. We typically enter into contract manufacturing agreements for periods ranging from one to three years. These units are approved as per GMP/GLP, WHO-GMP certified to cater to different market in India and overseas. These manufacturing units are located in Maharashtra & Gujarat.

Under contract manufacturing arrangements, we will be responsible for supplying the raw material and technical know-how for manufacturing of our Pharma products and any kind of quality related issues in the products till expiry. All the raw materials are procured from both domestic as well as international market at very competitive prices from various suppliers. In the Specialty Chemicals business, our price advantage for procurement of raw materials is our USP.

#### Raw Materials and Packing materials

As mentioned in our business, we deal in Pharmaceutical formulation, API and Formulation to supply our customers. We source the material from vendors and manufacturers of chemical and formulation as per the order and specification.

For our Pharmaceutical business, our manufacturing activity is done on a Contract Manufacturing \ P2P (Principal to Principal) basis where the Principal Entity does the procurement of raw material and packing material. Packing materials are sourced from established vendors.

We carefully assess the reliability of all materials purchased to ensure that the regulatory and legal requirements are complied with, and they comply with the rigorous quality and safety standards required for our products. In an effort to manage risks associated with raw materials supply, we work closely with our suppliers to help ensure availability and continuity of supply while maintaining quality and reliability and identifying any potential for improvement.

Generally, there are multiple sources that can supply the raw materials that we require. Our raw material sourcing is not dependent on a single source of supply and we have access to alternate sources for our procurement of raw materials. All raw material and packing material is easily available in India.

## **MARKETING, PLAN & DISTRIBUTION**

The backbone of our revenue from Pharmaceutical operations is our marketing team and our distribution network. Over the period of years, we have established a strong customer base and an unyielding marketing setup. We have a dedicated marketing team which oversees the marketing of different types of Formulation and APIs for various geographical locations.

We adopt product-wise, client-wise, location-wise and geographic-wise approach for selling and marketing our products. Our marketing team also works to maintaining the existing clients and acquiring new clients for our products. Our marketing team focuses on increasing our market share through addition of new & unique products which have huge business potential & are a game changer. Further, we are conducting trials with potential customers for our new product – vaccines.

We have dedicated sales and marketing team and an extensive domestic distribution network. We generate significant demand for our products in India through field force of medical representatives employed by us and our distributors who also appoint their own medical representatives. The medical representatives promote our products amongst MS Doctors, medical practitioners & medical therapy specialists. We also have a strong network of retail pharmacies in Hospital and nearby chemist and distributor's for availability of our product. Further, to enhance our market presence and recognition, we arrange for CMEs (Continuous Medical Education) and Conferences for our medical fraternity to enhance & update their knowledge. Our sales and marketing team comprised of field force, medical representatives & Senior Sales team.

### **Marketing Strategy**

CBC has plans frame the marketing strategy which allows to create brand value of formulation in long run. CBC follows certain internal strategy as follows:

- Post Marketing Surveillance - Create Secondary marketing sales team and review the response of effects from Doctors, patients and Medical stores.
- Prescribe Events Monetary – Review the prescription given by doctors and Patient feedback for quality, cost and effectiveness
- Fact on file – Create the data base and feedback from doctors for effects, side effects and recovery systems.
- Unrestricted Market and Brand creation – Participate in Events, conference and seminars for health awareness, educate the new R & D and treatment systems to doctors and general public.

### **Marketing Plan**

Management has focus in Branding of Pharmaceutical Formulation and medicines & launching vaccination product range.

#### **In Healthcare do market the formulations in three areas:-**

1. Ethical & Secondary marketing through MR to doctors
2. Institutional Supply - Hospital, Healthcare Centre, Municipality, Nursing homes, Govt. tenders.
3. Exports to EU, Gulf and African markets

*In Healthcare our company has also plans to launch more formulation in Phase manner following areas:*

Anti-cancer (Oncology),  
Antibiotics,  
Anesthesia,  
Orthopedic

Cardiovascular  
Anti-fungal,  
Antiviral  
Pediatrics

Gastrointestinal  
Nephrology  
Neurology

### ***In Vaccination***

Hepatitis A Vaccine (Hep A)  
Inactivated Polio Vaccine (IPV)

Pneumococcal Vaccine  
Varicella Vaccine

### **Distribution and Sales Network**

#### ***Ethical and Secondary Sales***

Presently our company has presence in Uttar Pradesh, Tamil Nadu, Karnataka, Arunachal Pradesh, Telangana, Gujarat, Kerala, West Bengal, Maharashtra, Bihar and Madhya Pradesh. We have super stockiest for the respective States with Stockiest. This Stockiest will supply the Medicine to respective hospitals and nursing home's. Our Company plans to expand in new states and penetrate more in existing states by increase in field staff.

#### ***Institutional Sales***

Presently CBC is registered vendor and supply to hospitals, Municipality and govt. supply Rajasthan & nursing homes, Institutes.

Separate team is developed to have focus in Vendor Registration, Tender and sales to Municipality & Govt.

We also market and sell our products through distributors based on distribution agreement/ appointment letters for marketing and distributing our products across India. For our distribution channel, we have more than 100 distributors/trade partners marketing and distributing our products across India. Our distributors with the able support of our marketing team are involved in distribution and promotion of our products in their respective territories.

Besides this, we also have 1 (One) Central warehouses at Bhiwandi in Thane.

#### ***Our presence in International Markets***

We export injections/tablets/ capsules as a merchant exporter. We intend to enhance our global presence leveraging on its vast experience, technological strength & product quality & timely supply skills. We have a highly qualified export team. An in house regulatory team as well with many dossiers readily available (CTD & a CTD dossiers). Our company has focus in direct export of our Pharma Products. We have exports of Formulation to countries like Philippines, Bolivia, DR CONGO. Further, our company is planning to export in countries located in South East Asia, Middle East, Latin America, West Africa. Presently we are exporting products & also registering in the form of injections (liquid, powder, lyophilized, small volume, large volume in vials & ampoules etc) some capsules & tablets.

We have entered into marketing and distribution agreements with various parties for our exports. On execution of such agreement, distributor becomes exclusive distributor, i.e. to market, sell and distribute in a particular territory, the finished pharmaceutical products manufactured by us which is specifically mentioned in agreement.

## **HUMAN RESOURCE**

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As of November 30, 2019, our Company employed around 58 employees for its various types of operations, work and administration including Sales Manager, Regional Manager, and Institutional Managers.

We have encountered no significant work disruptions till date and we believe that we have maintained good relations with our employees.

## **COMPETITION**

Our Company operates in the pharmaceutical sector which faces competition from domestic as well as international players. Competition emerges from both organised and unorganised sector including private and public companies. The

primary competitive factors consist of quality, technology, prompt delivery, price, size of product portfolio and customer service. Our competitors also may obtain other regulatory approvals for their products more rapidly than we may obtain approval for our products, which could result in our competitors establishing a strong market position before we are able to enter the market. Many of the companies against which we are competing, or against which we may compete in the future, have significantly greater financial resources and expertise in research and development, manufacturing, obtaining regulatory approvals and marketing approved products than we do. Moreover, as we seek to diversify into new geographical areas globally, we may face competition from local companies, multinational corporations and companies from other emerging markets operating in such markets. We compete with our competitors on the basis of product quality, brand image, price and reliability. We continuously strive to increase our distribution channel to increase our domestic presence and for increasing our global reach. We intend to continue to compete vigorously to capture more market share and manage our growth in an optimal way by improving our brand image, increase our product offerings, satisfying customer demands, achieving operating efficiencies, etc.

## COLLABORATIONS

As on the date of Prospectus, our Company has not entered into collaboration with any one.

## INFRASTRUCTURE, RAW MATERIAL, WATER, ELECTRICITY

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

We procure raw material and supply to contract manufacturer who are having facilities which are approved by FDA/WHO and other relevant authorities. Water and electricity required in manufacturing our products are procured and sufficed by contract manufacturer at their premises.

## PLANT & MACHINERY, TECHNOLOGY AND PROCESS

Since, our products are manufactured through a third party via the contract manufacturing agreement; our company does not own any specific plant and machinery for manufacturing our products except as required to run the day to day business. There is no specific technology required for manufacturing our products. The process remains almost same for all our products to be manufactured by contract manufacturers.

## CAPACITY AND CAPACITY UTILISATION OF FINISHED PHARMACEUTICALS FORMULATIONS

As our company manufacture through contract manufacturers and later market our product (finished pharmaceutical formulation) under our own brand name, therefore capacity and capacity utilisation is not applicable in our case.

## EXPORTS & EXPORTS OBLIGATIONS

Our Company exports to Philippines, Bolivia, DR CONGO. There are no outstanding Exports Obligations.

## OUR PROPERTIES

Our Registered office and Storage/Warehouses are leased by our Company. The detail of our property is as follows:

### Details of Immovable Property:

#### 1. Owned Properties:


| Sr. No. | Location of Property  | Name of the Seller  | Date of Execution of Agreement | Consideration paid (₹ in Lakh) | Area                           | Usage |
|---------|---|---|--------------------------------|--------------------------------|--------------------------------|-------|
| 1.      | Gala No. 3/B, Ground Floor, T K Industrial Estate, Sewree Mumbai – 400015 | 1) Mr. Yusufali Murad,<br>2) Mr. Yusuf I. Gangat and<br>3) Ms. Najma Murad, Indian Inhabitant partners of M/s Simco Packings Products | September 28, 2004             | 35.60 Lacs                     | Built up Area:-<br>1680 Sq. Ft | -     |

#### 2. Properties taken on Lease Basis:

| Sr. No. | Location of the Property   | Name Of Lessor                                 | Date of Lease Agreement | Period   | Rent per month   | Usage & Area                                 |
|---------|--|--|-------------------------|--|--|--|
| 1.      | R.C.C Godown, No. 01, Ground Floor, Building no. D-floor of Dharam Complex, Phase II at Bhoir Compound, Near Gram Panchayat, Office Survey no. 47, Hissa No. 1, Paiki Village Val, Taluka-Bhiwandi, District-Thane-421302.   | Mrs. Jigna S Haria and Mr. Shashikant J. Haria | July 19, 2019           | Period of 60 Months commencing from September 1 2019 to August 31, 2024. | ₹ 39,804/- per month for first 12 months<br>₹ 42,673/- per month for the next 12 months<br>₹ 45,771/- per month for the next 12 months<br>₹ 49,117/- per month for the next 12 months<br>₹ 52,731/- per month for the next 12 months | Godown<br>Built up<br>2630<br>Square<br>Feet |
| 2.      | 323-F Bhagat Bhuvan, Dr. Ambedkar Road, Matunga (East) Mumbai- 400019  | Mrs. Chitra Bhagat and Mr. Hemant Bhagat       | September 1, 2019       | 11 months from September 1, 2019   | ₹ 50,000/month   | Registered & Corporate Office                |
| 3.      | Office No. Villa No 39, Built-up: 1000 Square Feet, situated on the - Floor of a Building known as 'Sahyadri Nagar' standing on the plot of land bearing Plot Number :39,Road: Bhangarwadi, Location: Lonavala, Maharashtra 410401, of Village: Lonavala, situated within the revenue limits of Tehsil Maval and Dist Pune | Mrs. Chitra Bhagat and Mr. Hemant Bhagat       | April 15, 2019          | 36 months commencing from April 1, 2019 and ending on March 31, 2022     | ₹ 50,000/month   | Guest House                                  |

## INTELLECTUAL PROPERTY

As on the date of the Prospectus, our Company is using total 208 Trademarks out of which 102 trademarks are registered in the name of the Company. For details of registered and applied trademarks, please refer the chapter titled "GOVERNMENT APPROVALS" beginning on page no. 179 of this Prospectus.

Mrs. Chitra Bhagat, wife of our Promoter Mr. Hemant Bhagat has assigned logo  along with other 105 trademarks through deed of assignment entered into March 19, 2019, for which our company has paid deposit of ₹ 1.50 Crores to Mrs. Chitra Bhagat for acquisition of these 106 trademarks. All such trademark are assigned for a period of 5 years and our company is required to pay royalty amount ranging to `4000 to `5000 per trade mark per annum.

## FINANCIAL INDEBTEDNESS OF THE COMPANY

As on the date of this Prospectus, our Company has availed following secured loans. For further details, please refer to the section "STATEMENT OF FINANCIAL INDEBTEDNESS" on page no. 145 & 146 of this Prospectus.

| Sr. No. | Name of The Lender | Sanction Amount  | Purpose   | Amount O/S As On July 31, 2019  | Interest / Commission Rate   | Security   | Period & Repayment Schedule   |
|---------|--------------------|--|---|---|--|--|---|
| 1.      | Axis Bank Limited  | Cash Credit ₹ 1425.00 Lakh (PSC/PSCFC - ₹ 300.00 Lakh as Sub-limit) (EPC/PCFC - ₹ 200.00 Lakh as Sub-limit) Letter of Credit ₹ 500.00 Lakh (Bank Guarantee - ₹ 100.00 Lakh as Sub-limit and LER - ₹ 35.00 Lakh as Sub-limit) Term Loan ₹ 490.00 Lakh | Working Capital<br><br>Letter of Credit for importing goods<br><br>Term Loan for replacement of high interest bearing Unsecured Loan of NBFCs/ Banks/ FII's, with low interest bearing term loan. | <b>Working Capital</b> ₹ 1454.10 Lakh<br><br><b>Letter of Credit</b> ₹ 154.45 Lakh<br><br><b>Term Loan:</b> ₹ 461.01 Lakh | <b>Cash Credit:</b> 3 M MCLR +1.95% (presently 10.60% per annum) payable at monthly intervals.<br><br><b>Letter of Credit:</b> Commission / Charges – 50.00% of banks standard charges plus applicable taxes.<br><br><b>Term Loan:</b> 3 Months MCLR + 1.30% (presently at 9.35% p.a.), payable at monthly intervals | <b>Primary:</b> Hypothecation of entire R/M, stock in process, finished goods and book debts plant and machinery of the company, both present and future.<br><br><b>Collateral:</b> EM on following properties: 1) Gala No. 3/B T.K. Industrial estate, Sewri, Mumbai - 400015 belonging to Chandra Bhagat Pharma Private Limited 2) Row house No 39, Puranik's sayama Complex, Survey No. 28, Village Bhushi, Tal Maval District - Pune belonging to Mr. Chandra Bhagat & Mrs. Chitra Bhagat 3) Pledge of FDRs valuing ₹ 3.02 Lakhs. 4) Assignment of LIC policies standing in the name of Mrs. Chitra Bhagat and Mr. Hemant Bhagat valuing ₹ 1.04 Crores 5) Mutual Funds / Liquid assets | <b>Cash Credit:</b> On Demand<br><br><b>Term Loan:</b> 60 Equal monthly principal Installment of ₹9.25 Lakhs each |

| Sr. No. | Name of The Lender   | Sanction Amount | Purpose                                | Amount O/S As On July 31, 2019 | Interest / Commission Rate  | Security  | Period & Repayment Schedule   |
|---------|----------------------|-----------------|--|--------------------------------|---|---|---|
|         |                      |                 |  |                                |   | valuing ₹ 1.86 Crores<br><b>Cash Margin:</b> 20% on LC/ BC and BG<br><b>Personal Guarantee:</b><br>1. Mr. Pranav Bhagat<br>2. Mr. Hemant Bhagat<br>3. Mrs. Chitra Bhagat<br>4. Mrs. Prachi Bhagat<br>5. Mr. Jay Bhagat                        |   |
| 2.      | Punjab National Bank | ₹ 150.00 Lakh   | Overdraft Facility for working capital | ₹ 142.55 Lakh                  | MCLR (1 year) + 2.75% i.e. 10.90% at present subject to change as per Bank's Guidelines | Residential Flat situated at Flat No. 702, 7 <sup>th</sup> Floor, Charkop Shree Krishna CHSL, Plot No. 212, RDP-6, Sector 3, Charkop, Kandiwali (W), Mumbai – 400067 in the name of Mrs. Nita Anand Toraskar and Mr. Anand Parsuram Toraskar. | The interest to be serviced as and when applied.<br><br>Loan repayable in 120 monthly installments of ₹ 2,05,777/-. |

For details of Unsecured Loans, please refer to the section “STATEMENT OF FINANCIAL INDEBTEDNESS” on page no. 145 & 146 of this Prospectus.

## INSURANCE POLICIES

Our Company maintains insurance against various risks inherent in our business activities. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. The following are the details of the insurance policies obtained by our Company:

| Sr. No | Name of the Insurer                              | Type of Policy                          | Policy No.               | Validity Period                                | Description of the cover under the policy   | Sum Insured   | Premium p.a. |
|--------|--|---|--------------------------|--|---|---|--------------|
| 1.     | Future Generali India Insurance Company Limited. | Burglary (House Breaking) Insurance     | 2019-B0136086-FBG        | May 02, 2019 to midnight of May 01, 2020       | Stock of Medicine, injection, syrups  | ₹ 700 Lakhs   | ₹ 45,430/-   |
| 2.     | Bajaj Allianz General Insurance Company Limited  | Burglary Insurance                      | OG-20-1907-4010-00000107 | June 17, 2019 to June 16, 2020                 | On Stock Of Pharmaceuticals, Imported Indigenous Goods, Packing Materials   | ₹ 25 Lakhs  | ₹ 2,066/-    |
| 3.     | The New India Assurance Co. Limited              | Standard Fire and Special Perils Policy | 11280011190100000282     | June 24, 2019 to June 23, 2020                 | Industrial Unit on ground floor, bearing no-3B, T.K. Industrial Premises, Co-operative Society Ltd, Plot no. 8 &9, Sitaram Palturam Marg, Near Navbharat Estate, Sewree, West, Mumbai MH 013, Maharashtra.<br><br>On Building of 1 <sup>st</sup> Class Construction & Adjoining Shed, Otherwise Used as Furniture Manufacturing Unit. | ₹ 50 Lakhs  | ₹ 6,059/-    |
| 4.     | Bajaj Allianz General Insurance Company Limited  | Office package policy                   | OG-20-1907-4093-00000075 | August 27, 2019 to August 26, 2020             | Fire and Allied Perils, Burglary (contents excluding Jewelry and valuables), Money Insurance, and Public Liability  | Aggregate ₹ 76 Lakhs  | ₹ 4,288/-    |
| 5.     | Bajaj Allianz General Insurance Company Limited  | Householder's Package*                  | OG-20-1907-4091-00000140 | August 10, 2019 to midnight of August 09, 2020 | Fire and Allied Perils (Terrorism cover included) and Burglary (contents excluding Jewelry and Valuables) Opted on 40% First loss basis Public liability  | 1. Fire and Allied Perils (Terrorism Cover Included ₹ 205 Lakhs<br><br>2. Burglar (excluding Jewelry and valuable ₹ 30 Lakhs and<br>3. Public Liability | ₹ 7,692/-    |



| Sr. No | Name of the Insurer                              | Type of Policy                                 | Policy No.                 | Validity Period                            | Description of the cover under the policy  | Sum Insured | Premium p.a. |
|--------|--|--|----------------------------|--|--|-------------|--------------|
|        |  |  |                            |  |  | y 5 Lakhs   |              |
| 6.     | Future Generali India Insurance Company Limited. | Standard Fire and Special Perils Policy        | 2019-F0658517-SFR          | May 2, 2019 to of May 1, 2020              | Stock of medicines, injections, syrups   | ₹ 700 Lakhs | ₹ 173,770/-  |
| 7.     | Bajaj Allianz General Insurance Company Limited  | Standard Fire & Special Perils Policy -Floater | OG-20-1907-4003-00000007   | 17-APR-19 to 16-APR-20                     | Standard Fire and Special Perils Policy - Floater (Occupancy :Industrial -Chemical Manufacturing (Using materials with Flash Point below 32 deg.C) , Bulk Drug” Manufacturing  | ₹ 200 Lakhs | ₹ 63,342/-   |
| 8.     | Bajaj Allianz General Insurance Company Limited  | Standard Fire and Special Perils Policy        | OG-20-1907-4001 - 00000482 | June 17, 2019 to June 16, 2020             | Storage of Stock   | ₹ 25 Lakhs  | ₹ 7,319/-    |
| 9.     | Future Generali India Insurance Company Limited  | Marine Cargo Insurance                         | 2019-C 2027050-MTO         | June 11, 2019 to midnight of June 10, 2020 | Upon consignment said to contain (Drugs, pharmaceutical, packing material including capital goods machinery and equipment. (excluding capital goods purchased for purpose of expansion and some specific project) Trade of insured : Manufacturing | ₹ 2422 Lakh | ₹ 71,450/-   |

\* Proposers are Mr. Hemant C. Bhagat and Mrs. Chitra Hemant Bhagat- Household building no. 323-F Bhagat Bhuvan, Dr. Ambedkar Road, Matunga (East) Mumbai- 400019

## KEY INDUSTRY REGULATIONS

*The statements produced below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions and may not be exhaustive, and are only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional legal advice. The information detailed in this Chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain.*

We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approval, license, registration etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws. For details of Government and Other Approvals obtained by the Company in compliance with different regulations, see section titled “GOVERNMENT APPROVALS” beginning on Page no. 179 of this Prospectus. The following description is a summary of the few relevant regulations and policies as prescribed by the Government of India, and the respective bye laws framed by the local bodies, and others incorporated under the laws of India.

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

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

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

The Drugs and Cosmetics Rules, 1945 enacted to give effect to the provisions of the DCA to regulate the manufacture, distribution and sale of drugs and cosmetics in India. The DC Rules prescribe the procedure for submission of report to the Central Drugs Laboratory, of samples of drugs for analysis or test, the forms of Central Drugs Laboratory’s reports thereon and the fees payable in respect of such reports. The DC Rules also prescribe the drugs or classes of drugs or cosmetics or classes of cosmetics for the import of which a licence is required, and prescribe the form and conditions of such licences, the authority empowered to issue the same and the fees payable therefore. The DC Rules provide for the cancellation or suspension of such licence in any case where any provisions or rule applicable to the import of drugs and cosmetic is contravened or any of the conditions subject to which the licence is issued is not complied with. The DC Rules further prescribe the manner of labelling and packaging of drugs. The DC Rules lay down the process mechanics and guidelines for clinical trial, including procedure for approval for clinical trials. Clinical trials require obtaining of free, informed and written consent from each study subject. The DC Rules also provide for compensation in case of injury or death caused during clinical trials. The Central Drugs Standard Control Organization has issued the guidance for industry for submission of clinical trial application for evaluating safety and efficacy, for the purpose of submission of

clinical trial application as required under the DC Rules. The Indian Council of Medical Research has issued the Ethical Guidelines for Biomedical Research on Human Participants, 2006 which envisages that medical and related research using human beings as research participants must, necessarily, inter alia, ensure that the research is conducted in a manner conducive to, and consistent with, their dignity, well-being and under conditions of professional fair treatment and transparency. Further such research is subjected to evaluation at all stages of the same.

### **The 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.

### **The National Pharmaceuticals Pricing Policy, 2012 (the “2012 Policy”)**

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

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

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

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

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

### **The Narcotic Drugs and Psychotropic Substances Act, 1985 “NDPS Act”**

The NDPS Act has been enacted, inter alia to consolidate and amend the law relating to narcotic drugs, to make stringent provisions for the control and regulation of operations relating to narcotic drugs and psychotropic substances, to provide for the forfeiture of property derived from, or used in, illicit traffic in narcotic drugs and psychotropic substances and to implement the provisions of international conventions on narcotic drugs and psychotropic substances. The NDPS Act provides, inter alia, that no person shall produce, manufacture, possess, sell, purchase, transport, warehouse, use, consume, import inter-state, export inter-state, import into India, export from India any psychotropic substance, except for medical or scientific purposes and in the manner and to the extent provided by the provisions of the NDPS Act or this rules or orders made thereunder, and in a case where any such provision, imposes any requirement by way of licence, permit or authorisation also in accordance with the terms and conditions of such licence, permit or authorisation. Accordingly, the Central Government may, inter alia, permit and regulate the manufacture of manufactured drugs (other

than prepared opium,) but not including manufacture of medicinal opium or any preparation containing any manufactured drug from materials which the maker is lawfully entitled to possess. Further, rules formulated under the NDPS Act prescribe, among others (i) the forms and conditions of licences for the manufacture of manufactured drugs, the authorities by which such licences may be granted and the fees that may be charged therefor, as also (ii) the forms and conditions of certificates, authorisations or permits, as the case may be, for such import, export or transshipment of narcotic drugs and psychotropic substances, the authorities by which such certificates, authorisations or permits may be granted and the fees that may be charged therefor. State Governments are also granted powers to permit, control and regulate possession, transport, purchase, sale, import inter-state, export inter-state, use or consumption of manufactured drugs other than prepared opium and of coca leaf and any preparation containing any manufactured drug.

### **The 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 Standards of Weights and Measures Act, 1976 and Standards of Weights and Measures (Packaged Commodities) Rules, 1977**

The Standards of Weights and Measures Act, 1976 aims at introducing standards in relation to weights and measures used in trade and commerce. The rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 lay down the norms to be followed, in the interests of consumer safety, when commodities are sold or distributed in packaged form in the course of inter-state trade or commerce. This Act and rules formulated thereunder regulate inter alia inter-state trade and commerce in weights and measures and commodities sold, distributed or supplied by weights or measures.

### **The Poisons Act, 1919 (the “Poisons Act”)**

The Poisons Act regulates the import, possession and sale of poisons. It empowers the State Government to frame rules for regulation of possession for sale and sale of poisons. It also empowers the Central Government to prohibit the import of any specified poison into India across any customs frontier defined by the Central Government and also regulates the grant of license. Any contravention of the provisions of the Poisons Act may be punished with imprisonment or fine or both.

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

The National List of Essential Medicines, 2015 (“NLEM”), has been introduced to replace the National List of Essential Medicines, 2011. This new list provides for 376 drugs as essential instead of the earlier 348. A total of 106 medicines have been added, 70 medicines have been deleted to finalise the new list. The medicines in National List of Essential Medicines (NLEM) should be available at affordable costs and with assured quality. The medicines used in the various national health programmes, emerging and re-emerging infections should be addressed in the list. The Government of India, Ministry of Health & Family Welfare (MOHFW) is mandated to ensure the quality healthcare system by assuring availability of safe and efficacious medicines for its population.

### **The Food Safety and Standard Act, 2006**

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

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

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

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

### **The Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA)**

COFEPOSA came into force for the reason to provide preventive detention and to protect and augment the guidelines of foreign exchange. The Act also aims to control smuggling activities and other issues in relation to these activities. COFEPOSA confers power on the Central and the State Governments to issue orders for detaining a person if it is satisfied that the person has acted detrimental to the protection and intensification of foreign exchange. The Government shall also issue order of detention on the ground that the person has engaged in the activity of smuggling goods, assists any person in smuggling goods, transports or conceals such goods, harbouring any person employed in the smuggling activities or does any other activity related with smuggling. Such an order shall be issued by the Joint Secretary to the Central Government or Secretary to the State Government or any senior officer authorized by the Government.

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

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

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

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

### **The Good Manufacturing Practice Guidelines (GMP)**

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

## **STATUTORY LEGISLATIONS**

### **The Companies Act, 2013**

The consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013. The Companies act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post

incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

## TAX RELATED LEGISLATIONS

### The Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30<sup>th</sup> September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

### The Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as the Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. A destination based consumption tax GST would be a dual GST with the center 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, The Integrated Goods And Services Tax (Extension To Jammu And Kashmir) Act, 2017, The Central Goods And Services Tax (Extension To Jammu And Kashmir) Act, 2017 and various rules made there under.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

GST has replaced the following indirect taxes and duties at the central and state levels:

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

Exports and supplies to SEZ units and SEZ developers are zero-rated in GST. Zero-rating effectively means that no tax is payable on exports but the exporter/supplier is entitled to the input tax credit on inputs/input services used in relation to exports. The exporters have two options for zero rating, which are as follows:

- (1) To pay integrated tax on supplies meant to be exported and get refund of tax so paid after the supply is exported.
- (2) To make export supplies under a bond or letter of undertaking and claim refund of taxes suffered on inputs and input services in relation to such exports.

## GENERAL LEGISLATIONS

### Legal Metrology Act, 2009

An act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters incidental thereto. Any weight or measure which conforms to the standard of such weight or measure and also conforms to such of the provisions of Section 7 as are applicable to it shall be the standard of weight or measure. Any numeral which conforms to the provisions of Sec. 6 shall be the standard numeral. It further provides that no weight, measure or numeral, other than the standard weight, measure or numeral shall be used as a standard weight, measure or numeral.

Every reference standard, secondary standard and working standard shall be verified and stamped in such manner and after payment of such fee as may be prescribed. Every reference standard, secondary standard and working standard which is not verified and stamped in accordance with the provisions shall not be deemed to be a valid standard. The provision relating to Use and Prohibition provides that no person shall, in relation to any goods, things or service quote, or make announcement of, whether by word of mouth or otherwise, any price or charge, or issue or exhibit any price list, invoice, cash memo or other document, or prepare or publish any advertisement, poster or other document, or indicate the net quantity of a pre-packaged commodity, or express in relation to any transaction or protection, any quantity or dimension, otherwise than in accordance with the standard unit of weight, measure or numeration.

No person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a license issued by the Controller. No license to repair shall be required by a manufacturer for repair of his own weight or measure in a State other than the State of manufacture of the same. The Controller shall issue a license in such form and manner, on such conditions, for such period and such area of jurisdiction and on payment of such fee as may be prescribed.

### **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 prohibits 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 provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. 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. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides

for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **The Transfer of Property Act, 1882 (“TP Act”)**

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the TP Act. The TP Act establishes the general principles relating to the transfer of property, including among other things, 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. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

### **The Indian Stamp Act, 1899**

Under the Indian Stamp Act, 1899, 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.

### **The Registration Act, 1908**

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Act is used for proper recording of transactions relating to other immovable property also. The 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 Specific Relief Act, 1963**

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. “Specific performance” means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

### **The Negotiable Instruments Act, 1881**

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

### **The Consumer Protection Act, 1986 (COPRA)**

The Consumer Protection Act, 1986 (COPRA) provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers’ disputes and matters connected therewith. COPRA protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up by the government such as the National Commission, the State Commission and the District Forums. Such redressal forums have the authority to grant the following reliefs, that is, removal of defects, replacement of goods, compensation to the consumer, etc. The COPRA provides for a three tier consumer grievance redressal mechanism at the national, state and district levels.

### **Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWWPPR Act”) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWWPPR Act defines “Sexual Harassment” to include any unwelcome sexually determined



behavior (whether directly or by implication). “Workplace” under the SHWWPPR Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWWPPR Act requires an employer to set up an “Internal Complaints Committee” at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a “Local Complaint Committee” at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

### **The Foreign Exchange Management Act, 1999**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **The Regulation of Foreign Investment in India**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“RBI”) also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, 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 Directions. 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.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the company.

### **The Employees Provident Funds and Miscellaneous Provisions Act, 1952**

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees' Provident Fund Organization (EPFO). The following three schemes have been framed under the Act by the Central Government:

- (a) The Employees' Provident Fund Schemes, 1952;
- (b) The Employees' Pension Scheme, 1995; and
- (c) The Employees' Deposit – Linked Insurance Scheme, 1976.

The Central Government has constituted Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such by Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

### **The Employees State Insurance Act, 1948**

The promulgation of Employees' State Insurance Act, 1948(ESI Act), by the Parliament was the first major legislation on social Security for workers in independent India. It was a time when the industry was still in a nascent stage and the country was heavily dependent on an assortment of imported goods from the developed or fast developing countries. The deployment of manpower in manufacturing processes was limited to a few select industries such as jute, textile, chemicals etc. The legislation on creation and development of a fool proof multi- dimensional Social Security system, when the country's economy was in a very fledgling state was obviously a remarkable gesture towards the socio economic amelioration of a workforce though limited in number and geographic distribution. India, notwithstanding, thus, took the lead in providing organized social protection to the working class through statutory provisions. The ESI Act 1948 encompasses certain health related eventualities that the workers are generally exposed to; such as sickness, maternity, temporary or permanent disablement, Occupational disease or death due to employment injury, resulting in loss of wages or earning capacity-total or partial. Social security provision made in the Act to counterbalance or negate the resulting physical or financial distress in such contingencies, are thus, aimed at upholding human dignity in times of crises through protection from deprivation, destitution and social degradation while enabling the society the retention and continuity of a socially useful and productive manpower.

### **The Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972, as amended from time to time (“**Gratuity Act**”), provides for payment of gratuity, to an employee, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years: (a) on his/her superannuation; (b) on his/her retirement or resignation; (c) on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply).

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more persons are employed or were employed on any day of the preceding twelve months, as the Central Government may specify by notification.

### **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 as amended from time to time (“**Remuneration Act**”) aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/ her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature.

In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

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

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time (“Child Labour Act”) was enacted to prohibit the engagement of children below the age of fourteen years in certain specified occupations and processes and to regulate their conditions of work in certain other employments. No child shall be required or permitted to work in any establishment in excess of such number of hours, as may be prescribed for such establishment or class of establishments. Every child employed in an establishment shall be allowed in each week, a holiday of one whole day, which day shall be specified by the occupier in a notice permanently exhibited in a conspicuous place in the establishment and the occupier shall not alter the day so specified more than once in three months.

### **Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The State of Maharashtra, Karnataka, Tamil Nadu and Andhra Pradesh have their own professional tax structure and tax is levied on every person who exercises any profession or calling or is engaged in any trade or holds any appointment, public or private, or is employed in any manner in state is liable to pay the profession tax at the specified rate provided that no tax shall be payable by the person who have attained sixty five year of age and handicapped person with more than 40% disability or parent of a physically disabled or mentally retarded child. The tax payable under the State Acts as mentioned above by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

## **INTELLECTUAL PROPERTY LAWS**

### **The 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.

## **OTHER APPLICABLE LAWS**

### **Other Laws**

In addition to the above, our Company, being corporate entity, is governed by all the statutes enacted in India and it requires to comply all such statutes to the extent applicable.

### **Laws Applicable For Operations outside India**

Our Company operates in various jurisdictions, including through our Subsidiary. The relevant laws in these jurisdictions are applicable to our Subsidiaries and Associates, which relate to incorporation or registration as applicable, labour, immigration, intellectual property, data protection, taxation, and other business related laws.

## HISTORY AND CERTAIN CORPORATE MATTERS

### COMPANY'S BACKGROUND

Our Company was incorporated as “Chandra Bhagat Pharma Private Limited” at Mumbai on March 10, 2003, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by Assistant Registrar of Companies, Maharashtra, Mumbai. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to “Chandra Bhagat Pharma Limited” and fresh Certificate of Incorporation consequent upon the conversion from Private Limited Company to Public Limited Company dated March 20, 2019 was issued by the Registrar of Companies, RoC – Mumbai. The CIN of the Company is U24230MH2003PLC139534.

Inspired by our founder Late Shree Chandravadan Bhagat’s sense of personal mission, we are driven to fill the gap in pharma sector especially in critical lifesaving medicines in India. Our company was incorporated on March 10, 2003 by Mr. Hemant Bhagat and Late. Shree Chandravadan Bhagat. On April 1, 2003, our company acquired the going concern business of M/s. Chandra Bhagat Corporation (“partnership firm”) along with all its assets and liabilities. Consequently, our company issued equity shares to respective partners of M/s. Chandra Bhagat Corporation against the acquisition of going concern business along with all its assets and liabilities. Our promoter Mr. Hemant Bhagat decided to continue on the footsteps of his father Late Shree Chandravadan Bhagat by focusing on marketing of life saving medicines like Antibiotics, Antineoplastic, Cardiovascular, Hormones etc. and set up our company’s marketing force in order to wider the product portfolio. Subsequently in the year 2004, our promoter Mr. Pranav Bhagat son of Mr. Hemant Bhagat, being third generation also joined the business and decided to market the pharmaceuticals and special chemical products in domestic as well as in international market.

Our promoters have a combined experience of more than 41 years in the Pharmaceutical products, Bulk drugs and vaccines. Driven by the passion for building an integrated pharmaceutical company, backed by their more than two decades of experience, our Promoters have been the pillars of our Company's growth since inception and have built a strong value system for our Company. With their enriching experience and progressive thinking, we aim to continue to grow in the pharmaceutical and bulk drugs in India and abroad.

#### **Our Core business as follows:**

- Ethical marketing of Pharmaceutical formulation & products in Domestic and International market through own distribution network and Sales force under own brand. Major focus in Injection – IV (Intravenous) & IM (Intramuscular), dry syrup, tablets and capsules supply to Hospital and Health care center for critical deceases.
- Getting our approved formulations manufacture through Contract Manufacturers, Source & Supply of Generic Pharma formulation and medicines to healthcare institution, Government, NGO, Hospitals & Distributors.
- Specialty Chemicals, Intermediates & Active Pharmaceuticals Ingredients (API) – We source, deal in Import, indenting and Supply in API & its intermediate.

We are engaged in the business of marketing pharmaceutical critical care & health care products. For which we have obtain necessary approvals from FDA for getting the formulations manufacture from contract manufacturers on Loan license or on principle to principle basis. We also take the necessary Trademark approvals & registrations wherever required.

At present, we have a wide range of products portfolio of pharmaceutical formulation including IV & IM range Injections, few tablets to cater the Domestic & Export Market. We have established presence in major therapeutic categories for formulations such as Anti-cancer (Oncology), Antibiotics, Anesthesia, Hormones, Orthopedic, Cardiac, Cardiovascular, Anti-fungal, Antiviral, Pediatrics, Cardiology, Nephrology, Neurology etc. We are also engaged in promoting and marketing of Active Pharmaceuticals Ingredients (API's) in India.

Our core strength lies in marketing & also getting our approved formulation manufacture through Contract Manufacturers and marketing of therapeutic formulations under our own brand and trading of various API's, which we commercialize through our marketing network across geographies and by developing relationships with pharmaceutical companies of different sizes.

Our Company & its executives have developed the skill and expertise in innovation in sourcing and supply pharmaceutical formulation, specialty API and to provide the products having wide applications in pharma industry.

Under the guidance of promoters, our company has gained goodwill and reputation among the manufactures of pharma formulation. Our company also supplies pharmaceutical formulation under own brand name through own sales and

distribution team. Our Core business is in marketing of Pharmaceutical formulation under IV (Intravenous) and IM (Intramuscular) – Injection, capsule and tablets to cater the multi-specialty hospitals, Government hospitals and nursing homes.

Our Pharma business operations are supported by various contract manufacturers having facilities which are approved by FDA/WHO and other relevant authorities. We typically enter into contract manufacturing agreements (Loan License Agreement) or in Principle to Principle arrangement for periods ranging from one to five years with manufacturer of Pharma products.

Presently our company has Contract Manufacturing Agreement with 4 pharmaceutical companies/entities. Our company has maintained relationship with the regular suppliers having FDA and WHO approved plant to supply pharma formulations. These units manufacture IV, tablets, capsules, dry powder, dry injections powder, liquids, Injections & dry injections under our own brands.

We have launched wide products range in pharma formulation having Trademarks such as Tigemor, Uroprase, Oncoginase and many more and established goodwill for quality products and have the regular clients for the same. Further our company also supply generic pharmaceutical formulation as – Make to order – for bulk supply to hospital, Health Centre of Corporate, Municipality and also for exports.

Our Company has entered into Lease Agreements for Storage Houses/ Warehouses facility at Bhiwandi- Thane, Maharashtra for using premises for stock keeping of our products. For further details on the Registered Office and Corporate Office, Storage/ Warehouse Facility and other related properties, please refer to “**Our Business – Properties**” on page no. 89 of this Prospectus.

We operate both in domestic and international markets. Presently, we are supplying Pharmaceutical formulation, Active Pharmaceutical Ingredients (APIs) in the domestic markets. We export Pharmaceutical Formulation to countries like Philippines, Bolivia, DR CONGO. Further, our company is planning for exports in countries located in South East Asia, Middle East, Latin America, and West Africa.

In domestic Pharmaceuticals markets, currently we have presence in Uttar Pradesh, Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Gujarat, Kerala, West Bengal, Maharashtra, Madhya Pradesh and are servicing these states through a Supply Chain Network of C&F, Consignee Agents, dealers, marketing representatives with our products range. Further, we are offering customized solutions to our customers for their requirement of specialty chemical/ API. We also offer onsite support & assistance to our clients using our years of experience & sourcing abilities.

Our company has established own distribution and marketing network in major states of India. With its own network, company has developed the reputation and goodwill for timely supply of material to their reputed clients. Currently, we have a registered and corporate office located in Mumbai, Maharashtra. The company establishes a long-term relationship with their clients by providing good quality product. The company is backed by a team of highly creative and experienced professionals who have an affinity for creating innovative approach in sourcing & marketing of formulations. The company’s team has been a major strength as it understands the varied needs of the clients and works accordingly. From processing to finish, the company tries its best to ensure the quality of every single product delivered by the company.

Our Company is consistent in supplying of quality products round the year as customized products are made available to customers as per the market demand. Our products comply with requisite safety standards. We are a quality conscious company. We are constantly striving to expand our line of products and we are always looking for complementary products that will add to our range of critical care products.

We have entered into a supply and distribution agreement with Sinopharm India Private Limited, a subsidiary company of China National Pharmaceutical Group for importing the vaccines known as “HEPATITIS A (HepA)”. We have conducted clinical trials of HepA Vaccine for DCGI Approvals. As per letter dated October 1, 2019, the application is under review with Director General of Health Services Central Drugs standard Control Organization. On receipt of approval we will proceed for commercial launch of HepA Vaccine after clinical trial.

Major Active Pharmaceutical Ingredients we deal into L-Asparaginase (Oncology), Heparin Sodium (Nephrology) and Enoxaparin Sodium (Cardiac).

In the past three (3) years our revenue from operations have increased from ₹ 8,978.63 Lakh in F. Y. 2016-17 to ₹ 9,705.94 Lakh in F. Y. 2017-18 and further to ₹ 10,627.82 Lakh in F. Y. 2018-19.

**REGISTERED OFFICE:**

Registered Office of the Company is presently situated at 323-F Bhagat Bhuvan Dr.Ambedkar Road Matunga (East) Mumbai 400019. There is no change in registered office address of our company since its incorporation:

## KEY AWARDS, CERTIFICATIONS, ACCREDITATIONS AND RECOGNITIONS

There has been no awards, certifications, accreditations or recognitions received by our Company.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

### CHANGE OF NAME

| Date of Approval | Particulars   | Reason   |
|------------------|---|--|
| On Incorporation | Chandra Bhagat Pharma Private Limited   | Not Applicable   |
| January 15, 2019 | Name of our company changed from “Chandra Bhagat Pharma Private Limited” to “Chandra Bhagat Pharma Limited” on conversion from private limited company to public limited company. | Since our company is in the process of listing on SME Platform of BSE Ltd. |

### AUTHORIZED CAPITAL

The following changes have been made in the Authorized Capital of our Company since its inception:

| Date of Amendment | Particulars  |
|-------------------|--|
| On Incorporation  | Authorized Capital of ₹ 25.00 Lakh divided into 250000 Equity Shares of ₹ 10/-   |
| April 03, 2013    | Increased in authorized capital from ₹ 25.00 Lakh divided in to 250000 Equity Shares of ₹ 10/- each to ₹ 50.00 Lakh divided in to 500000 Equity Shares of ₹ 10/- each.     |
| August 26, 2016   | Increased in authorized capital from ₹ 50.00 Lakh divided in to 500000 Equity Shares of ₹ 10/- each to ₹ 100.00 Lakh divided in to 1000000 Equity Shares of ₹ 10/- each.   |
| July 10, 2019     | Increased in authorized capital from ₹ 100.00 Lakh divided in to 1000000 Equity Shares of ₹ 10/- each to ₹ 850.00 Lakh divided in to 8500000 Equity Shares of ₹ 10/- each. |

## MAJOR EVENTS

There no major events in the company since its incorporation except as mentioned below.

| Year | Key Events/Milestone/ Achievement  |
|------|--|
| 2003 | Incorporation of our company in the name of Chandra Bhagat Pharma Private Limited  |
| 2015 | Our Company has entered into supply and distribution agreement on November 9, 2015 with Sinopharm India Private Limited (“Sinopharma”), a subsidiary company of China National Pharmaceutical Group for importing the vaccines known as “HEPATITIS A (HepA). |
| 2017 | Registration for supply of API like Urokinase (Cardiac), L-Asparaginase (Oncology), Heparin Sodium (Nephrology), and Enoxaparin Sodium (Cardiac).  |
| 2019 | Our Company got converted into Public Limited Company  |

## OTHER DETAILS REGARDING OUR COMPANY

For information on our activities, services, products, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled “OUR BUSINESS”, “INDUSTRY OVERVIEW” and “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS” beginning on page nos. 77, 72 and 161 respectively of this Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoter, please refer to sections titled “OUR MANAGEMENT” and “CAPITAL STRUCTURE” beginning on page nos. 110 and 41 respectively of this Prospectus.

## RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT

For details regarding our capital raising activities through equity and debt, please see the section entitled “CAPITAL STRUCTURE” and “RESTATED FINANCIAL STATEMENTS” on page nos. 41 and 127 respectively of this Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS AND CONVERSION OF LOANS INTO EQUITY**

There have been certain delays in repayment of our borrowing. However, there has been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

#### **SUBSIDIARIES/HOLDINGS AND JOINT VENTURES OF THE COMPANY**

Our company does not have any Subsidiaries/Holdings and Joint Ventures as on date of filing of Prospectus;

#### **RAISING OF CAPITAL IN FORM OF EQUITY**

For details of increase in equity capital of our company please refer section “CAPITAL STRUCTURE” on page no. 41 of this Prospectus.

#### **INJUNCTION AND RESTRAINING ORDER**

Our company is not under any injunction or restraining order, as on date of filing of this Prospectus.

#### **MANAGERIAL COMPETENCE**

For managerial Competence, please refer to the section “OUR MANAGEMENT” on Page no. 110 of this Prospectus.

#### **MATERIAL ACQUISITIONS / AMALGAMATIONS / MERGERS/ REVALUATION OF ASSETS/DIVESTMENT OF BUSINESS/UNDERTAKING IN LAST TEN YEARS**

There has been no Material Acquisitions/Amalgamations/Mergers/Revaluation of Assets/Divestment of Business/Undertaking in last ten years mentioned.

#### **TOTAL NUMBER OF SHAREHOLDERS OF OUR COMPANY**

As on the date of filing of this Prospectus, the total numbers of equity shareholders are 52 (Fifty Two). For more details on the shareholding of the members, please see the section titled “CAPITAL STRUCTURE” at page no. 41 of this Prospectus.

#### **MAIN OBJECTS AS SET OUT IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. Our Company has not changed its Object since its Incorporation. The objects for which our Company is established are:

*To carry on in India or abroad the business of manufacture directly or through contract manufacturer or on loan license basis, export, import, refine, process, buy, sell, produce, compound, mix, pack, repack, formulate, condense, distill, rectify, sterilize, steam, evaporate, cool, filter, extract, operate, purify, protect, preserve, and to act as Stockists, distributors, marketers, consultants, vendor, contractors, suppliers or otherwise deal in all types, descriptions, specifications, strengths and application of pharmaceuticals medicaments, in life saving and health care in all its branches including allopathic, ayurvedic, homeopathic and/or unani or combination thereof used for treatment, cure and health care of human being and animals, including basic patent drug intermediates, bulk drugs, patent and proprietary medicines, common medical preparations or all kind of drugs and medicines, vitamin preparations, herbs, elixirs, mixtures, powder, tablets, drops, biological and non-biological capsules, injections and compounds, tonics, anti-biotics, liquid drugs, drops, lotions, ointments, hair drug, bath salts, creams, skin preparations, lipsticks, rouges, make-ups, deodorants, veterinary medicines, ayurvedic products, poultry medicines, herbal, , and all products or by products thereof intermediates, residues, compounds and all other articles of personal hygienic, products, food products, toilet articles, perfumery, spirits, pharmaceutical preparations of all descriptions healthcare, beauty and cosmetic specialist preparation and medical equipments, medical devices, and detection kits, surgical appliances, anatomical, infusion set, orthopedic scientific apparatus and materials, contrivances, appliances, instruments and devices, surgical and other*



*ligatures, syringes, syringes, spirits and hospital requisites, herbal preparations, formulations and cosmetics, drugs, druggists pesticides, fertilizers as defined under Drug Act & Rules in all its branches.*

#### **SHAREHOLDERS' AGREEMENTS**

Our Company has not entered into any shareholders agreement as on the date of filing this Prospectus.

#### **OTHER AGREEMENTS**

As on the date of this Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered as on the date of this Prospectus.

#### **JOINT VENTURE AGREEMENTS**

Our Company has not entered into any joint venture agreement as on the date of this Prospectus.

#### **COLLABORATION AGREEMENTS**

Our Company has not entered into any collaboration agreement as on the date of this Prospectus.

#### **STRATEGIC PARTNERS**

Our Company is not having any strategic partner as on the date of filing this Prospectus.

#### **FINANCIAL PARTNERS**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Prospectus.



## OUR MANAGEMENT

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15, at least two thirds of whom shall be liable to retire by rotation. Our Company currently has 5 (Five) directors on our Board out of which 3 (Three) are Executive Directors and 2 (Two) are Non-Executive Independent Directors.

- |                                   |                                |
|-----------------------------------|--------------------------------|
| 1. Mr. Hemant Chandravadan Bhagat | Chairman cum Managing Director |
| 2. Mr. Pranav Hemant Bhagat       | Whole-Time Director            |
| 3. Mrs. Prachi Pranav Bhagat      | Executive Director & CFO       |
| 4. Mrs. Abha Praveen Doshi        | Independent Director           |
| 5. Mr. Ravindra Gajanan Awati     | Independent Director           |

The Following table sets forth details regarding the Board of Directors as of the date of this Prospectus:-

| MR. HEMANT CHANDRAVADAN BHAGAT    |  |
|-----------------------------------|--|
| <b>Father's Name</b>              | Mr. Chandravadan Chhotalal Bhagat  |
| <b>DIN</b>                        | 00233530   |
| <b>Date of Birth</b>              | October 05,1961  |
| <b>Age</b>                        | 58 years   |
| <b>Designation</b>                | Chairman cum Managing Director   |
| <b>Status</b>                     | Executive  |
| <b>Qualification</b>              | 12 <sup>th</sup> Pass  |
| <b>No. of Years of Experience</b> | 29 years of experience in Pharma & API Industry and global business.   |
| <b>Address</b>                    | Flat No. 13, 323/F, Bhagat Bhuvan, Dr. Ambedkar Road, Between Union Bank and Lions Clinic Matunga East, Mumbai Maharashtra 400019.                   |
| <b>Occupation</b>                 | Business   |
| <b>Nationality</b>                | Indian   |
| <b>Date of Appointment</b>        | Appointed as a first director of our company. Later on appointed as Chairman cum Managing Director for a new term of 5 years w.e.f. August 31, 2019. |
| <b>Term of Appointment</b>        | Holds office for a period of 5 years w.e.f. August 31, 2019, appointment liable for retirement by rotations.   |
| <b>Other Directorships</b>        | -  |
| MR. PRANAV HEMANT BHAGAT          |  |
| <b>Father's Name</b>              | Mr. Hemant Chandravadan Bhagat   |
| <b>DIN</b>                        | 00156362   |
| <b>Date of Birth</b>              | February 10, 1985  |
| <b>Age</b>                        | 34 Years   |
| <b>Designation</b>                | Whole-time Director  |
| <b>Status</b>                     | Executive  |
| <b>Qualification</b>              | Bachelor of Pharmacy (B.PHARM)   |
| <b>No. of Years of Experience</b> | Experience of more than 12 Years in Pharma & API Industry.   |
| <b>Address</b>                    | Flat No. 501-502, Plot No. 222 Wagh Manor, 27 <sup>th</sup> Road, Bandra West, Bandra, Mumbai Suburban, Bandra West, Maharashtra-400050.             |
| <b>Occupation</b>                 | Business   |
| <b>Nationality</b>                | Indian   |
| <b>Date of Appointment</b>        | Appointed as a Director from May 17, 2004. Later appointed as Whole-time Director for term of five years w.e.f August 31, 2019.                      |
| <b>Term of Appointment</b>        | Holds office for a period of 5 years w.e.f. August 31, 2019, appointment liable for retirement by rotations.   |
| <b>Other Directorships</b>        | -  |

| <b>MRS. PRACHI PRANAV BHAGAT</b>  |  |
|-----------------------------------|--|
| <b>Father's Name</b>              | Mr. Anand Parshuram Toraskar   |
| <b>DIN</b>                        | 07933601   |
| <b>Date of Birth</b>              | October 12, 1985   |
| <b>Age</b>                        | 34 Years   |
| <b>Designation</b>                | Executive Director and CFO   |
| <b>Status</b>                     | Executive  |
| <b>Qualification</b>              | Bachelor of Pharmacy (B.PHARM)   |
| <b>No. of Years of Experience</b> | Experience of more than 12 Years in Pharma & API Industry.   |
| <b>Address</b>                    | Flat No. 501-502, Plot No. 222 Wagh Manor, 27 <sup>th</sup> Road, Bandra West, Bandra, Mumbai Suburban, Bandra West, Maharashtra-400050. |
| <b>Occupation</b>                 | Business   |
| <b>Nationality</b>                | Indian   |
| <b>Date of Appointment</b>        | Appointed as a Director of our company from September 04, 2017. On August 31, 2019 she was also appointed as CFO of our company.         |
| <b>Term of Appointment</b>        | Holds office for a period of 5 years w.e.f. September 25, 2018   |
| <b>Other Directorships</b>        | -  |
| <b>MRS. ABHA PRAVEEN DOSHI</b>    |  |
| <b>Father's Name</b>              | Mr. Vimal Kumar Malaiya  |
| <b>DIN</b>                        | 08510696   |
| <b>Date of Birth</b>              | January 07, 1964   |
| <b>Age</b>                        | 55 Years   |
| <b>Designation</b>                | Independent  |
| <b>Status</b>                     | Non-Executive  |
| <b>Qualification</b>              | M. Pharm., Ph.D.   |
| <b>No. of Years of Experience</b> | She has almost 22 years of experience in academics and 3 years in Pharma Industry.   |
| <b>Address</b>                    | A-801, Interface Heights, Malad New Link Road, Near Goregaon Sport Club, Malad (W) Mumbai 400064.  |
| <b>Occupation</b>                 | Professional   |
| <b>Nationality</b>                | Indian   |
| <b>Date of Appointment</b>        | Appointed as an Independent Director of Company w.e.f. July 15, 2019.  |
| <b>Term of Appointment</b>        | Holds office for a period of 5 years w.e.f. July 15, 2019, appointment not liable for retirement by rotations.                           |
| <b>Other Directorships</b>        | -  |
| <b>MR. RAVINDRA GAJANAN AWATI</b> |  |
| <b>Father's Name</b>              | Mr. Gajanan Bhaskar Awati  |
| <b>DIN</b>                        | 07143579   |
| <b>Date of Birth</b>              | November 18, 1953  |
| <b>Age</b>                        | 66 Years   |
| <b>Designation</b>                | Independent  |
| <b>Status</b>                     | Non-Executive  |
| <b>Qualification</b>              | MA, M FIL in Mass communication and Journalism   |
| <b>No. of Years of Experience</b> | Experience of 37 Years in Various Corporate Affairs.   |
| <b>Address</b>                    | H-702, Indravadan C.H.S., Padmabai Thakkar Rd., Shivaji Park, Mahim, Mumbai 400016   |
| <b>Occupation</b>                 | Professional   |
| <b>Nationality</b>                | Indian   |
| <b>Date of Appointment</b>        | Appointed as an Independent Director of Company w.e.f. August 31, 2019.  |

|                            |  |
|----------------------------|--|
| <b>Term of Appointment</b> | Holds office for a period of 5 years w.e.f. August 31, 2019, appointment not liable for retirement by rotations. |
| <b>Other Directorships</b> | Jagatik Marathi Chamber Of Commerce And Industries   |

As on the date of the Prospectus;

- A. None of the above mentioned Directors are on the RBI List of willful defaulters.
- B. None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filing of this Prospectus.
- E. None of Promoters or Directors of our Company are a fugitive economic offender.
- F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

#### RELATIONSHIP BETWEEN THE DIRECTORS

There is no relationship between any of the Directors of our Company except the following relationship:-

| Name of Director               | Designation                                 | Relation   |
|--------------------------------|---|--|
| Mr. Hemant Chandravadan Bhagat | Promoter and Chairman cum Managing Director | Father of our Whole Time Director, Mr. Pranav Hemant Bhagat. Father-in-Law of our Executive Director and CFO Mrs. Prachi Pranav Bhagat   |
| Mr. Pranav Hemant Bhagat       | Promoter Cum Whole Time Director            | Son of Our Promoter and Chairman cum Managing Director, Mr. Hemant Chandravadan Bhagat.<br>Husband of our Executive Director and CFO, Mrs. Prachi Pranav Bhagat.               |
| Mr. Prachi Pranav Bhagat       | Executive Director and CFO                  | Daughter-in-Law of Our Promoter and Chairman cum Managing Director, Mr. Hemant Chandravadan Bhagat.<br>Wife of our Promoter and Whole-time Director, Mr. Pranav Hemant Bhagat. |

#### ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

#### SERVICE CONTRACTS

None of our directors have entered into any service contracts with our company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. However, Executive Directors of our Company are appointed for specific terms and conditions for which no formal agreements are executed, However their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of employment.

## **BORROWING POWERS OF THE BOARD OF DIRECTORS**

The shareholders of the Company, through a special resolution passed at the Annual General Meeting held on September 25, 2019 authorized our Board to borrow monies, together with monies already borrowed by us up to ₹ 100 Crores (Rupees Hundred Crores Only) if the aggregate for the time being of the paid-up capital of the Company and its free reserves is less than ₹100 Crores.

## **BRIEF PROFILE OF OUR DIRECTORS**

### **MR. HEMANT CHANDRAVADAN BHAGAT**

Mr. Hemant Chandravadan Bhagat, aged 58 years, is a Promoter and Chairman cum Managing Director of the Company. He is Director since incorporation. Later on appointed as a Chairman cum Managing Director of the Company for 5 years w.e.f. August 31, 2019. He has a rich experience of more 29 years in Pharma & API Industries & Global business. He is actively involved in managing, planning and execution process to achieve desired targets. He has also identified and led commencement of operations in emerging markets such as Africa, Nigeria, Senegal, Asia and Srilanka for exports of pharmaceutical and allied products of our company.

### **MR. PRANAV HEMANT BHAGAT**

Mr. Pranav Hemant Bhagat, aged 34 years, holds Degree of Bachelor of Pharmacy from Mumbai University. He is appointed as Director of our company since the year 2004 and recently his designation was changed to Whole Time Director of the Company for a term of 5 years w.e.f. August 31, 2019. He has an experience of more than 12 years in Pharma & API Industry. He is backbone and decision maker of the two most crucial departments of our company viz. Finance and Domestic Marketing.

### **MRS. PRACHI PRANAV BHAGAT**

Mrs. Prachi Pranav Bhagat, aged 34 years is a Bachelor of Pharmacy from university of Mumbai. She has also done diploma in Import Export Management from IMC- Mumbai, Diploma in Business Management from welingkar Institute of Management, Mumbai. She has been acting as Director of our company since 2017 and recently she is also appointed as a Chief Financial officer of our company. She has an experience of almost 12 years in the Pharma Industry. She is associated with our company since December 2007.

### **MRS. ABHA PRAVEEN DOSHI**

Mrs. Abha Praveen Doshi, aged 55 Years, she completed M. Pharm in the year 1986, from Dr. Harisingh Gour University, Sagar University. She is also completed PhD in pharmacy in the faculty of Technology from Shreemati Nathibai Damodar Thackersey women's University, Mumbai in the year 1997. She has been awarded with Prof M. L. Khorana award in the year 2002 for the best paper in Indian Journal of Pharmaceutical Sciences. In the year 2006, She presented the poster entitled "Preparation and Evaluation of Buccal Film of Diclofenac Sodium" at the 5<sup>th</sup> World Meeting on Pharmaceutics Biopharmaceutics and Pharmaceutical Technology in Geneva, Switzerland. She also received certificate in the year 2007 for attending the Board of Pharmaceutical Sciences of FIP- the 3<sup>rd</sup> World Congress of the Board of Pharmaceuticals Sciences of FIP (PSWC), in Amsterdam, The Netherlands. In the year 2013, she has been awarded certificate of a poster presentation titled "Dissolution studies of Gastroretentive Drug Delivery System of Famotidine at DISSO INDIA 2013 international annual Symposium at The Lalit, Mumbai. In the year 2015, she has been awarded with MET Pragnyavant award for academic excellence from MET Institute of Pharmacy. She has also been awarded certificate of Recognition for her phenomenal and worth oral presentation at the 4<sup>th</sup> International Summit on GMP, GCP & Quality Control held in Hyderabad. She is awarded as Glory of India (Gold Medalist) by the Best Citizen Publishing House, the World's Most Leading Biographical Specialist.

Currently she is acting as principal of MET Institute of Pharmacy. She is appointed as an Independent Director of the Company w.e.f. July 15, 2019.

### **MR. RAVINDRA GAJANAN AWATI**

Mr. Ravindra Gajanan Awati, aged 66 Years, he has completed Master of Philosophy with specialization in journalism and Mass Communication in the year 2010 from The Global Open University, Nagaland. He has also Master of Arts from University of Bombay in the year 1996. He has also completed Diploma in Journalism and Public Relation from

Siddharth College of Mass Communication, Bombay in the year 1993. is appointed as an Independent Director of the Company w.e.f. August 31, 2019. He has rich work experience in various corporate and government organization such as Indian Express Newspapers (Bombay) Private Limited, The Brihanmumbai Electric Supply & Transport Undertaking, Mercantile Marine Department , Ministry of Transport & Shipping, Mumbai District, Chowgule Steamships Limited.

#### COMPENSATION AND BENEFITS TO THE CHAIRMAN AND MANAGING DIRECTOR AND WHOLE TIME DIRECTOR ARE AS FOLLOWS:-

| Name  | Mr. Hemant Chandravadan Bhagat  | Mr. Pranav Hemant Bhagat   |
|---|---|--|
| Designation   | Chairman & Managing Director  | Whole Time Director  |
| Date of Appointment/ Change in Designation              | Appointed as a first director of our company and later on appointed as Chairman cum Managing Director for a new term of 5 years w.e.f. August 31, 2019. | Appointed as a Director of our company as May 17, 2004 later on appointed as Whole-time Director of our company for new term of five years w.e.f. August 31, 2019. |
| Period  | 5 Years, Liable to retire by rotation   | 5 Years, Liable to retire by rotation  |
| Salary  | Basic Salary upto ₹ 2,00,000/- per month for a period of five years from the date of appointment with an increment of 10% every year.                   | Basic Salary upto ₹ 2,00,000/- per month for a period of five years from the date of appointment with an increment of 10% every year.                              |
| Bonus   | -   | -  |
| Perquisite/Benefits                                     | -   | -  |
| Compensation/ remuneration paid during the F.Y. 2018-19 | ₹ 9.60 Lakh   | ₹ 9.00 Lakh  |

#### SITTING FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

Till date, our Company has not paid any sitting fees to any of the Non-Executive Directors for attending any of the Board or Committee Meetings. Further, The Board of Directors is into discussion to approve and pay sitting fees to Non-Executive Directors for attending any of the Board or Committee Meetings.

#### SHAREHOLDING OF DIRECTORS

The shareholding of our directors as on the date of this Prospectus is as follows:

| Sr. No. | Name of Directors              | No. Equity Shares held | Category/ Status          |
|---------|--------------------------------|------------------------|---------------------------|
| 1.      | Mr. Hemant Chandravadan Bhagat | 2906296                | Executive Director        |
| 2.      | Mr. Pranav Hemant Bhagat       | 657792                 | Executive Director        |
| 3.      | Mrs. Prachi Pranav Bhagat      | 83600                  | Executive Director        |
| 4.      | Mrs. Abha Praveen Doshi        | 0                      | Non-Executive Independent |
| 5.      | Mr. Ravindra Gajanan Awati     | 0                      | Non-Executive Independent |

#### INTEREST OF DIRECTORS

All the non-executive directors of the company may be deemed to be interested to the extent of fees, payable to them for attending meetings of the Board or Committee if any as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements to be entered into by the issuer company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

Executive Director is interested to the extent of remuneration paid to them for services rendered to the company.

Except as stated under “Annexure X - RELATED PARTY TRANSACTION” on page no. 157 of this Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Prospectus in which our directors are interested directly or indirectly.

## CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

| Name of Director               | Date of Event      | Nature of Event       | Reason for the changes in the board  |
|--------------------------------|--------------------|-----------------------|--|
| Mr. Shreekant Krishna Shetty   | August 31, 2017    | Resignation           | Resignation by Mr. Shreekant Krishna Sheetty.  |
| Mr. Prachi Pranav Bhagat       | September 04, 2017 | Appointment           | Appointed as Additional Director.  |
| Mr. Prachi Pranav Bhagat       | September 04, 2017 | Change in Designation | Change in designation from additional director to Director of company                        |
| Mr. Prachi Pranav Bhagat       | September 25, 2018 | Appointment           | Appointed as Additional Director.  |
| Mr. Prachi Pranav Bhagat       | September 28, 2018 | Change in Designation | Change in designation from additional director to Director of company                        |
| Mrs. Abha Praveen Doshi        | July 15, 2019      | Appointment           | Appointed as Additional Independent Director w.e.f. July 15, 2019                            |
| Mr. Ravindra Gajanan Awati     | August 31, 2019    | Appointment           | Appointed as Additional Independent Director w.e.f. July 15, 2019                            |
| Mr. Hemant Chandravadan Bhagat | August 31, 2019    | Change in Designation | Appointed as Chairman cum Managing Director for a new term of 5 years w.e.f. August 31, 2019 |
| Mr. Pranav Hemant Bhagat       | August 31, 2019    | Change in Designation | Appointed as Whole-time Director for a new term of 5 years w.e.f. August 31, 2019            |
| Mrs. Abha Praveen Doshi        | September 25, 2019 | Change in Designation | Change in designating from additional director to Director of company                        |
| Mr. Ravindra Gajanan Awati     | September 25, 2019 | Change in Designation | Change in designating from additional director to Director of company                        |

## CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges.

As on date of this Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our Company endeavors to comply with the good Corporate Governance and accordingly certain exempted regulations have been compiled by our Company.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

### Composition of Board of Directors

Currently the Board has 5 (Five) Directors. In compliance with the requirements of Companies Act, 2013, our Company has 3 (Three) Executive Directors and 2 (Two) Independent Directors on the Board.

Composition of Board of Directors is set forth in the below mentioned table:

| Sr. No. | Name of Directors              | Designation                    | Status                      | DIN      |
|---------|--------------------------------|--------------------------------|-----------------------------|----------|
| 1.      | Mr. Hemant Chandravadan Bhagat | Chairman cum Managing Director | Executive                   | 00233530 |
| 2.      | Mr. Pranav Hemant Bhagat       | Whole Time Director            | Executive                   | 00156362 |
| 3.      | Mrs. Prachi Pranav Bhagat      | Executive Director             | Executive                   | 07933601 |
| 3.      | Mrs. Abha Praveen Doshi        | Independent Director           | Non-Executive - Independent | 08510696 |
| 5.      | Mr. Ravindra Gajanan Awati     | Independent Director           | Non-Executive - Independent | 07143579 |

## Constitution of Committees

Our company has constituted the following Committees of the Board;

1. **Audit Committee;**
2. **Stakeholders Relationship Committee; and**
3. **Nomination and Remuneration Committee.**

Details of composition, terms of reference etc. of each of the above committees are provided hereunder;

### 1. Audit Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on October 1, 2019 constituted Audit Committee.

The constitution of the Audit Committee is as follows:

| Name of the Directors          | Designation | Nature of Directorship             |
|--------------------------------|-------------|------------------------------------|
| Mr. Ravindra Gajanan Awati     | Chairman    | Non-Executive Independent Director |
| Mrs. Abha Praveen Doshi        | Member      | Non-Executive Independent Director |
| Mr. Hemant Chandravadan Bhagat | Member      | Chairman Cum Managing Director     |

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

### Terms of Reference

The Role of Audit Committee not limited to but includes:-

- i. The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
- ii. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- iii. Examination of financial statement and auditors' report thereon including interim financial result before submission to the Board of Directors for approval;
  - a. Changes, if any, in accounting policies and practices and reasons for the same
  - b. Major accounting entries involving estimates based on the exercise of judgment by management
  - c. Significant adjustments made in the financial statements arising out of audit findings
  - d. Compliance with listing and other legal requirements relating to financial statements
  - e. Disclosure of any related party transactions
  - f. Qualifications in the draft audit report.
- iv. Approval or any subsequent modification of transactions of the Company with related party;
 

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof;

Provided further that in case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee;
- v. Reviewing, with the management, and monitoring 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;
- vi. Scrutiny of Inter-corporate loans and investments;
- vii. Reviewing and discussing 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;
- viii. To review the functioning of the Whistle Blower mechanism, in case the same is existing;

- ix. Valuation of undertakings or assets of the company, where ever it is necessary;
- x. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of internal auditors, and adequacy of the internal control systems; and
- xi. 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;
- xii. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
- xiii. Carrying out any other function as assigned by the Board of Directors from time to time.

### **Review of Information**

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the Internal Auditor.

### **Powers of Committee**

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Quorum and Meetings**

The audit committee shall meet as and when require to discuss and approve the items included in its role. The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher, subject to minimum two Independent Director shall present at the Meeting.

## **2. Stakeholders Relationship Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on October 1, 2019, constituted Stakeholders Relationship Committee.

The constitution of the Stakeholders Relationship Committee is as follows:

| <b>Name of the Directors</b>   | <b>Designation</b> | <b>Nature of Directorship</b>      |
|--------------------------------|--------------------|------------------------------------|
| Mr. Ravindra Gajanan Awati     | Chairman           | Non-Executive Independent Director |
| Mrs. Abha Praveen Doshi        | Member             | Non-Executive Independent Director |
| Mr. Hemant Chandravadan Bhagat | Member             | Chairman Cum Managing Director     |

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

### **Terms of Reference**

To supervise and ensure;

- i. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares;
- ii. Redressal of shareholder and investor complaints like transfer of Shares, non-receipt of balance sheet, non-receipt of declared dividends etc.;
- iii. Issue duplicate/split/consolidated share certificates;
- iv. Dematerialization/Rematerialization of Share;
- v. Review of cases for refusal of transfer / transmission of shares and debentures;
- vi. Reference to statutory and regulatory authorities regarding investor grievances and to otherwise ensure proper and timely attendance and redressal of investor queries and grievances; Provided that inability to resolve or consider any grievance by the Stakeholders Relationship Committee in good faith shall not constitute a contravention of Section 178 of Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof.
- vii. Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.



### Quorum and Meetings

The Stakeholders Relationship Committee shall meet at least four times a year and not more than one hundred and twenty days shall elapse 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 one third of total members of the Stakeholders Relationship Committee or 2 members, whichever is higher.

### 3. Nomination and Remuneration Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on October 1, 2019, constituted Nomination and Remuneration Committee.

The constitution of the Nomination and Remuneration Committee is as follows:

| Name of the Directors          | Designation | Nature of Directorship             |
|--------------------------------|-------------|------------------------------------|
| Mr. Ravindra Gajanan Awati     | Chairman    | Non-Executive Independent Director |
| Mrs. Abha Praveen Doshi        | Member      | Non-Executive Independent Director |
| Mr. Hemant Chandravadan Bhagat | Member      | Chairman Cum Managing Director     |

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

### Terms of reference

#### Role of Nomination and Remuneration Committee not limited to but includes:-

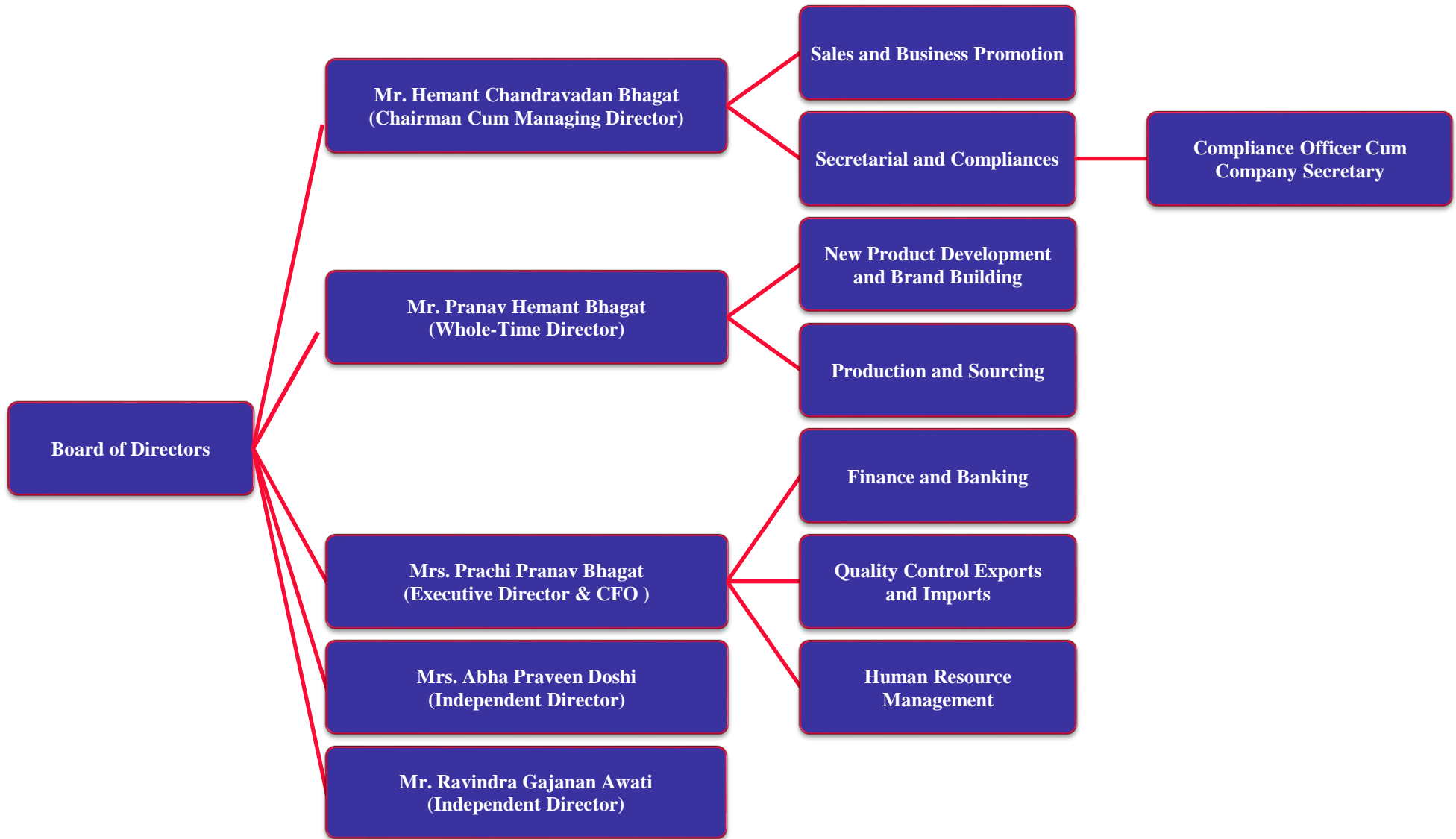
- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.

### Quorum and Meetings

The Committee is required to meet at least once a year. The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members, whichever is higher.

## MANAGEMENT ORGANIZATION STRUCTURE

The Management Organization Structure of the company is depicted from the following chart;



## OUR KEY MANAGEMENT PERSONNEL

The Key Managerial Personnel of our Company other than our Executive Director are as follows:-

| Name, Designation and Date of Joining |  | Qualification   | Previous Employment                         | Remuneration paid in F.Y. 2018-19 (₹ in Lakhs) |
|---------------------------------------|--|---|---|--|
| <b>Name</b>                           | Mrs. Prachi Pranav Bhagat*   | Bachelor of Pharmacy (B. Pharm), Diploma in Import Export Management from IMC- Mumbai, Diploma in Business Management from Welingkar Institute of Management, Mumbai. | N.A.  | 11.40  |
| <b>Designation</b>                    | Chief Financial Officer  |   |   |  |
| <b>Date of Appointment</b>            | August 31, 2019  |   |   |  |
| <b>Overall Experience</b>             | Mrs. Prachi Pranav Bhagat joined our Company as Product Executive in December 2007 and she was appointed as Executive Director of our company on September 4, 2017. She was also appointed as Chief Financial Officer of our company w.e.f. August 31, 2019. She holds degree of Bachelor of Pharmacy. |   |   |  |
| <b>Name</b>                           | Ms. Payal Bansal   | B. Com And Company Secretary  | Compar Estates And Agencies Private Limited | -  |
| <b>Designation</b>                    | Company Secretary and Compliance Officer   |   |   |  |
| <b>Date of Appointment</b>            | January 7, 2020  |   |   |  |
| <b>Overall Experience</b>             | She has overall experience of eight months in the field of secretarial work.   |   |   |  |

\* She is also acting as Executive Director of our company

## BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL

Currently, Our Company does not have any bonus or profit sharing plan for our Key Managerial personnel. In future, Discretionary bonus may be paid as may be decided by Nomination and Remuneration Committee/Board of Directors, depending upon the performance of the Key Managerial Personnel, working of the Company and other relevant factors subject to Maximum of annual salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013.

## CHANGES IN THE KEY MANAGEMENT PERSONNEL

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing this Prospectus, otherwise than by way of retirement in due course.

| Name of Key Managerial Personnel | Date of Event    | Nature of Event       | Reason for the changes in the board  |
|----------------------------------|------------------|-----------------------|--|
| Mr. Hemant Chandravadan Bhagat   | August 31, 2019  | Change in Designation | Appointed as Chairman cum Managing Director for a new term of 5 years w.e.f. August 31, 2019 |
| Mr. Pranav Hemant Bhagat         | August 31, 2019  | Change in Designation | Appointed as Whole-time Director for a new term of 5 years w.e.f. August 31, 2019            |
| Mrs. Prachi Pranav Bhagat        | August 31, 2019  | Appointment           | Appointed as Chief Financial Officer w.e.f. August 31, 2019.                                 |
| Ms. Payal Bansal                 | January 07, 2020 | Appointment           | Appointed as Company Secretary and Compliance Officer w.e.f. January 07, 2020.               |

## RELATION OF THE KEY MANAGERIAL PERSONNEL WITH OUR PROMOTERS/ DIRECTORS

| Name of Key Managerial Personnel | Designation             | Relation  |
|----------------------------------|-------------------------|---|
| Mrs. Prachi Pranav Bhagat        | Chief Financial Officer | Daughter-in-Law of Our Promoter and Chairman cum Managing Director, Mr. Hemant Chandravadan Bhagat. |
|                                  |                         | Wife of our Promoter and Whole-time Director, Mr. Pranav Hemant Bhagat.                             |

#### EMPLOYEE STOCK OPTION SCHEME

As on the date of filing of Prospectus, our company does not have any ESOP Scheme for its employees.

#### PAYMENT OF BENEFIT TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except the statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers.

#### Notes:

- All the key managerial personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel have been recruited.
- None of our Key Managerial Personnel has been granted any benefits in kind from our Company, other than their remuneration.
- None of our Key Managerial Personnel has entered into any service contracts with our company except acting in their Individual Capacity as Chairman and Managing Director or Managing Director or Whole-Time Directors and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. Further, our Company has appointed certain Key Managerial Personnel i.e. Chief Financial Officer and Company Secretary and Compliance officer for which our company has not executed any formal service contracts; although they are abide by their terms of appointments.

#### SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Prospectus.

| Sr. No. | Name of Key Management Personnel | No. Equity Shares held | Category/ Status                         |
|---------|----------------------------------|------------------------|--|
| 1.      | Mr. Hemant Chandravadan Bhagat   | 2906296                | Chairman and Managing Director           |
| 2.      | Mr. Pranav Hemant Bhagat         | 657792                 | Whole-Time Director                      |
| 3.      | Mr. Prachi Pranav Bhagat         | 83600                  | Chief Financial Officer                  |
| 4.      | Ms. Payal Bansal                 | -                      | Company Secretary and Compliance Officer |



## OUR PROMOTERS AND PROMOTERS GROUP

### Promoters of Our Company are;

1. Mr. Hemant Chandravadan Bhagat
2. Mr. Pranav Hemant Bhagat

For details of the Capital build-up of our Promoters in our Company, see section titled “CAPITAL STRUCTURE” beginning on page no. 41 of this Prospectus.

The details of our Promoters are as follows:

| Name of Promoter                 | MR. HEMANT CHANDRAVADAN BHAGAT  | MR. PRANAV HEMANT BHAGAT   |
|----------------------------------|---|--|
| Photographs                      |  <p>Mr. Hemant Chandravadan Bhagat, aged 58 years, is a Promoter and Chairman cum Managing Director of the</p>   |  <p>Mr. Pranav Hemant Bhagat, aged 34 years, holds Degree of Bachelor of Pharmacy from Mumbai University. He</p>   |
| Brief Profile                    | <p>Company. He is Director since incorporation. Later on appointed as a Chairman cum Managing Director of the Company for 5 years w.e.f. August 31, 2019. He has a rich experience of more 29 years in Pharma &amp; API Industries &amp; Global business. He is actively involved in managing, planning and execution process to achieve desired targets. He has also identified and led commencement of operations in emerging markets such as Africa, Nigeria, Senegal, Asia and Srilanka for exports of pharmaceutical and allied products of our company.</p> | <p>is appointed as Director of our company since the year 2004 and recently his designation was changed to Whole Time Director of the Company for a term of 5 years w.e.f. August 31, 2019. He has an experience of more than 12 years in Pharma &amp; API Industry. He is backbone and decision maker of the two most crucial departments of our company viz. Finance and Domestic Marketing.</p> |
| Date of Birth                    | October 05, 1961  | February 10, 1985  |
| Age                              | 58 years  | 34 years   |
| PAN                              | AACP B2302A   | AHEPB1318D   |
| Passport Number                  | Z2340444  | Z3888013   |
| Aadhar Card No.                  | 5764 6714 1029  | 3781 8929 1151   |
| Driving License                  | MH01 19890010156  | MH01 20030020094   |
| Name of Bank                     | Bank of Baroda  | Bank of Baroda   |
| Bank Account No.                 | 04060100006871  | 04060100008445   |
| IFSC                             | BARB0CHAND  | BARB0CHAND   |
| Educational Qualification        | 12 <sup>th</sup> Pass   | Bachelor of Pharmacy   |
| Experience in Business           | 29 Years  | 12 Years   |
| Present Residential Address      | Flat No. 13, 323/F, Bhagat Bhuvan, Dr. Ambedkar Road, Between Union Bank and Lions Clinic Matunga East, Mumbai Maharashtra 400019.  | Flat No. 501-502, Plot No. 222 Wagh Manor, 27th Road, Bandra West, Bandra, Mumbai Suburban, Bandra West, Maharashtra-400050.   |
| Position/ posts held in the past | Appointed as first director of our company on incorporation and appointed as Chairman cum Managing Director w.e.f August 31, 2019   | Initially Appointed as director of our company on May 17, 2004. Later on appointed as Whole-time Director w.e.f August 31, 2019  |

|                          |                        |   |
|--------------------------|------------------------|---|
| <b>Directorship held</b> | -                      | - |
| <b>Other Ventures</b>    | Hemant C. Bhagat (HuF) | - |

## DECLARATION

We declare and confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our Promoters are being submitted to the BSE Limited, stock exchange on which the specified securities are proposed to be listed along with filing of this Prospectus with the Stock Exchange.

## CHANGE IN THE CONTROL OR MANAGEMENT OF THE ISSUER IN LAST FIVE YEARS

There has been no change in the control or management of our Company in last five years.

## INTEREST OF OUR PROMOTERS

- Except as stated in “Annexure – X” - “Related Party Transaction” on page no. 157 of this Prospectus and to the extent of compensation, remuneration/ sitting fees to be paid, Perquisites to be given, reimbursement of expenses to be made in accordance with their respective terms of appointment and to the extent of their shareholding and benefits, if any, arise on the shareholding, our Promoters do not have any other interest in our business.
- Further, our Promoter may be deemed to be interested to the extent of the payments made by our Company, if any, to the Group entities and payment to be made by our Company to the Group Entities. For the payments that are made by our Company to certain Group entities, please refer “Annexure – X” - “Related Party Transactions” on page no. 157 of this Prospectus. For the payments proposed to be made by our Company to certain Group Entities, please refer “Annexure – X” - “Related Party Transactions” on page no. 157 of this Prospectus.
- Our Promoter, Directors or Group Companies do not have any interest in any property acquired by our Company in the preceding three years before filing this Prospectus. Further, they do not have any interest in any property to be acquired by our Company till the date of this Prospectus.
- We have not entered into any contract, agreements or arrangements during the preceding three years from the date of this Prospectus in which promoter is directly or indirectly interested.

## PAYMENT OF BENEFITS TO OUR PROMOTERS

Except as stated in the section “Annexure – X” - “Related Party Transactions” on page no. 157 of this Prospectus, there has been no payment of benefits made to our Promoters in the two years preceding the filing of this Prospectus. Further, our Company may enter into transaction with or make payment of benefit to the Promoters Directors or Promoters’ Group towards remunerations as decided by Board of Directors.

## CONFIRMATIONS

Our Company and Promoters confirmed that they have not been declared as willful defaulters by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them or restraining period are continued.

Further, our Promoters, promoters’ group or directors have not been directly or indirectly, debarred from accessing the capital market or have not been restrained by any regulatory authority, directly or indirectly from acquiring the securities.

Additionally, our Promoters, promoters’ group or directors do not have direct or indirect relation with the companies, its promoters and whole time director, which are compulsorily delisted by any recognized stock exchange or the companies which is debarred from accessing the capital market by the Board.

Also, our promoters or directors are not a fugitive economic offender.

We and Our Promoters, Group Entities, and Companies promoted by the Promoters confirm that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against us;

- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- The details of outstanding litigation including its nature and status are disclosed in the section title “OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS” appearing on page no. 169 of this Prospectus.

#### Dissociation of Promoters in the last three year:

Our Promoters have not disassociated themselves from any Company or firms during the preceding three years except below;

| Sr. No. | Name of Promoter           | Name of Entity                   | Association Type | Reason of Disassociation            | Terms of Disassociation |
|---------|----------------------------|----------------------------------|------------------|-------------------------------------|-------------------------|
| 1       | Hemant Chandravadan Bhagat | Metpharm Biotech Private Limited | Member           | Transfer of Shares on April 2, 2018 | --                      |
| 2       | Pranav Hemant Bhagat       |                                  | Member           |                                     | --                      |

#### RELATIONSHIP OF PROMOTER WITH EACH OTHER AND WITH OUR DIRECTORS

There is no relationship between Promoters of our Company with other Directors except as described below;

| Name of Director               | Designation                              | Relation                       |                          |
|--------------------------------|--|--------------------------------|--------------------------|
|                                |  | Mr. Hemant Chandravadan Bhagat | Mr. Pranav Hemant Bhagat |
| Mr. Hemant Chandravadan Bhagat | Promoter, Chairman Cum Managing Director | Self                           | Son                      |
| Mr. Pranav Hemant Bhagat       | Promoter, Whole Time Director            | Father                         | Self                     |
| Mrs. Prachi Pranav Bhagat      | Executive Director & CFO                 | Father-in-Law                  | Husband                  |
| Ms. Abha Praveen Doshi         | Independent Director                     | No Relation                    | No relation              |
| Mr. Ravindra Gajanan Awati     | Independent Director                     | No Relation                    | No relation              |

#### OUR PROMOTERS' GROUP

In addition to our Promoters named above, the following individuals and entities form a part of the Promoters' Group:

##### A. Natural persons who are part of our Individual Promoter Group:

| Relationship with Promoter | Mr. Hemant Chandravadan Bhagat    | Mr. Pranav Hemant Bhagat       |
|----------------------------|-----------------------------------|--------------------------------|
| <b>Father</b>              | Late Chandravadan Bhagat          | Mr. Hemant Chandravadan Bhagat |
| <b>Mother</b>              | Mrs. Padmaben Chandravadan Bhagat | Mrs. Chitra Hemant Bhagat      |
| <b>Spouse</b>              | Mrs. Chitra Hemant Bhagat         | Mrs. Prachi Pranav Bhagat      |
| <b>Brothers</b>            | Mr. Mahesh Chandravadan Bhagat    | Mr. Jay Hemant Bhagat          |
| <b>Sisters</b>             | Ms. Naynaben Chandravadan Bhagat  | -                              |
| <b>Son</b>                 | Mr. Pranav Hemant Bhagat          | Master Ivan Pranav Bhagat      |
| <b>Sons's Spouse</b>       | Mrs. Prachi Pranav Bhagat         | -                              |
| <b>Son</b>                 | Mr. Jay Hemant Bhagat             | -                              |
| <b>Spouse's Father</b>     | Late Madhubhai Joshina            | Mr. Anand Toraskar             |
| <b>Spouse's Mother</b>     | Late Kundanben Madhusudan Joshina | Mrs. Nita Toraskar             |
| <b>Spouse's Brother</b>    | Mr. Atul Madhusudan Joshina       | -                              |
| <b>Spouse's Sister</b>     | Mrs. Neeta Shroff                 | -                              |
| <b>Spouse's Sister</b>     | Mrs. Ameer Bhupesh Tamakuwala     | -                              |

##### B. Companies related to our Promoter Company:

| Nature of Relationship                             | Name of Entities |
|--|------------------|
| Subsidiary or holding company of Promoter Company. | -                |

| Nature of Relationship   | Name of Entities |
|--|------------------|
| Any Body corporate in which promoter (Body Corporate) holds 20 % or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).                                      | -                |
| Any Body corporate in which a group or individuals or companies or combinations thereof which hold 20% or more of the equity share capital in that body corporate also hold 20% or more of the equity share capital of the Issuer. | -                |

**C. Companies, Proprietary concerns, HUF's related to our promoters**

| Nature of Relationship   | Name of Entities    |
|--|---------------------|
| Any Body Corporate in which twenty percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member. | -                   |
| Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital.   | -                   |
| Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than twenty percent.  | Hemant C Bhagat HUF |

**D. Following persons whose shareholding is aggregated under the heading "Shareholding of the Promoter Group"**

| Name                    | Relationship  |
|-------------------------|---|
| Mrs. Lopa Mahesh Bhagat | She is Wife of Mr. Mahesh Chandravadan Bhagat (Brother of our Promoter Mr. Hemant Bhagat) |

For further details on our "Group Entities" refer Chapter titled "INFORMATION WITH RESPECT TO GROUP COMPANIES/ENTITIES" beginning on page no. 185 of this Prospectus.



## **DIVIDEND POLICY**

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Company does not have any formal dividend policy for 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 will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Since Incorporation of our Company, no dividend has been declared till date of this Prospectus.



**SECTION IX – FINANCIAL STATEMENTS**

**RESTATED FINANCIAL STATEMENTS**

**Page Nos. 128 to 159 of this Prospectus**

**INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION**  
**(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,**  
**Chandra Bhagat Pharma Limited**

Dear Sirs,

We have examined the attached Restated Financial Information of Chandra Bhagat Pharma Limited (formerly known as Chandra Bhagat Pharma Private Limited ( hereunder referred to “the Company”, “Issuer”) comprising the Restated Statement of Assets and Liabilities as at July 31, 2019, March 31, 2019, March 31, 2018 and March 31, 2017, the Restated Statement of Profit & Loss, the Restated Cash Flow Statement for the Period ended July 31, 2019 and year ended March 31, 2019, March 31, 2018 and March 31, 2017, the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on December 11, 2019 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the “Act”);;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“ICDR Regulations”) as amended (ICDR Regulations”); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. (“The Guidance Note”).

The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the offer document to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Mumbai in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company for the Period ended on July 31, 2019 and year ended on March 31, 2019, 2018 and 2017 on the basis of preparation stated in ANNEXURE – IV to the Restated Financial Information. The Board of Directors of the company’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information.

We have examined such Restated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 01, 2019 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and ,
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

These Restated Financial Information have been compiled by the management from:

- a) Audited financial statements of company as at and for the Period/ year ended July 31, 2019, March 31, 2019, 2018 and 2017 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.

The information has been extracted from the financial statements for the Period ended July 31, 2019 and financial years ended on March 31, 2019, 2018 and 2017. The Financial Statement for the Period ended July 31, 2019 and March 31, 2019 have been audited by us and the audits for the financial years ended March 31, 2018 and 2017 were conducted by the Company’s previous auditor, M/s Bharat Desai & Co., (the “Previous Auditors”), and accordingly reliance has been placed on the Audit Reports, the statement of assets and liabilities and statements of profit and loss and cash flow statements, the Significant Accounting Policies, and other explanatory information and (collectively, the

Audited Financial Statement”) examined by them for the said years. Financial Reports included for said years are solely based on report submitted by them.

The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements as at and for the Period ended July 31, 2019 and years ended March 31, 2019, 2018 & 2017:-

- a) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- b) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) There were no qualifications in the Audit Reports issued by us and the Previous Auditors for the Period ended July 31, 2019 & Financial Year Ended March 31, 2019, 2018 and 2017 which would require adjustments in this Restated Financial Statements of the Company;
- e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE – IV to this report;
- f) Adjustments in Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies,
- g) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Information or Restated Summary Financial Statement;
- h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement
- i) The Company has not paid any dividend during the stub period and last three years.

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a) The “Restated Statement of Assets and Liabilities” as set out in ANNEXURE – I to this report, of the Company as at July 31, 2019, March 31, 2019, 2018 and 2017 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.
- b) The “Restated Statement of Profit and Loss” as set out in ANNEXURE – II to this report, of the Company for the Period ended July 31, 2019 and Financial Years Ended March 31, 2019, 2018 and 2017 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.
- c) The “Restated Statement of Cash Flow” as set out in ANNEXURE – III to this report, of the Company for the Period ended July 31, 2019 and Financial Years Ended March 31, 2019, 2018 and 2017 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV to this Report.

Audit for the financial year ended on March 31, 2018 and March 31, 2017 was conducted by M/s Bharat Desai & Co. Accordingly reliance has been placed on the financial statement examined by M/s Bharat Desai & Co. for the said years. Financial Reports included for said years are solely based on report submitted by them.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the Period ended July 31, 2019 and Financial Year Ended March 31, 2019, 2018 and 2017 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO.

|   |                 |
|---|-----------------|
| Restated Statement of Share Capital                       | ANNEXURE – I.1  |
| Restated Statement of Reserves And Surplus                | ANNEXURE – I.2  |
| Restated Statement of Long Term Borrowings                | ANNEXURE – I.3  |
| Restated Statement of Other Non-Current Liabilities       | ANNEXURE – I.4  |
| Restated Statement of Short Term Borrowings               | ANNEXURE – I.5  |
| Restated Statement of Trade Payables                      | ANNEXURE – I.6  |
| Restated Statement of Other Current Liabilities           | ANNEXURE – I.7  |
| Restated Statement of Short Term Provisions               | ANNEXURE – I.8  |
| Restated Statement of Fixed Assets                        | ANNEXURE – I.9  |
| Restated Statement of Deferred Tax (Assets) / Liabilities | ANNEXURE – I.10 |
| Restated Statement of Other Non-Current Assets            | ANNEXURE – I.11 |
| Restated Statement of Current Investments                 | ANNEXURE – I.12 |
| Restated Statement of Inventory                           | ANNEXURE – I.13 |
| Restated Statement of Trade Receivables                   | ANNEXURE – I.14 |
| Restated Statement of Cash & Bank Balances                | ANNEXURE – I.15 |
| Restated Statement of Short-Term Loans And Advances       | ANNEXURE – I.16 |
| Restated Statement of Other Current Assets                | ANNEXURE – I.17 |
| Restated Statement of Revenue from Operations             | ANNEXURE – II.1 |
| Restated Statement of Other Income                        | ANNEXURE – II.2 |
| Restated Statement of Purchases of Stock in Trade         | ANNEXURE – II.3 |
| Restated Statement of Changes in Inventories              | ANNEXURE – II.4 |
| Restated Statement of Employee Benefit Expenses           | ANNEXURE – II.5 |
| Restated Statement of Finance Cost                        | ANNEXURE – II.6 |
| Restated Statement of Depreciation & Amortisation         | ANNEXURE – II.7 |
| Restated Statement of Other Expenses                      | ANNEXURE – II.8 |
| Restated Statement of Deferred Tax Asset / Liabilities    | ANNEXURE – II.9 |
| Material Adjustment to the Restated Financial             | ANNEXURE – V    |
| Restated Statement of Tax shelter                         | ANNEXURE – VI   |
| Restated Statement of Capitalization                      | ANNEXURE – VII  |
| Restated Statement of Contingent Liabilities              | ANNEXURE – VIII |
| Restated Statement of Accounting Ratios                   | ANNEXURE – IX   |
| Restated statement of Related Party Transaction           | ANNEXURE – X    |

In our opinion and to the best of information and explanation provided to us, the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – IV are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s. A Y & Company, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

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

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.

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

In our opinion, the above financial information contained in ANNEXURE – I to X of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

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 distributed for any other purpose without our prior consent in writing.

**For, M/s A Y & CO.**  
**Chartered Accountants**  
**Firm Registration Number: - 020829C**  
**Peer Review No. – 011177**

**CA Arpit Gupta**  
**(Partner)**  
**Membership No.421544**  
**UDIN - 19421544AAAABK7043**

**Date: December 11, 2019**  
**Place: Mumbai**

**CHANDRA BHAGAT PHARMA LIMITED**  
**(FORMERLY CHANDRA BHAGAT PHARMA PRIVATE LIMITED)**

**ANNEXURE – I : RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in Lakhs)

| Sr. No.   | Particulars                                      | Note No.    | As At 31st July, 2019 | As at 31st March |                 |                 |
|-----------|--|-------------|-----------------------|------------------|-----------------|-----------------|
|           |  |             |                       | 2019             | 2018            | 2017            |
| <b>A.</b> | <b>Equity and Liabilities</b>                    |             |                       |                  |                 |                 |
| <b>1</b>  | <b>Shareholders' Funds</b>                       |             |                       |                  |                 |                 |
|           | Share Capital                                    | <b>I.1</b>  | 536.31                | 67.04            | 41.80           | 41.80           |
|           | Reserves & Surplus                               | <b>I.2</b>  | 925.53                | 1,369.92         | 802.56          | 699.18          |
|           | <b>Share application money pending allotment</b> |             | 36.80                 | -                | -               | -               |
| <b>2</b>  | <b>Non-Current Liabilities</b>                   |             |                       |                  |                 |                 |
|           | Long-Term Borrowings                             | <b>I.3</b>  | 931.84                | 1,146.02         | 1,173.58        | 422.39          |
|           | Other Non-Current Liabilities                    | <b>I.4</b>  | 404.77                | 444.90           | 924.36          | 708.30          |
|           | Deferred Tax Liabilities                         | <b>I.10</b> | -                     | -                | -               | -               |
| <b>3</b>  | <b>Current Liabilities</b>                       |             |                       |                  |                 |                 |
|           | Short Term Borrowings                            | <b>I.5</b>  | 1,751.11              | 1,636.34         | 1,001.44        | 1,628.04        |
|           | Trade Payables                                   | <b>I.6</b>  | 3,329.17              | 2,970.10         | 1,547.88        | 1,627.05        |
|           | Other Current Liabilities                        | <b>I.7</b>  | 663.32                | 621.45           | 262.32          | 431.57          |
|           | Short Term Provisions                            | <b>I.8</b>  | 15.43                 | 29.75            | 51.81           | 31.26           |
|           | <b>Total</b>                                     |             | <b>8,594.26</b>       | <b>8,285.52</b>  | <b>5,805.76</b> | <b>5,589.60</b> |
| <b>B.</b> | <b>Assets</b>                                    |             |                       |                  |                 |                 |
| <b>1</b>  | <b>Non-Current Assets</b>                        |             |                       |                  |                 |                 |
|           | Fixed Assets                                     |             |                       |                  |                 |                 |
|           | Tangible Assets                                  | <b>I.9</b>  | 45.29                 | 46.39            | 50.94           | 55.20           |
|           | Intangible Assets                                |             | -                     | -                | -               | -               |
|           | Capital Work In Progress                         |             | -                     | -                | -               | -               |
|           | Non-Current Investments                          |             | -                     | -                | -               | -               |
|           | Deferred Tax Assets                              | <b>I.10</b> | 0.80                  | 1.15             | 2.05            | 3.07            |
|           | Other Non Current Assets                         | <b>I.11</b> | 109.17                | 109.17           | 47.28           | 3.97            |
| <b>2</b>  | <b>Current Assets</b>                            |             |                       |                  |                 |                 |
|           | Investments                                      | <b>I.12</b> | 408.09                | 403.38           | 105.35          | 463.90          |
|           | Inventories                                      | <b>I.13</b> | 4533.78               | 4391.36          | 3263.72         | 2,674.59        |
|           | Trade Receivables                                | <b>I.14</b> | 2773.73               | 2629.78          | 1786.43         | 1966.47         |
|           | Cash and Bank Balances                           | <b>I.15</b> | 63.58                 | 47.80            | 55.43           | 57.69           |
|           | Short-Term Loans and Advances                    | <b>I.16</b> | 577.09                | 572.09           | 444.90          | 341.82          |
|           | Other Current Assets                             | <b>I.17</b> | 82.72                 | 84.39            | 49.66           | 22.90           |
|           | <b>Total</b>                                     |             | <b>8,594.26</b>       | <b>8,285.52</b>  | <b>5,805.76</b> | <b>5,589.60</b> |

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure IV, II, III.

As per our report of even date

For and on behalf of the Board of Directors

For A Y & Company

Firm Registration No. 020829C

Chartered Accountants

Arpit Gupta

Partner

Membership No. 421544

UDIN : 19421544AAAABK7043

Hemant Chandravadan Bhagat

(Managing Director)

DIN No: 00233530

Pranav Hemat Bhagat

(Wholetime Director)

DIN No: 00156362

Place : Mumbai

Date : December 11, 2019

Prachi Pranav Bhagat

(Chief Financial Officer)

**CHANDRA BHAGAT PHARMA LIMITED**  
**(FORMERLY CHANDRA BHAGAT PHARMA PRIVATE LIMITED)**

**ANNEXURE – II : RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs. in Lakhs)

| Sr. No    | Particulars   | Note No.    | For the Period<br>Ended on 31st<br>July, 2019 | For The Year Ended 31st March |                |                 |
|-----------|---|-------------|---|-------------------------------|----------------|-----------------|
|           |   |             |   | 2019                          | 2018           | 2017            |
| <b>A.</b> | <b>Revenue:</b>                                       |             |   |                               |                |                 |
|           | Revenue from Operations                               | <b>II.1</b> | 3335.24                                       | 10627.82                      | 9705.94        | 8,978.63        |
|           | Other income  | <b>II.2</b> | 9.25  | 44.01                         | 67.47          | 49.48           |
|           | <b>Total revenue</b>                                  |             | <b>3344.50</b>                                | <b>10671.83</b>               | <b>9773.41</b> | <b>9,028.11</b> |
| <b>B.</b> | <b>Expenses:</b>                                      |             |   |                               |                |                 |
|           | Cost of Material Consumed                             |             | -   | -                             | -              | -               |
|           | Purchase of Stock in Trade                            | <b>II.3</b> | 3104.53                                       | 10364.33                      | 8828.46        | 7,916.08        |
|           | Changes in Inventories                                | <b>II.4</b> | (142.42)                                      | (1,127.65)                    | (589.13)       | (555.65)        |
|           | Employees Benefit Expenses                            | <b>II.5</b> | 126.47  | 471.24                        | 520.79         | 582.60          |
|           | Finance costs   | <b>II.6</b> | 112.93  | 373.62                        | 315.85         | 333.79          |
|           | Depreciation and Amortization                         | <b>II.7</b> | 1.05  | 5.16                          | 5.88           | 14.35           |
|           | Other expenses  | <b>II.8</b> | 108.95  | 496.56                        | 538.30         | 645.64          |
|           | <b>Total Expenses</b>                                 |             | <b>3311.51</b>                                | <b>10583.26</b>               | <b>9620.16</b> | <b>8,936.80</b> |
|           | <b>Profit/(Loss) before exceptional items and tax</b> |             | <b>32.99</b>                                  | <b>88.57</b>                  | <b>153.25</b>  | <b>91.31</b>    |
|           | Exceptional Items                                     | <b>II.9</b> |   | -                             | -              | -               |
|           | <b>Profit before tax</b>                              |             | <b>32.99</b>                                  | <b>88.57</b>                  | <b>153.25</b>  | <b>91.31</b>    |
|           | <b>Tax expense :</b>                                  |             |   |                               |                |                 |
|           | Current tax   |             | 7.76  | 25.08                         | 48.86          | 31.26           |
|           | Deferred Tax  |             | 0.35  | 0.90                          | 1.02           | (5.98)          |
|           |   |             |   |                               |                |                 |
|           | <b>Profit/(Loss) for the period/ year</b>             |             | <b>24.88</b>                                  | <b>62.59</b>                  | <b>103.38</b>  | <b>66.03</b>    |
|           | <b>Earning per equity share in Rs.:</b>               |             |   |                               |                |                 |
|           | (1) Basic   |             | 0.46  | 1.17                          | 3.09           | 1.97            |
|           | (2) Diluted   |             | 0.46  | 1.17                          | 3.09           | 1.97            |

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities and cash flows appearing in Annexure IV, I, III.

As per our report of even date

For and on behalf of the Board of Directors

For A Y & Company

Firm Registration No. 020829C

Chartered Accountants

Arpit Gupta

Partner

Membership No. 421544

UDIN : 19421544AAAABK7043

Hemant Chandravadan Bhagat

(Managing Director)

DIN No: 00233530

Pranav Hemat Bhagat

(Wholtime Director)

DIN No: 00156362

Place : Mumbai

Date : December 11, 2019

Prachi Pranav Bhagat

(Chief Financial Officer)



**CHANDRA BHAGAT PHARMA LIMITED**  
**(FORMERLY CHANDRA BHAGAT PHARMA PRIVATE LIMITED)**

**ANNEXURE – III : RESTATED STATEMENT OF CASH FLOWS**

(Rs. in Lakhs)

| Particulars   | For the Period<br>Ended on 31st<br>July, 2019 | For The Year Ended 31st March |                 |                 |
|---|---|-------------------------------|-----------------|-----------------|
|   |   | 2019                          | 2018            | 2017            |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>   |   |                               |                 |                 |
| Profit/ (Loss) before tax   | 32.99   | 88.57                         | 153.25          | 91.31           |
| Adjustments for:  |   |                               |                 |                 |
| Depreciation  | 1.05  | 5.16                          | 5.88            | 14.35           |
| Interest Expense  | 112.93  | 373.62                        | 315.85          | 333.79          |
| Interest Received   | (5.49)  | (22.66)                       | (8.91)          | (30.71)         |
| <b>Operating profit before working capital changes</b>  | <b>141.48</b>                                 | <b>444.69</b>                 | <b>466.08</b>   | <b>408.74</b>   |
| Movements in working capital :  |   |                               |                 |                 |
| (Increase)/ Decrease in Inventories   | (142.42)                                      | (1,127.64)                    | (589.13)        | (555.65)        |
| (Increase)/Decrease in Trade Receivables  | (143.95)                                      | (843.36)                      | 180.04          | (519.96)        |
| (Increase)/Decrease in Current Investments  | (4.71)  | (298.03)                      | 358.55          | (129.26)        |
| (Increase)/Decrease in Short Term Loans & Advances  | (5.00)  | (127.20)                      | (103.08)        | 0.58            |
| (Increase)/Decrease in Other Current Assets/ Non Current Assets   | 1.67  | (34.73)                       | (26.77)         | (22.90)         |
| Increase/(Decrease) in Trade Payables   | 359.06  | 1,422.22                      | (79.17)         | 1,061.20        |
| Increase/(Decrease) in Short Term Borrowings  | 114.77  | 634.90                        | (626.60)        | (1,329.61)      |
| Increase/(Decrease) in Other Current Liabilities  | 19.78   | 359.13                        | (169.25)        | 209.48          |
| <b>Cash generated from operations</b>   | <b>340.68</b>                                 | <b>429.99</b>                 | <b>(589.33)</b> | <b>(877.40)</b> |
| Income tax paid during the year /period   | -   | 47.14                         | 28.30           | 25.15           |
| <b>Net cash from operating activities (A)</b>   | <b>340.68</b>                                 | <b>382.85</b>                 | <b>(617.63)</b> | <b>(902.55)</b> |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>   |   |                               |                 |                 |
| Purchase of Fixed Assets  | 0.06  | (0.61)                        | (1.62)          | (0.28)          |
| Increase in Other Non Current Assets  | -   | (61.89)                       | (43.31)         |                 |
| Interest Received   | 5.49  | 22.66                         | 8.91            | 30.71           |
| <b>Net cash from investing activities (B)</b>   | <b>5.55</b>                                   | <b>(39.84)</b>                | <b>(36.02)</b>  | <b>30.43</b>    |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>   |   |                               |                 |                 |
| Interest paid on borrowings   | (112.93)                                      | (373.62)                      | (315.85)        | (333.79)        |
| Proceeds/(Repayment) of Borrowings/Long Term Liabilities  | (254.32)                                      | (507.02)                      | 967.25          | 1,130.70        |
| Proceeds of Share Capital   | -   | 25.24                         | -               | -               |
| Proceeds from Securities Premium  | -   | 504.76                        | -               | -               |
| Proceeds from Share Application Money   | 36.80   | -                             | -               | -               |
| <b>Net cash from financing activities (C)</b>   | <b>(330.45)</b>                               | <b>(350.64)</b>               | <b>651.39</b>   | <b>796.91</b>   |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>  | <b>15.78</b>                                  | <b>(7.63)</b>                 | <b>(2.26)</b>   | <b>(75.21)</b>  |
| <b>Cash and cash equivalents at the beginning of the year</b>   | <b>47.80</b>                                  | <b>55.43</b>                  | <b>57.69</b>    | <b>132.90</b>   |
| <b>Cash and cash equivalents at the end of the year</b>   | <b>63.58</b>                                  | <b>47.80</b>                  | <b>55.43</b>    | <b>57.69</b>    |
| <b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities & profits and losses appearing in Annexure IV, I, II. |   |                               |                 |                 |

As per our report of even date  
For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants

For and on behalf of the Board of Directors

Arpit Gupta  
Partner  
Membership No. 421544  
UDIN : 19421544AAAABK7043

Hemant Chandravadan Bhagat  
(Managing Director)  
DIN No: 00233530

Pranav Hemat Bhagat  
(Wholetime Director)  
DIN No: 00156362

Place : Mumbai  
Date : December 11, 2019

Prachi Pranav Bhagat  
(Chief Financial Officer)

## ANNEXURE - I.1 : Restated Statement of Share Capital

(Rs in Lakhs)

| Particulars   | As at 31st<br>July, 2019 | As at 31st March |               |               |
|---|--------------------------|------------------|---------------|---------------|
|   |                          | 2019             | 2018          | 2017          |
| <b>Equity Share Capital</b>                                 |                          |                  |               |               |
| Authorised Share Capital                                    | 850.00                   | 100.00           | 100.00        | 100.00        |
| <b>Total</b>  | <b>850.00</b>            | <b>100.00</b>    | <b>100.00</b> | <b>100.00</b> |
| <b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b> |                          |                  |               |               |
| Equity Share Capital  | 536.31                   | 67.04            | 41.80         | 41.80         |
| <b>Total</b>  | <b>536.31</b>            | <b>67.04</b>     | <b>41.80</b>  | <b>41.80</b>  |
| Notes :   |                          |                  |               |               |

**I.1.1 Right, Preferences and Restrictions attached to Shares :**

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for on vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

**I.1.2 Reconciliation of No. of Shares Outstanding at the end of the year**

| Particulars                                     | As at 31st<br>July, 2019 | As at 31st March |                |                |
|---|--------------------------|------------------|----------------|----------------|
|   |                          | 2019             | 2018           | 2017           |
| <b>Equity Shares</b>                            |                          |                  |                |                |
| Shares outstanding at the beginning of the year | 670,382                  | 418,000          | 418,000        | 418,000        |
| Shares issued during the year                   | -                        | 252,382          | -              | -              |
| Bonus Shares issued during the year             | 4,692,671                | -                | -              | -              |
| Share outstanding at the end of the year        | <b>5,363,053</b>         | <b>670,382</b>   | <b>418,000</b> | <b>418,000</b> |

## ANNEXURE – I.2 : Restated Statement of Reserves and Surplus

(Rs. In Lakhs)

| Particulars                                      | As at 31st<br>July, 2019 | As at 31st March |               |               |
|--|--------------------------|------------------|---------------|---------------|
|  |                          | 2019             | 2018          | 2017          |
| <b>Reserves &amp; Surplus</b>                    |                          |                  |               |               |
| <b>Securities Premium</b>                        |                          |                  |               |               |
| Balance as at the beginning of the year          | 931.76                   | 427.00           | 427.00        | 427.00        |
| Add: Addition during the year                    | 0.00                     | 504.76           |               |               |
| Less: Utilization for Bonus                      | 469.27                   |                  |               |               |
| Balance as at the end of the year                | <b>462.50</b>            | <b>931.76</b>    | <b>427.00</b> | <b>427.00</b> |
| <b>Balance in Statement of Profit &amp; Loss</b> |                          |                  |               |               |
| Balance as at the beginning of the year          | 438.16                   | 375.56           | 272.18        | 206.15        |
| Add: Profit for the year                         | 24.88                    | 62.59            | 103.38        | 66.03         |
| Balance as at the end of the year                | <b>463.03</b>            | <b>438.16</b>    | <b>375.56</b> | <b>272.18</b> |
| <b>Total</b>                                     | <b>925.53</b>            | <b>1,369.92</b>  | <b>802.56</b> | <b>699.18</b> |

Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

## ANNEXURE – I.3 : Restated Statement of Long Term Borrowings

(Rs. In Lakhs)

| Particulars                       | As at 31st<br>July, 2019 | As at 31st March |        |      |
|-----------------------------------|--------------------------|------------------|--------|------|
|                                   |                          | 2019             | 2018   | 2017 |
| <b>Secured:</b>                   |                          |                  |        |      |
| Term Loan from Banks              | 350.01                   | 364.54           | 347.02 | -    |
| Loans from Financial Institutions | -                        | -                | 1.86   | -    |
|                                   |                          |                  |        | -    |

|   |               |                 |                 |               |
|---|---------------|-----------------|-----------------|---------------|
| <b>Total</b>  | <b>350.01</b> | <b>364.54</b>   | <b>348.88</b>   | <b>-</b>      |
| <b>Unsecured:</b>   |               |                 |                 |               |
| Unsecured loans from FI's/NBFCs   | 87.47         | 122.96          | 603.91          | 397.72        |
| Unsecured loans from Related Parties and Others*  | 494.36        | 658.51          | 220.79          | 24.67         |
| <b>Total</b>  | <b>581.83</b> | <b>781.48</b>   | <b>824.70</b>   | <b>422.39</b> |
| <b>Total</b>  | <b>931.84</b> | <b>1,146.02</b> | <b>1,173.58</b> | <b>422.39</b> |
| <b>Note I.3.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III. |               |                 |                 |               |
| * All the related parties has been identified & certified by the management.  |               |                 |                 |               |

#### ANNEXURE – I.4 : Restated Statement of Other Non Current Liabilities

| Particulars   | As at 31st July, 2019 | As at 31st March |               |               |
|---|-----------------------|------------------|---------------|---------------|
|   |                       | 2019             | 2018          | 2017          |
| <b>Other Long Term Liabilities*</b>   |                       |                  |               |               |
| Directors, Shareholders & Others  | 234.42                | 254.43           | 390.94        | 329.01        |
| Other then Promotor Group (Inter Corporate)   | 19.00                 | 19.00            | 157.27        | 153.22        |
| Dealers Deposits  | 151.34                | 171.46           | 376.16        | 226.08        |
| <b>Total</b>  | <b>404.77</b>         | <b>444.90</b>    | <b>924.36</b> | <b>708.30</b> |
| <b>Note I.4.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III. |                       |                  |               |               |
| * Other Long Term Liabilities are subject to third party confirmation.  |                       |                  |               |               |

#### ANNEXURE – I.5 : Restated Statement of Short Term Borrowings

(Rs. In Lakhs)

| Particulars   | As at 31st July, 2019 | As at 31st March |                 |                 |
|---|-----------------------|------------------|-----------------|-----------------|
|   |                       | 2019             | 2018            | 2017            |
| <b>Secured Loan:</b>  |                       |                  |                 |                 |
| From Banks  | 1596.66               | 1567.63          | 1001.44         | 1,627.91        |
| Local/Import L.C. Liability   | 154.45                | 68.72            | -               | -               |
|   | <b>1,751.11</b>       | <b>1,636.34</b>  | <b>1,001.44</b> | <b>1,627.91</b> |
| <b>Car Loans from Bank Secured Against Car</b>  | -                     | -                | -               | 0.13            |
|   |                       |                  |                 | 0.13            |
| <b>Total</b>  | <b>1,751.11</b>       | <b>1,636.34</b>  | <b>1,001.44</b> | <b>1,628.04</b> |
| <b>Note I.5.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III. |                       |                  |                 |                 |

#### ANNEXURE – I.6 : Restated Statement of Trade Payables

(Rs. In Lakhs)

| Particulars   | As at 31st July, 2019 | As at 31st March |                 |                 |
|---|-----------------------|------------------|-----------------|-----------------|
|   |                       | 2019             | 2018            | 2017            |
| Trade Payables due to   |                       |                  |                 |                 |
| - Micro and Small Enterprises*  | -                     | -                | -               | -               |
| <b>- Others</b>   |                       |                  |                 |                 |
| - Promotor/Promotor Group   |                       |                  |                 |                 |
| - Others**  | 3,329.17              | 2,970.10         | 1,547.88        | 1,627.05        |
| <b>Total</b>  | <b>3,329.17</b>       | <b>2,970.10</b>  | <b>1,547.88</b> | <b>1,627.05</b> |
| <b>Note I.6.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III. |                       |                  |                 |                 |
| * Management has followed sufficient procedures to identify the status of Creditors into MSME & Others & there are no Trade Payable due to Micro and Small Enterprises as certified by the management.                                      |                       |                  |                 |                 |

\*\* Trade Payable due to Others are subject to Third Party Confirmation.

**ANNEXURE – I.7 : Restated Statement of Other Current Liabilities**

(Rs. In Lakhs)

| Particulars                            | As at 31st July, 2019 | As at 31st March |               |               |
|--|-----------------------|------------------|---------------|---------------|
|  |                       | 2019             | 2018          | 2017          |
| <b>Statutory Liabilities</b>           |                       |                  |               |               |
| Duties & Taxes                         | 82.88                 | 70.03            | 58.92         | 73.78         |
|  |                       |                  |               |               |
| <b>Other Liabilities</b>               |                       |                  |               |               |
| Current Maturity of Long Term Debt     | 315.59                | 343.10           | -             | 157.73        |
| Other Current Liabilities & Provisions | 264.85                | 208.32           | 203.40        | 200.06        |
| <b>Total</b>                           | <b>663.32</b>         | <b>621.45</b>    | <b>262.32</b> | <b>431.57</b> |

**Note I.7.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – I.8 : Restated Statement of Short Term Provisions**

(Rs. In Lakhs)

| Particulars               | As at 31st July, 2019 | As at 31st March |              |              |
|---------------------------|-----------------------|------------------|--------------|--------------|
|                           |                       | 2019             | 2018         | 2017         |
| Provision for Income Tax* | 15.43                 | 29.75            | 51.81        | 31.26        |
| <b>Grand Total</b>        | <b>15.43</b>          | <b>29.75</b>     | <b>51.81</b> | <b>31.26</b> |

**Note I.8.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

\* Provision for Income Tax is calculated in Statement of Tax Shelter considering the Allowance & Disallowance of Income & Expenditure in the Income Tax Return filed by the company

**ANNEXURE – I.9 : Restated Statement of Fixed Assets**

(Rs. In Lakhs)

| Particulars                              | As at 31st July, 2019 | As at 31st March |       |       |
|--|-----------------------|------------------|-------|-------|
|  |                       | 2019             | 2018  | 2017  |
| <b>Tangible Assets</b>                   |                       |                  |       |       |
| <b>Office Equipments</b>                 |                       |                  |       |       |
| Gross Block at the begening of the year  | 5.20                  | 5.25             | 2.56  | 2.27  |
| Addtions during the year                 | -                     | 0.00             | 2.70  | 0.28  |
| Deletions during the year                | 0.06                  | 0.05             | -     | -     |
| Total Gross Block at the End of the year | 5.14                  | 5.20             | 5.25  | 2.56  |
| Less: Accumulated Depreciation           | 4.62                  | 4.52             | 3.99  | 1.37  |
| Net Block                                | 0.53                  | 0.69             | 1.27  | 1.18  |
| <b>Furniture &amp; Fixtures</b>          |                       |                  |       |       |
| Gross Block at the begening of the year  | 8.12                  | 8.12             | 1.43  | 1.43  |
| Addtions during the year                 | -                     | 0.00             | 6.69  | -     |
| Deletions during the year                | -                     | 0.00             | -     | -     |
| Total Gross Block at the End of the year | 8.12                  | 8.12             | 8.12  | 1.43  |
| Less: Accumulated Depreciation           | 7.67                  | 7.65             | 7.50  | 0.58  |
| Net Block                                | 0.45                  | 0.47             | 0.62  | 0.85  |
| <b>Warehouse</b>                         |                       |                  |       |       |
| Gross Block at the begening of the year  | 37.93                 | 37.93            | 19.32 | 19.32 |
| Addtions during the year                 | -                     | 0.00             | 18.61 | -     |
| Deletions during the year                | -                     | 0.00             | -     | -     |
| Total Gross Block at the End of the year | 37.93                 | 37.93            | 37.93 | 19.32 |

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| Less: Accumulated Depreciation  | 25.42        | 24.90        | 23.11        | 2.47         |
| Net Block   | 12.50        | 13.03        | 14.81        | 16.85        |
| <b>Computers</b>  |              |              |              |              |
| Gross Block at the begening of the year   | 7.86         | 7.20         | 5.32         | 5.32         |
| Addtions during the year  | -            | 0.66         | 1.88         | -            |
| Deletions during the year   | -            | 0.00         | -            | -            |
| Total Gross Block at the End of the year  | 7.86         | 7.86         | 7.20         | 5.32         |
| Less: Accumulated Depreciation  | 7.11         | 6.99         | 5.89         | 4.21         |
| Net Block   | 0.76         | 0.87         | 1.31         | 1.11         |
| <b>Plant &amp; Machinery</b>  |              |              |              |              |
| Gross Block at the begening of the year   | 2.34         | 2.34         | 1.19         | 1.19         |
| Addtions during the year  | -            | -            | 1.15         | -            |
| Deletions during the year   | -            | -            | -            | -            |
| Total Gross Block at the End of the year  | 2.34         | 2.34         | 2.34         | 1.19         |
| Less: Accumulated Depreciation  | 1.66         | 1.62         | 1.50         | 0.19         |
| Net Block   | 0.68         | 0.71         | 0.84         | 0.99         |
|   |              |              |              |              |
| <b>Land &amp; Property</b>  |              |              |              |              |
| Gross Block at the begening of the year   | 27.40        | 27.40        | 27.40        | 27.40        |
| Addtions during the year  | -            | -            | -            | -            |
| Deletions during the year   | -            | -            | -            | -            |
| Total Gross Block at the End of the year  | 27.40        | 27.40        | 27.40        | 27.40        |
| Less: Accumulated Depreciation  | -            | -            | -            | -            |
| Net Block   | 27.40        | 27.40        | 27.40        | 27.40        |
| <b>Vehicles</b>   |              |              |              |              |
| Gross Block at the begening of the year   | 35.15        | 35.16        | 12.34        | 12.34        |
| Addtions during the year  | -            | 0.00         | 22.82        | -            |
| Deletions during the year   | -            | 0.00         | -            | -            |
| Total Gross Block at the End of the year  | 35.15        | 35.16        | 35.16        | 12.34        |
| Less: Accumulated Depreciation  | 32.17        | 31.93        | 30.47        | 5.53         |
| Net Block   | 2.98         | 3.23         | 4.69         | 6.81         |
| <b>Total Tangible Asset*</b>  | <b>45.29</b> | <b>46.39</b> | <b>50.94</b> | <b>55.20</b> |
| <b>Intangible Assets</b>  |              |              |              |              |
| Gross Block   | -            | -            | -            | -            |
| Less: Accumulated Depreciation  | -            | -            | -            | -            |
| Net Block   | -            | -            | -            | -            |
| <b>Total Intangible Assets</b>  | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     |
|   |              |              |              |              |
| <b>Note I.9.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III. |              |              |              |              |
| * All the Tangible assets has been physically verified and certified by the management  |              |              |              |              |

ANNEXURE – I.10: Restated Statement of Deferred Tax Assets/(Liabilities) (Net)

(Rs. In Lakhs)

| Particulars  | As at 31st July, 2019 | As at 31st March |              |               |
|--|-----------------------|------------------|--------------|---------------|
|  |                       | 2019             | 2018         | 2017          |
| <b>Deferred Tax Assets</b>                         |                       |                  |              |               |
| Related to Fixed Assets                            | 0.80                  | 1.15             | 2.05         | 3.07          |
| <b>Total (a)</b>                                   | <b>0.80</b>           | <b>1.15</b>      | <b>2.05</b>  | <b>3.07</b>   |
| <b>Deferred Tax Liability</b>                      |                       |                  |              |               |
| Related to Fixed Assets                            |                       |                  | 0.00         |               |
| <b>Total (b)</b>                                   | <b>0.00</b>           | <b>0.00</b>      | <b>0.00</b>  | <b>0.00</b>   |
| <b>Net deferred tax (asset)/liability{(b)-(a)}</b> | <b>-0.80</b>          | <b>-1.15</b>     | <b>-2.05</b> | <b>(3.07)</b> |

**Note I.10.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – I.11 : Restated Statement of Other Non Current Assets**

(Rs. In Lakhs)

| Particulars                   | As at 31st July, 2019 | As at 31st March |              |             |
|-------------------------------|-----------------------|------------------|--------------|-------------|
|                               |                       | 2019             | 2018         | 2017        |
| MAT Credit Entitlement        | -                     | -                | 3.96         | 3.97        |
| Deferred Revenue Expenditures | 109.17                | 109.17           | 43.32        | -           |
| <b>Total</b>                  | <b>109.17</b>         | <b>109.17</b>    | <b>47.28</b> | <b>3.97</b> |

Note I.11.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – I.12 : Restated Statement of Current Investments**

(Rs. In Lakhs)

| Particulars                | As at 31st July, 2019 | As at 31st March |               |               |
|----------------------------|-----------------------|------------------|---------------|---------------|
|                            |                       | 2019             | 2018          | 2017          |
| Fixed Deposits With Banks* | 408.09                | 403.38           | 105.35        | 463.90        |
| <b>Total</b>               | <b>408.09</b>         | <b>403.38</b>    | <b>105.35</b> | <b>463.90</b> |

**Note I.12.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

\* As certified by Management

**ANNEXURE – I.13 : Restated Statement of Inventory**

(Rs. In Lakhs)

| Particulars   | As at 31st July, 2019 | As at 31st March |                 |                 |
|---|-----------------------|------------------|-----------------|-----------------|
|   |                       | 2019             | 2018            | 2017            |
| (At cost or net realizable value, whichever is lower) |                       |                  |                 |                 |
| Closing Stock of Pharma & API Goods*                  | 4,533.78              | 4,391.36         | 3,263.72        | 2,674.59        |
| <b>Total</b>  | <b>4,533.78</b>       | <b>4,391.36</b>  | <b>3,263.72</b> | <b>2,674.59</b> |

**Note I.13.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

\* Closing Stock of Pharma & API Goods is physically verified, reconciled with the stock records & Certified by the management at the end of the reporting period

**ANNEXURE – I.14 : Restated Statement of Trade Receivables**

(Rs. In Lakhs)

| Particulars   | As at 31st July, 2019 | As at 31st March |          |          |
|---|-----------------------|------------------|----------|----------|
|   |                       | 2019             | 2018     | 2017     |
| <b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>        |                       |                  |          |          |
| From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies. | -                     | -                | -        | -        |
| Others  | 1431.05               | 909.72           | -        | -        |
| <b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>      |                       |                  |          |          |
| From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies. | -                     | -                | -        | -        |
| Others  | 1342.68               | 1720.06          | 1,786.43 | 1,966.47 |

|  |                 |                 |                 |                 |
|--|-----------------|-----------------|-----------------|-----------------|
| <b>Total</b>   | <b>2,773.73</b> | <b>2,629.78</b> | <b>1,786.43</b> | <b>1,966.47</b> |
| <b>Note I.14.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III. |                 |                 |                 |                 |
| * Trade Receivables are subject to Third Party Confirmation.   |                 |                 |                 |                 |

**ANNEXURE – I.15 : Restated Statement of Cash and Bank Balances**

(Rs. In Lakhs)

| Particulars  | As at 31st July, 2019 | As at 31st March |              |              |
|--|-----------------------|------------------|--------------|--------------|
|  |                       | 2019             | 2018         | 2017         |
| Cash & Cash Equivalents  |                       |                  |              |              |
| Cash in hand (As Certified by the management)  | 40.35                 | 41.57            | 32.51        | 20.22        |
| Balances with Banks:   |                       |                  |              |              |
| Current Accounts   | 23.23                 | 6.23             | 22.92        | 37.47        |
|  |                       |                  |              |              |
| <b>Total</b>   | <b>63.58</b>          | <b>47.80</b>     | <b>55.43</b> | <b>57.69</b> |
| <b>Note I.15.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III. |                       |                  |              |              |

**ANNEXURE – I.16 : Restated Statement of Short Term Loans and Advances**

(Rs. In Lakhs)

| Particulars  | As at 31st July, 2019 | As at 31st March |               |               |
|--|-----------------------|------------------|---------------|---------------|
|  |                       | 2019             | 2018          | 2017          |
| Advances recoverable in cash or kind for the value to be considered good   |                       |                  |               |               |
| <b>Deposits :</b>  |                       |                  |               |               |
| Security Deposits  | 119.58                | 119.58           | 132.08        | 139.44        |
|  |                       |                  |               |               |
| <b>Unsecured &amp; Considered good:</b>  |                       |                  |               |               |
| Loans & Advances to related Parties  | 283.32                | 283.32           | 85.31         | -             |
| Other Loans & Advances   | 174.20                | 169.20           | 227.51        | 202.38        |
| <b>Total</b>   | <b>577.09</b>         | <b>572.09</b>    | <b>444.90</b> | <b>341.82</b> |
| <b>Note I.16.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III. |                       |                  |               |               |

**ANNEXURE – I.17 : Restated Statement of Other Current assets**

(Rs. In Lakhs)

| Particulars  | As at 31st July, 2019 | As at 31st March |              |              |
|--|-----------------------|------------------|--------------|--------------|
|  |                       | 2019             | 2018         | 2017         |
| Unsecured Considered Good  |                       |                  |              |              |
| Balances With Revenue Authorities  | 62.03                 | 65.33            | 32.77        | 7.59         |
| Staff Advances   | 13.70                 | 13.84            | 16.89        | 15.31        |
| Amount Receivable from Financial Institution   | 5.23                  | 5.23             | -            | -            |
| Other Current Assets   | 1.76                  | -                | -            | -            |
| <b>Total</b>   | <b>82.72</b>          | <b>84.39</b>     | <b>49.66</b> | <b>22.90</b> |
| <b>Note I.17.1</b> : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III. |                       |                  |              |              |

**ANNEXURE – II.1 : Restated Statement of Revenue from Operations**

(Rs. In Lakhs)

| Particulars | For the Period ended on 31st July, 2019 | For the year ended on 31st March |      |      |
|-------------|---|----------------------------------|------|------|
|             |   | 2019                             | 2018 | 2017 |
|             |   |                                  |      |      |

|  |                |                 |                |                 |
|--|----------------|-----------------|----------------|-----------------|
| Turnover from the sale of Pharma & API Goods | 3335.24        | 10627.82        | 9,705.94       | 8,978.63        |
| <b>Revenue from operations</b>               | <b>3335.24</b> | <b>10627.82</b> | <b>9705.94</b> | <b>8,978.63</b> |

**Note II.1.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – II.2 : Restated Statement of Other Income**

(Rs. In Lakhs)

| Particulars                    | For the Period ended on 31st July, 2019 | For the year ended on 31st March |              |              |
|--------------------------------|---|----------------------------------|--------------|--------------|
|                                |   | 2019                             | 2018         | 2017         |
| Bank FD Interest               | 5.49                                    | 22.66                            | 8.91         | 30.71        |
| Commission Received            | -                                       | 9.44                             | 17.90        | -            |
| Consultancy charges received   | -                                       | 1.13                             | 0.25         | -            |
| Duty Drawback Export           | -                                       | 0.11                             | 2.57         | 6.48         |
| Exchange Difference            | -                                       | -                                | 9.61         | 0.69         |
| Excise Rebate                  | -                                       | -                                | 0.00         | 0.01         |
| Rent Received                  | 2.65                                    | 10.46                            | 17.41        | 3.60         |
| Profit on Sale of Fixed Assets | 0.16                                    | -                                | -            | -            |
| Other Incomes                  | 0.96                                    | 0.21                             | 10.82        | 7.99         |
| <b>Total</b>                   | <b>9.25</b>                             | <b>44.01</b>                     | <b>67.47</b> | <b>49.48</b> |

**Note II.2.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – II.3 : RESTATED STATEMENT OF PURCHASES OF STOCK IN TRADE**

(Rs. In Lakhs)

| Particulars                    | For the Period ended on 31st July, 2019 | For the year ended on 31st March |                 |                 |
|--------------------------------|---|----------------------------------|-----------------|-----------------|
|                                |   | 2019                             | 2018            | 2017            |
| Purchase of Pharma & API Goods | 3104.53                                 | 10364.33                         | 8,828.46        | 7,916.08        |
| <b>Total</b>                   | <b>3,104.53</b>                         | <b>10,364.33</b>                 | <b>8,828.46</b> | <b>7,916.08</b> |

**Note II.3.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – II.4 : Restated Statement of Changes in Inventories**

(Rs. In Lakhs)

| Particulars                      | For the Period ended on 31st July, 2019 | For the year ended on 31st March |                 |                 |
|----------------------------------|---|----------------------------------|-----------------|-----------------|
|                                  |   | 2019                             | 2018            | 2017            |
| <b>Opening Stock</b>             |   |                                  |                 |                 |
| Stock of Pharma & API goods      | 4,391.37                                | 3,263.72                         | 2,674.59        | 2,118.94        |
| Total (a)                        | 4,391.37                                | 3,263.72                         | 2,674.59        | 2,118.94        |
| <b>Closing Stock</b>             |   |                                  |                 |                 |
| Stock of Pharma & API goods      | 4533.80                                 | 4391.37                          | 3,263.72        | 2,674.59        |
| Total (b)                        | 4,533.80                                | 4,391.37                         | 3,263.72        | 2,674.59        |
| <b>Net Change in Inventories</b> | <b>(142.42)</b>                         | <b>(1,127.65)</b>                | <b>(589.13)</b> | <b>(555.65)</b> |

**Note II.4.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – II.5 : Restated Statement of Employee Benefit Expense**

(Rs. In Lakhs)



| Particulars                    | For the Period ended on 31st July, 2019 | For the year ended on 31st March |               |               |
|--------------------------------|---|----------------------------------|---------------|---------------|
|                                |   | 2019                             | 2018          | 2017          |
| Marketing Exe. Expenses        | 9.82                                    | 44.34                            | 55.39         | 65.32         |
| Contribution to Statutory Fund | 5.38                                    | 19.52                            | 20.92         | 23.20         |
| Salary Paid                    | 104.03                                  | 385.66                           | 421.13        | 471.00        |
| Director Remuneration          | 6.20                                    | 18.60                            | 18.60         | 18.60         |
| Staff Welfare Expenses         | 1.05                                    | 3.13                             | 4.75          | 4.48          |
| <b>Total</b>                   | <b>126.47</b>                           | <b>471.24</b>                    | <b>520.79</b> | <b>582.60</b> |

**Note II.5.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – II.6 : Restated Statement of Finance costs**

(Rs. In Lakhs)

| Particulars              | For the Period ended on 31st July, 2019 | For the year ended on 31st March |               |               |
|--------------------------|---|----------------------------------|---------------|---------------|
|                          |   | 2019                             | 2018          | 2017          |
| Bank Interest            | 78.12                                   | 205.00                           | 159.42        | 178.02        |
| Interest on Borrowings   | 28.26                                   | 136.48                           | 134.56        | 143.39        |
| LC Charges               | 3.63                                    | 9.93                             | 10.21         | -             |
| Loan foreclosure charges | 0.00                                    | 11.73                            | 0.00          | -             |
| Interest on Depo Deposit | 2.92                                    | 10.49                            | 11.66         | 12.38         |
| <b>Total</b>             | <b>112.93</b>                           | <b>373.62</b>                    | <b>315.85</b> | <b>333.79</b> |

**Note II.6.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – II.7 : Restated Statement of Depreciation & Amortization**

(Rs. In Lakhs)

| Particulars  | For the Period ended on 31st July, 2019 | For the year ended on 31st March |             |              |
|--------------|---|----------------------------------|-------------|--------------|
|              |   | 2019                             | 2018        | 2017         |
| Depreciation | 1.05                                    | 5.16                             | 5.88        | 14.35        |
| <b>Total</b> | <b>1.05</b>                             | <b>5.16</b>                      | <b>5.88</b> | <b>14.35</b> |

**Note II.7.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – II.8 : Restated Statement of Other Expenses**

(Rs. In Lakhs)

| Particulars                            | For the Period ended on 31st July, 2019 | For the year ended on 31st March |        |        |
|--|---|----------------------------------|--------|--------|
|  |   | 2019                             | 2018   | 2017   |
| Freight Charges                        | 12.28                                   | 35.67                            | 43.45  | 64.78  |
| Rate Difference                        | 0.00                                    | 0.26                             | 31.74  | 146.74 |
| Bank Charges                           | 1.83                                    | 33.58                            | 51.45  | 46.83  |
| Rates & Taxes                          | 18.35                                   | 22.13                            | 13.58  | 25.91  |
| Commission Expenses                    | 13.44                                   | 134.17                           | 145.71 | 70.02  |
| Computer Repair & Maintenance Expenses | 0.73                                    | 1.87                             | 3.77   | 6.79   |
| Donation                               | 0.01                                    | 0.62                             | 0.13   | 0.22   |

|                                  |               |               |               |               |
|----------------------------------|---------------|---------------|---------------|---------------|
| Electricity Charges              | 3.68          | 9.32          | 8.87          | 8.61          |
| Insurance                        | 1.34          | 0.46          | 10.07         | 12.84         |
| Legal & Professional Expenses    | 21.88         | 79.04         | 37.85         | 43.15         |
| Marketing Expenses               | 12.88         | 60.02         | 86.95         | 63.18         |
| Travelling & Conveyance Expenses | 3.19          | 8.96          | 20.09         | 42.35         |
| Audit Fees                       | 0.29          | 0.09          | 1.32          | 1.17          |
| Foreign Travelling Expenses      | 1.31          | 3.82          | 7.90          | 20.75         |
| Rent                             | 7.63          | 39.54         | 33.59         | 27.10         |
| Other Administrative Expenses    | 9.29          | 61.02         | 41.83         | 65.21         |
| Foreign Exchange Difference      | 0.82          | 5.98          | -             | -             |
| <b>Total</b>                     | <b>108.95</b> | <b>496.56</b> | <b>538.30</b> | <b>645.64</b> |

**Note II.8.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE – II.9 : Restated Statement of Deferred Tax (Assets)/Liabilities**

**(Rs. In Lakhs)**

| Particulars  | For the Period ended on 31st July, 2019 | As at 31st March |        |         |
|--|---|------------------|--------|---------|
|  |   | 2019             | 2018   | 2017    |
| WDV as per Companies Act, 2013 (A)   | 45.29                                   | 46.39            | 50.94  | 55.20   |
| WDV as per Income tax Act, 1961 (B)  | 48.38                                   | 50.80            | 58.90  | 65.47   |
| Difference in WDV (A-B)  | (3.09)                                  | (4.41)           | (7.96) | (10.27) |
| Restated Closing Balance of Deferred Tax (Asset)/Liability                           | (0.80)                                  | (1.15)           | (2.05) | (3.07)  |
| (DTA)/DTL Balance as per Books   | (1.15)                                  | (1.15)           | 1.23   | (0.41)  |
| Additional Provision to be made/Reversal of Provision/Creation of Deferred Tax Asset | 0.34                                    | (0.00)           | (3.28) | (2.65)  |
| <b>Total</b>   |   |                  |        |         |

**Note II.9.1** : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**I.1.3 Details of Shareholding more than 5% of the aggregate shares in the company**

| Name of Shareholder   | 31-Jul-19        |               | 31-Mar-19      |               | 31-Mar-18      |               | 31-Mar-17      |               |
|-----------------------|------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
|                       | Nos              | % of Holding  | Nos            | % of Holding  | Nos            | % of Holding  | Nos            | % of Holding  |
| Hemant Bhagat         | 2,906,296        | 54.19%        | 363,287        | 54.19%        | 182,000        | 43.54%        | 182,000        | 43.54%        |
| Padmaben Bhagat       | 40,000           | 0.75%         | 5,000          | 0.75%         | 40,000         | 9.57%         | 40,000         | 9.57%         |
| Mahesh Bhagat         | 120,000          | 2.24%         | 15,000         | 2.24%         | 88,000         | 21.05%        | 88,000         | 21.05%        |
| Chandravardhan Bhagat | -                | -             | -              | -             | 25,000         | 5.98%         | 25,000         | 5.98%         |
| Chitra Bhagat         | 1,283,192        | 23.93%        | 160,399        | 23.93%        | 55,000         | 13.16%        | 55,000         | 13.16%        |
| Pranav Hemant Bhagat  | 657,792          | 12.27%        | 82,224         | 12.27%        | 4,000          | 0.96%         | 4,000          | 0.96%         |
| <b>Total</b>          | <b>5,007,280</b> | <b>93.38%</b> | <b>625,910</b> | <b>93.38%</b> | <b>394,000</b> | <b>94.26%</b> | <b>394,000</b> | <b>94.26%</b> |

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

## ANNEXURE – 1.3.2

## STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY (Amount in Lacs)

| Name of Lender                                      | Purpose  | Sanctioned Amount (Rs. In Lakhs) | Rate of interest  | Securities offered  | Re-Payment Schedule   | Moratorium | Outstanding amount as on (as per Books) |
|---|--|----------------------------------|---|---|---|------------|---|
|   |  |                                  |   |   |   |            | 31st July, 2019                         |
| Axis Bank   | Term Loan for replacement of High Interest bearing USLs of NBFCs/ Banks/ Fis with low interest bearing Term Loan | 490.00                           | 3 Month MCLR + 1.30%  | Primary : Hypothecation of entire R/M, stock in Process, finished goods, and book debts plant & machinery of the company both present and future. Colateral : 1. Gala No 3/B T.K. Industrial Estate Sewri Mumbai 2. Row House No. 39, Pune. 3. Pledge of FDR valuing Rs. 3.01 Lakhs. 4. Assignment of LIC Policies. 5. Mutual Funds/ Liquid Assets                          | Repayable in 60 EMI of Rs. 9.25 Lakhs   | NIL        | 461.01                                  |
| Axis Bank Cash Credit                               | To meet Working Capital Requirements   | 1425.00                          | 3 Month MCLR + 1.95%  | Primary : Hypothecation of entire R/M, stock in Process, finished goods, and book debts plant & machinery of the company both present and future. Colateral : 1. Gala No 3/B T.K. Industrial Estate Sewri Mumbai 2. Row House No. 39, Pune. 3. Pledge of FDR valuing Rs. 3.01 Lakhs. 4. Assignment of LIC Policies. 5. Mutual Funds/ Liquid Assets                          | On Demand   | NIL        | 1454.10                                 |
| Punjab National Bank Overdraft                      | To meet Working Capital Requirements   | 150.00                           | MCLR (1 Year) + 2.75%   | Primary : Residential Flat of Mrs. Nita Anand Toraskar & Mr. Anand Parsuram Toraskar  | Loan repayable in 120 monthly of Installments of RS.205777. DP reduction every month will be to the Extent of the principal component of EMI on full sanction of limit, | NIL        | 142.55                                  |
| Axis Bank LC  | To Purchase of Material  | 500.00                           | Commission Charges - 50% of Bank Standard Charges plus applicable Tax | Primary : Goods procured under LC, Hypothecation of entire R/M, stock in Process, finished goods, and book debts plant & machinery of the company both present and future. Colateral : 1. Gala No 3/B T.K. Industrial Estate Sewri Mumbai 2. Row House No. 39, Pune. 3. Pledge of FDR valuing Rs. 3.01 Lakhs. 4. Assignment of LIC Policies. 5. Mutual Funds/ Liquid Assets |   | NIL        | 154.45                                  |
| Cholamandalam Investments & finance company Limited | Vehicle Loan   | 4.70                             | 13.00%  | By Hypothecation of Vehicle   | Loan repayable in 60 monthly of Installments of RS. 10705   | NIL        | 0.44                                    |
| <b>Total</b>  |  | <b>2569.70</b>                   |   |   |   |            | <b>2212.55</b>                          |

Note : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

## ANNEXURE – 1.3.3

## STATEMENT OF TERMS &amp; CONDITIONS OF UNSECURED LOANS

A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities

| Name of Lender                       | Purpose          | Rate of interest  | Re-Payment Schedule  | Moratorium | Outstanding amount as on (as per Books) |
|--------------------------------------|------------------|-------------------|--|------------|---|
|                                      |                  |                   |  |            | 31st July, 2019                         |
| Avansi Financial Services Limited    | Business Purpose | 20.44%            | Repayable in 36 EMI of Rs. 112167                                    | NIL        | 23.15                                   |
| Deutsche Bank                        | Business Purpose | 18%               | Repayable in 36 EMI of Rs. 162686                                    | NIL        | 37.24                                   |
| DMI Finance Private Limited          | Business Purpose | 18%               | Repayable in 36 EMI of Rs. 54229                                     | NIL        | 8.08                                    |
| EPI Money Private Limited            | Business Purpose | 21.64%            | Repayable in 18 EMI of Rs. 131111                                    | NIL        | 10.73                                   |
| HDFC Bank Limited                    | Business Purpose | 17.00%            | Repayable in 12 EMI of Rs. 182410                                    | NIL        | 3.57                                    |
| Indusind Bank                        | Business Purpose | 18.50%            | Repayable in 18 EMI of Rs. 320222                                    | NIL        | 15.32                                   |
| Arohan Financial Services Limited    | Business Purpose | 1.25 % per month  | Repayable in 26 Installment payable fortnightly of Rs. 154808        | NIL        | 17.33                                   |
| Jain Sons finlease Limited           | Business Purpose | 18.00%            | Repayable in 24 EMI of Rs. 374431                                    | NIL        | 52.94                                   |
| JRG Fincorp Limited                  | Business Purpose | 1.333 % per month | Repayable in 18 months installment payable fortnightly of Rs. 86107  | NIL        | 7.03                                    |
| Neo Growth                           | Business Purpose | 12.00%            | Repayable in 36 EMI payable fortnightly of Rs. 95056                 | NIL        | 14.71                                   |
| Rattanindia Finance Private Limited  | Business Purpose | 18.50%            | Repayable in 36 EMI payable fortnightly of Rs. 91010                 | NIL        | 20.17                                   |
| Suryodaya small finance bank Limited | Business Purpose | 19%               | Repayable in 23 EMI payable fortnightly of Rs. 151226 & 1 EMI 154622 | NIL        | 27.91                                   |
| Ratnakar Bank Limited                | Business Purpose | 18.25%            | Repayable in 36 EMI payable fortnightly of Rs. 145112                | NIL        | 29.00                                   |
| United Petro Finance Limited         | Business Purpose | 1.33 % per month  | Repayable in 15 EMI payable fortnightly of Rs. 281256                | NIL        | 24.44                                   |
| C.C.BHAGAT (H.U.F)                   | Business Purpose | NIL               | On Demand  | NIL        | 1.99                                    |
| HDLM SERVICES                        | Business Purpose | NIL               | On Demand  | NIL        | 294.42                                  |
| HEMALI P MODY                        | Business Purpose | 12%               | On Demand  | NIL        | 2.50                                    |
| HEMANT .C. BHAGAT (H.U.F.)           | Business Purpose | NIL               | On Demand  | NIL        | 0.67                                    |
| HITA MAHESH BHAGAT                   | Business Purpose | NIL               | On Demand  | NIL        | 13.31                                   |
| JAY HEMANT BHAGAT                    | Business Purpose | NIL               | On Demand  | NIL        | 10.39                                   |
| LOPA .M BHAGAT                       | Business Purpose | NIL               | On Demand  | NIL        | 2.03                                    |
| MAHESH C. BHAGAT                     | Business Purpose | NIL               | On Demand  | NIL        | 6.84                                    |
| MRS.NAYANA.C.BHAGAT                  | Business Purpose | NIL               | On Demand  | NIL        | 0.09                                    |
| PADMABEN.C.BHAGAT                    | Business Purpose | NIL               | On Demand  | NIL        | 1.40                                    |
| PRANAV H MODY                        | Business Purpose | 12%               | On Demand  | NIL        | 5.00                                    |
| PREMAL HARESH MODY                   | Business Purpose | 12%               | On Demand  | NIL        | 5.00                                    |
| USHA BHARAT SHAH                     | Business Purpose | NIL               | On Demand  | NIL        | 24.50                                   |
| VISHALI P MODY                       | Business Purpose | 12%               | On Demand  | NIL        | 2.50                                    |
| DIWALIBEN JADAVJI BAHRANI            | Business Purpose | 15%               | On Demand  | NIL        | 2.09                                    |
| INDIRA HASTIMAL JAIN                 | Business Purpose | 24%               | On Demand  | NIL        | 22.53                                   |
| MINAL V SETHIA                       | Business Purpose | 15%               | On Demand  | NIL        | 2.10                                    |
| OMKAR PHARMA LOAN                    | Business Purpose | 12%               | On Demand  | NIL        | 69.75                                   |
| SATYENDRA H PURADKAR                 | Business Purpose | 12%               | On Demand  | NIL        | 27.03                                   |
| HEMANT C BHAGAT                      | Business Purpose | NIL               | On Demand  | NIL        | 0.07                                    |
| CHITRA BHAGAT                        | Business Purpose | NIL               | On Demand  | NIL        | 0.03                                    |
| PRANAV H BHAGAT                      | Business Purpose | NIL               | On Demand  | NIL        | 0.12                                    |
| <b>Sub Total</b>                     |                  |                   |  |            | <b>785.98</b>                           |

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

## ANNEXURE – IV

### SUMMARY SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS RESTATED

#### A. COMPANY INFORMATION

The Company was incorporated as “Chandra Bhagat Pharma Private Limited” at Mumbai on March 10, 2003, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by Assistant Registrar of Companies, Maharashtra, Mumbai. Consequent upon the conversion of Company from Private Limited Company to Public Limited Company, the name of Company was changed to “Chandra Bhagat Pharma Limited” and fresh Certificate of Incorporation consequent upon the conversion from Private Limited Company to Public Limited Company dated March 20, 2019 was issued by the Registrar of Companies, RoC – Mumbai

The Company is primarily engaged in trading of Pharma and API Goods.

#### B. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Accounting Convention

The financial statement are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

##### 2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

##### 3. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective asset on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

##### 4. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their

present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

## **5. Depreciation**

All fixed assets, except capital work in progress, are depreciated on Written down Value Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be.

## **6. Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

## **7. Inventories**

The inventories as appearing in the balance sheet is valued at cost or net realizable value whichever is lower. Proper records of inventories has been maintained by the company & management has done physical verification of inventory & reconcile them with inventory records during reasonable intervals & no material discrepancies has been found during such verification and reconciliation thereof.

## **8. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Interst income is recognized on time proportion basis, when it is accrued and due for payment.

## **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **10. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered. Post employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

## **11. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## **12. Foreign Currency Translation**

- a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate..
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

## **13. Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

## **C. NOTES ON ACCOUNTS**

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 Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. But the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained and the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

### **3. Current Investements**

Current Investment having Fixed Deposits are reconciled with Bank by the management at the end of the reporting periods.

### **4. Post Employment Benefits :**

Management has not valued its obligation related to gratuity at the end of any of the reporting periods in compliance with Accounting Standard – 15.

### **5. Segment Reporting (AS 17)**

AS-17 is not applicable to the company for the Period ended July 31, 2019 and year ended on March 31, 2019, March 31, 2018 and March 31, 2017 as the Company deal in only one Segment.

### **6. 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 July 31, 2019 except as mentioned in Annexure-VIII, for any of the years covered by the statements.

### **7. Deferred Revenue Expenditures**

Deferred revenue expenditures are expenditure incurred for trial and testing of new medicine. Since trial and testing of medicine are running for specified period of time as per guidelines issued by regulatory authority applicable to Pharma Companies, hence the deferred revenue expenditures is not treated as Research and deferred for future year for written off. These expenditure will be written off from the year in which the medicine is approved and become marketable. If the medicine is not approved then whole expenditure will be written off in that year in which the medicine is rejected by the regulatory authority.



## 8. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – X of the enclosed financial statements. The related parties has been identified by the management during all the reporting periods.

## 9. Non Current Liabilities

Non Current Liabilities comprises of Secured/Unsecured Loans from Bank/financial institution and Unsecured Loans from related Parties & others, Inter corporate Deposits & Dealer's Deposits. The loans & deposits has been identified & classified by the management according to the nature of transaction entered with them by the Company.

## 10. Provision for Taxes

Provision for tax has been made on the basis of total taxable income as disclosed in Annexure VI - Restated Statement of Tax Shelters. The allowances & disallowances in the statement of tax shelters has only been taken as per the income tax return filed by the company for the related period.

## 11. Cash & Cash Equivalents

Cash & Cash Equivalents comprises of Balance with bank in current accounts & cash in hand with the management at the end of the each reporting period. Further cash has been physically verified and certified by the management.

## 12. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under.

(Rs. In Lakhs)

| Particulars   | For the Period ended on 31st July, 2019 | As at 31st March |        |         |
|---|---|------------------|--------|---------|
|   |   | 2019             | 2018   | 2017    |
| WDV as per Companies Act, 2013 (A)  | 45.29                                   | 46.39            | 50.94  | 55.20   |
| WDV as per Income tax Act, 1961 (B)   | 48.38                                   | 50.80            | 58.90  | 65.47   |
| Difference in WDV (A-B)   | (3.09)                                  | (4.41)           | (7.96) | (10.27) |
| Restated Closing Balance of Deferred Tax (Asset)/ Liability                           | (0.80)                                  | (1.15)           | (2.05) | (3.07)  |
| (DTA)/DTL Balance as per Books  | (1.15)                                  | (1.15)           | 1.23   | (0.41)  |
| Additional Provision to be made/Reversal of Provision/ Creation of Deferred Tax Asset | 0.34                                    | (0.00)           | (3.28) | (2.65)  |

## ANNEXURE – V

### MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

#### 1. Material Regrouping

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

#### 2. Material Adjustments

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/ (loss) of the Company is as follows:

| Particulars  | For the Period ended 31st July, 2019 | For The Year Ended March 31, |               |               |
|--|--------------------------------------|------------------------------|---------------|---------------|
|  |                                      | 2019                         | 2018          | 2017          |
| <b>(A) Net Profits as per audited financial statements (A)</b>                         | 24.69                                | 68.86                        | 104.46        | 66.34         |
| <b>Add/(Less) : Adjustments on account of -</b>  |                                      |                              |               |               |
| 1) Difference on Account of Change in Calculation of Deferred Tax Assets & Liabilities | -                                    | -3.27                        | 0.62          | 2.65          |
| 2) Difference in Provision for Current Tax   | 0.19                                 | -3.00                        | -1.70         | -2.97         |
| <b>Total Adjustments (B)</b>   | <b>0.19</b>                          | <b>(6.27)</b>                | <b>(1.08)</b> | <b>(0.32)</b> |
| <b>Restated Profit/ (Loss) (A+B)</b>   | <b>24.88</b>                         | <b>62.59</b>                 | <b>103.38</b> | <b>66.02</b>  |

#### 3. Reconciliation Statement between Restated Equity and Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

| Particulars   | As at 31st July 2019 | As at March 31  |               |               |
|---|----------------------|-----------------|---------------|---------------|
|   |                      | 2019            | 2018          | 2017          |
| (A) Total Equity and Reserves & Surplus as per audited financial statements (A)           | 1,469.31             | 1,444.62        | 845.76        | 741.29        |
| Add/(Less) : Adjustments on account of change in profit (B)                               | <b>(7.48)</b>        | <b>(7.66)</b>   | <b>(1.40)</b> | <b>(0.32)</b> |
| <b>Total Equity and Reserves &amp; Surplus as per Restated Financial Statements (A+B)</b> | <b>1,461.83</b>      | <b>1,436.96</b> | <b>844.36</b> | <b>740.98</b> |

#### 4. Notes on Material Adjustments pertaining to prior years

##### (1) Change in Calculation of Deferred Tax

Deferred tax is calculated on the difference of WDV as per Companies Act & Income Tax Act in Restated Financials which was calculated on differences of Depreciation in Audited financials

##### (2) Change in Provision for Current Tax

There is change in total taxable Income due to adjustment made in Restated Profit & Loss and consequently the Provision for current tax is effected on account of change in Profit.

## **Adjustments not having impact on profit**

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

**As per our report of even date  
For A Y & Company  
Firm Registration No. 020829C  
Chartered Accountants**

**For and on behalf of the Board of Directors**

**Arpit Gupta  
Partner  
Membership No. 421544  
UDIN : 19421544AAAABK7043**

|  |  |
|--|--|
| <b>Hemant Chandravadan Bhagat<br/>(Managing Director)<br/>DIN No: 00233530</b> | <b>Pranav Hemat Bhagat<br/>(Wholetime Director)<br/>DIN No: 00156362</b> |
|--|--|

**Place : Mumbai  
Date : December 11, 2019**

**Prachi Pranav Bhagat  
(Chief Financial Officer)**

## ANNEXURE - VI : RESTATED STATEMENT OF TAX SHELTERS

(Rs. In Lakhs)

| Sr. No   | Particulars  | As at 31st July,<br>2019 | As at 31st March |                |               |
|----------|--|--------------------------|------------------|----------------|---------------|
|          |  |                          | 2019             | 2018           | 2017          |
| <b>A</b> | <b>Restated Profit before tax</b>  | 32.99                    | 88.57            | 153.25         | 91.31         |
|          | Short Term Capital Gain at special rate  | -                        | -                | -              | -             |
|          | Normal Corporate Tax Rates (%)   | 25.17%                   | 26.00%           | 33.06%         | 30.90%        |
|          | Short Term Capital Gain at special rate  |                          |                  |                | -             |
|          | MAT Tax Rates (%)  | 15.600%                  | 19.240%          | 19.06%         | 19.06%        |
| <b>B</b> | <b>Tax thereon (including surcharge and education cess)</b>                                |                          |                  |                |               |
|          | Tax on normal profits  | 8.30                     | 23.03            | 50.67          | 28.21         |
|          | Short Term Capital Gain at special rate  |                          |                  |                | -             |
|          | <b>Total</b>   | <b>8.30</b>              | <b>23.03</b>     | <b>50.67</b>   | <b>28.21</b>  |
|          | <b>Adjustments:</b>  |                          |                  |                |               |
| <b>C</b> | <b>Permanent Differences</b>   |                          |                  |                |               |
|          | Deduction allowed under Income Tax Act   | (0.79)                   | (3.14)           | (5.22)         | (1.08)        |
|          | Exempt Income  |                          |                  | -              | -             |
|          | Allowance of Expenses under the Income Tax Act   | -                        | -                | 18.38          |               |
|          | Disallowance of Income under the Income Tax Act  |                          |                  |                |               |
|          | Disallowance of Expenses under the Income Tax Act  | 0.01                     | 2.00             | 5.10           | -             |
|          | <b>Total Permanent Differences</b>   | <b>(0.78)</b>            | <b>(1.13)</b>    | <b>(18.51)</b> | <b>-</b>      |
| <b>D</b> | <b>Timing Differences</b>  |                          |                  | <b>(0.25)</b>  | <b>(1.08)</b> |
|          | Difference between tax depreciation and book depreciation                                  | (1.38)                   | (3.60)           | (4.03)         | 1.34          |
|          | Provision for Gratuity disallowed  |                          |                  |                | -             |
|          | Expense disallowed u/s 43B   |                          |                  |                | -             |
|          | <b>Total Timing Differences</b>  | <b>(1.38)</b>            | <b>(3.60)</b>    | <b>(4.03)</b>  | <b>1.34</b>   |
| <b>E</b> | <b>Net Adjustments E= (C+D)</b>  | <b>(2.16)</b>            | <b>(4.73)</b>    | <b>(22.54)</b> | <b>1.34</b>   |
| <b>F</b> | <b>Tax expense/(saving) thereon</b>  | <b>(0.54)</b>            | <b>(1.23)</b>    | <b>(7.45)</b>  | <b>0.41</b>   |
| <b>G</b> | <b>Total Income/(loss) (A+E)</b>   | <b>30.83</b>             | <b>83.84</b>     | <b>130.71</b>  | <b>91.57</b>  |
|          | Taxable Income/ (Loss) as per MAT  | 32.99                    | 88.57            | 153.25         | 91.31         |
| <b>I</b> | <b>Income Tax as per normal provision</b>  | 7.76                     | 21.80            | 43.22          | 28.30         |
| <b>J</b> | <b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b> | 5.15                     | 17.04            | 29.20          | 17.40         |
|          | <b>Net Tax Expenses (Higher of I or J)</b>   | 7.76                     | 21.80            | 43.22          | 28.30         |
| <b>K</b> | Relief u/s 90/91   |                          |                  |                | -             |
|          | <b>Total Current Tax Expenses</b>  | <b>7.76</b>              | <b>21.80</b>     | <b>43.22</b>   | <b>28.30</b>  |
| <b>L</b> | Adjustment for Interest on income tax/ others  | 0.00                     | 3.29             | 5.64           | 2.97          |
|          | <b>Total Current Tax Expenses</b>  | <b>7.76</b>              | <b>25.08</b>     | <b>48.86</b>   | <b>31.26</b>  |

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

**ANNEXURE - VII : RESTATED STATEMENT OF CAPITALISATION**

(Rs. In Lakhs)

| Sr. No  | Particulars                        | Pre issue       | Post issue      |
|---|------------------------------------|-----------------|-----------------|
|   | <b>Debts</b>                       |                 |                 |
| A   | Long Term Debt*                    | 1,247.43        | 1,247.43        |
| B   | Short Term Debt*                   | 1,751.11        | 1,751.11        |
| C   | <b>Total Debt</b>                  | <b>2,998.54</b> | <b>2,998.54</b> |
|   | <b>Equity Shareholders Funds</b>   |                 |                 |
|   | Equity Share Capital**             | 536.31          | 754.51          |
|   | Reserves and Surplus*              | 925.53          | 1,725.13        |
| D   | <b>Total Equity</b>                | <b>1,461.83</b> | <b>2,479.63</b> |
| E   | <b>Total Capitalization</b>        | <b>4,460.37</b> | <b>5,478.17</b> |
|   | Long Term Debt/ Equity Ratio (A/D) | 0.85            | 0.50            |
|   | Total Debt/ Equity Ratio (C/D)     | 2.05            | 1.21            |
| <b>Notes :</b>  |                                    |                 |                 |
| 1) Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities |                                    |                 |                 |
| 2) The Company has made right issue of 1,82,000 Equity Shares of Rs. 10 each at a premium of Rs. 30 on August 30, 2019.   |                                    |                 |                 |
| * The amounts are consider as outstanding as on July 31, 2019   |                                    |                 |                 |

**ANNEXURE - VIII : RESTATED STATEMENT OF CONTINGENT LIABILITIES**

(Rs. In Lakhs)

| Particulars   | As at 31st July, 2019 | As at 31st March |      |      |
|---|-----------------------|------------------|------|------|
|   |                       | 2019             | 2018 | 2017 |
| 1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security | -                     | -                | -    | -    |
| 2. Capital Commitment   | -                     | -                | -    | -    |
| 3. Income Tax Demand  | -                     | -                | -    | -    |
| 4. TDS Demands  | -                     | -                | -    | -    |
| <b>Total</b>  | -                     | -                | -    | -    |

**ANNEXURE - IX : RESTATED STATEMENT OF ACCOUNTING RATIOS**

| Particulars   | As at 31st July, 2019 | As at 31st March |           |           |
|---|-----------------------|------------------|-----------|-----------|
|   |                       | 2019             | 2018      | 2017      |
| Restated PAT as per P& L Account (Rs. in Lakhs)                           | 24.88                 | 62.59            | 103.38    | 66.03     |
| Actual No. of Equity Shares outstanding at the end of the year            | 5,363,053             | 670,382          | 418,000   | 418,000   |
| Weighted Average Number of Equity Shares at the end of the Year (Note -2) | 5,363,053             | 514,593          | 418,000   | 418,000   |
| Net Worth   | 1352.66               | 1327.79          | 801.04    | 740.98    |
| Current Assets  | 8030.91               | 7725.43          | 5600.14   | 5063.47   |
| Current Liabilities   | 5759.02               | 5257.65          | 2863.46   | 3717.92   |
| No Of Shares (Pre Bonus)  | 5,363,056             | 670,382          | 418,000   | 418,000   |
| No Of Shares (Post Bonus)   | 5,363,056             | 5,363,056        | 3,344,000 | 3,344,000 |
| <b>Earnings Per Share</b>   |                       |                  |           |           |
| Basic EPS   | 0.46                  | 12.16            | 24.73     | 15.80     |
| Eps (Post Bonus)  | 0.46                  | 1.17             | 3.09      | 1.97      |
| <b>EBITDA</b>   | 146.97                | 467.35           | 474.98    | 439.45    |
| <b>Return on Net Worth (%)</b>  | 1.84%                 | 4.71%            | 12.91%    | 8.91%     |
| <b>Net Asset Value Per Share (Rs)</b>                                     | 25.22                 | 198.06           | 191.64    | 177.27    |
| <b>Current Ratio</b>  | 1.39                  | 1.47             | 1.96      | 1.36      |
| Nominal Value per Equity share after Share split (Rs.)                    | 10                    | 10               | 10        | 10        |

\* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.

**Notes :**

1) The ratios have been calculated as below:

a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the six months/year.

b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the six months/year.

c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100

d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the six months/year/ Total Number of Equity Shares outstanding during the six months/year.

|   |
|---|
| 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares in the ratio of 7 bonus share for 1 fully paid up equity share to the existing shareholders (Alloted on July 22, 2019) , |
| 3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.  |
| 4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)   |
| 5) The figures disclosed above are based on the Restated Financial Statements of the Company.   |

**ANNEXURE - X : RESTATED STATEMENT OF RELATED PARTY DISCLOSURES AS RESTATED**

| As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18. |                                |
|---|--------------------------------|
| <b>A. List of Related Parties and Nature of Relationship :</b>  |                                |
| <b>Relationship with Related party</b>  | <b>Name of related parties</b> |
| Key Managerial Personnel  | Hemant Chandravaradhan Bhagat  |
|   | Pranav Hemant Bhagat           |
|   | Prachi Pranav Bhagat           |
| Relative of KMP   | Jay Hemant Bhagat              |
|   | Mahesh C Bhagat                |
|   | Chitra H Bhagat                |
|   | Omkar Pharma                   |
|   | Hemant C Bhagat HUF            |
|   | Nayana C Bhagat                |
|   | Padmaben C Bhagat              |
|   | Hita M Bhagat                  |
|   | Lopa M Bhagat                  |
|   | C C Bhagat HUF                 |
| <b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.                 |                                |



**B. Transactions carried out with related parties referred to in (A) above, in ordinary course of business:**

(Rs. In Lakhs)

| Nature of Transactions                                      | Name of Related Parties             | As at 31st July,<br>2019 | As at March 31 |              |               |
|---|-------------------------------------|--------------------------|----------------|--------------|---------------|
|   |                                     |                          | 2019           | 2018         | 2017          |
| 1. Directors Remuneration                                   | Hemant Chandravardhan Bhagat        | 3.20                     | 9.60           | 9.60         | 9.60          |
|   | Pranav Hemant Bhagat                | 3.00                     | 9.00           | 9.00         | 9.00          |
| <b>Total</b>  |                                     | <b>6.20</b>              | <b>18.60</b>   | <b>18.60</b> | <b>18.60</b>  |
|   |                                     |                          |                |              |               |
| 2. Interest on Unsecured Loans                              | C. C. Bhagat HUF                    | -                        | 0.22           | -            | 1.71          |
|   | Hemant C Bhagat HUF                 | -                        | 0.09           | -            | 3.78          |
|   | Hita Mukesh Bhagat                  | -                        | 2.88           | -            | 1.44          |
|   | Lopa M Bhagat                       | -                        | 1.78           | -            | 1.58          |
|   | Mahesh C Bhagat                     | -                        | -              | -            | 17.19         |
|   | Hemant C Bhagat                     | -                        | 4.79           | -            | 0.92          |
|   | Chitra H Bhagat                     | -                        | 2.89           | -            | 7.96          |
|   | Nayana C Bhagat                     | -                        | 1.23           | -            | 3.95          |
|   | Padmaben C Bhagat                   | -                        | 1.40           | -            | 3.73          |
|   | Pranav H Bhagat                     | -                        | 0.50           | -            | 0.77          |
| <b>Total</b>  |                                     | <b>-</b>                 | <b>15.78</b>   | <b>-</b>     | <b>43.03</b>  |
|   |                                     |                          |                |              |               |
| 3. Loan given/(Received) during the Year to Related Parties | Jay Hemant Bhagat                   | (6.06)                   | (12.51)        | (8.09)       | (12.53)       |
|   | C. C. Bhagat HUF                    | -                        | -              | 15.79        | 15.79         |
|   | Hemant C Bhagat HUF                 | -                        | -              | 41.12        | 21.51         |
|   | Hita Mukesh Bhagat                  | -                        | -              | 24.01        | 13.26         |
|   | Lopa M Bhagat                       | -                        | -              | 14.83        | 14.58         |
|   | Mahesh C Bhagat                     | (0.15)                   | (1.75)         | 159.24       | 156.96        |
|   | Hemant C Bhagat                     | 5.84                     | 19.37          | 92.67        | 3.77          |
|   | Chitra H Bhagat                     | 1.72                     | 9.99           | 109.25       | 68.24         |
|   | Nayan C Bhagat                      | -                        | 0.22           | 10.29        | 37.11         |
|   | Padmaben C Bhagat                   | -                        | 0.75           | 12.21        | 32.67         |
|   | Prachi Anand Toraskar               | 20.01                    | 44.35          | -            | -             |
|   | Pranav H Bhagat                     | 0.40                     | 21.82          | 62.88        | 2.29          |
|   | <b>Total</b>                        |                          | <b>21.75</b>   | <b>82.24</b> | <b>534.20</b> |
|   |                                     |                          |                |              |               |
| 4. Advance Given to Relatives                               | Chitra H Bhagat (Lonavla Premises)  | -                        | 65.00          | -            | -             |
|   | Hemant C Bhagat (Lonavla Premises)  | -                        | 65.00          | -            | -             |
|   | Chitra H Bhagat (Trademark Deposit) | -                        | 150.00         | -            | -             |
| <b>Total</b>  |                                     | <b>-</b>                 | <b>280.00</b>  |              |               |
|   |                                     |                          |                |              |               |
| 5. Consultancy Charges                                      | Chitra H Bhagat                     | 1.20                     | 4.80           | -            | -             |
|   | Jay Hemant Bhagat                   | 0.80                     | 4.80           | -            | -             |
| <b>Total</b>  |                                     | <b>2.00</b>              | <b>9.60</b>    | <b>-</b>     | <b>-</b>      |
|   |                                     |                          |                |              |               |

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets & liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

| <b>C. Outstanding Balance as at the end of the year</b> |                                     |               |               |                       |               |
|---|-------------------------------------|---------------|---------------|-----------------------|---------------|
|   |                                     |               |               | <b>(Rs. In Lakhs)</b> |               |
|   |                                     | <b>Jul-19</b> | <b>2019</b>   | <b>2018</b>           | <b>2017</b>   |
| 1. Receivables  | Chitra H Bhagat (Lonavla Premises)  | 65.00         | 65.00         | -                     | -             |
|   | Hemant C Bhagat (Lonavla Premises)  | 65.00         | 65.00         | -                     | -             |
|   | Chitra H Bhagat (Trademark Deposit) | 150.00        | 150.00        | -                     | -             |
| <b>Total</b>  |                                     | <b>280.00</b> | <b>280.00</b> | <b>-</b>              | <b>-</b>      |
| 2. Payables   | Hemant Chandravaradhan Bhagat       | 0.07          | 5.92          | 92.67                 | 3.77          |
|   | Pranav Hemant Bhagat                | 0.12          | 0.51          | 62.88                 | 2.29          |
|   | Jay Hemant Bhagat                   | 10.39         | 4.42          | (8.09)                | (12.53)       |
|   | Mahesh C Bhagat                     | 161.14        | 160.99        | 159.24                | 156.96        |
|   | Chitra H Bhagat                     | 0.03          | 1.87          | 109.25                | 68.24         |
|   | Prachi Anand Toraskar               | 13.14         | 33.15         | -                     | -             |
|   | Hemant C Bhagat HUF                 | 3.56          | 3.56          | 1.19                  | 1.51          |
|   | Nayana C Bhagat                     | 11.19         | 11.19         | 10.29                 | 37.11         |
|   | Padmaben C Bhagat                   | 12.70         | 12.73         | 12.21                 | 32.67         |
|   | Hita M Bhagat                       | 26.60         | 26.60         | 24.01                 | 13.26         |
|   | Lopa M Bhagat                       | 16.43         | 16.43         | 14.83                 | 14.58         |
| C C Bhagat HUF  | 15.99                               | 15.99         | 15.79         | 15.79                 |               |
| <b>Total</b>  |                                     | <b>271.37</b> | <b>293.35</b> | <b>494.27</b>         | <b>333.65</b> |

**OTHER FINANCIAL INFORMATION**

(₹ in Lakh)

| Particulars   | As at 31st July, 2019 | As at 31st March |           |           |
|---|-----------------------|------------------|-----------|-----------|
|   |                       | 2019             | 2018      | 2017      |
| Restated PAT as per P& L Account (Rs. in Lakhs)                           | 24.88                 | 62.59            | 103.38    | 66.03     |
| Actual No. of Equity Shares outstanding at the end of the year            | 5,363,053             | 670,382          | 418,000   | 418,000   |
| Weighted Average Number of Equity Shares at the end of the Year (Note -2) | 5,363,053             | 514,593          | 418,000   | 418,000   |
| Net Worth   | 1352.66               | 1327.79          | 801.04    | 740.98    |
| Current Assets  | 8030.91               | 7725.43          | 5600.14   | 5063.47   |
| Current Liabilities   | 5759.02               | 5257.65          | 2863.46   | 3717.92   |
|   |                       |                  |           |           |
| No Of Shares (Pre Bonus)  | 5,363,056             | 670,382          | 418,000   | 418,000   |
| No Of Shares (Post Bonus)   | 5,363,056             | 5,363,056        | 3,344,000 | 3,344,000 |
| <b>Earnings Per Share</b>   |                       |                  |           |           |
| Basic EPS   | 0.46                  | 12.16            | 24.73     | 15.80     |
| Eps (Post Bonus)  | 0.46                  | 1.17             | 3.09      | 1.97      |
| <b>EBITDA</b>   | 146.97                | 467.35           | 474.98    | 439.45    |
| <b>Return on Net Worth (%)</b>  | 1.84%                 | 4.71%            | 12.91%    | 8.91%     |
| <b>Net Asset Value Per Share (Rs)</b>                                     | 25.22                 | 198.06           | 191.64    | 177.27    |
| <b>Current Ratio</b>  | 1.39                  | 1.47             | 1.96      | 1.36      |
| Nominal Value per Equity share after Share split (Rs.)                    | 10                    | 10               | 10        | 10        |

\* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.

**Notes :**

1) The ratios have been calculated as below:

a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the six months/year.

b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the six months/year.

c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100

d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the six months/year/ Total Number of Equity Shares outstanding during the six months/year.

2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares in the ratio of 7 bonus share for 1 fully paid up equity share to the existing shareholders (Alloted on July 22, 2019) ,

3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

5) The figures disclosed above are based on the Restated Financial Statements of the Company.

## 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 included in the Prospectus. You should also read the section entitled "RISK FACTORS" beginning on page no. 15, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

### BUSINESS OVERVIEW

#### Company Background

Our Company was incorporated as "Chandra Bhagat Pharma Private Limited" at Mumbai on March 10, 2003, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by Assistant Registrar of Companies, Maharashtra, Mumbai. Consequent upon the conversion of our Company from Private Limited Company to Public Limited Company, the name of our Company was changed to "Chandra Bhagat Pharma Limited" and fresh Certificate of Incorporation consequent upon the conversion from Private Limited Company to Public Limited Company dated March 20, 2019 was issued by the Registrar of Companies, RoC – Mumbai. The CIN of the Company is U24230MH2003PLC139534.

Inspired by our founder Late Shree Chandravadan Bhagat's sense of personal mission, we are driven to fill the gap in pharma sector especially in critical lifesaving medicines in India. Our company was incorporated on March 10, 2003 by Mr. Hemant Bhagat and Late. Shree Chandravadan Bhagat. On April 1, 2003, our company acquired the going concern business of M/s. Chandra Bhagat Corporation ("partnership firm") along with all its assets and liabilities. Consequently, our company issued equity shares to respective partners of M/s. Chandra Bhagat Corporation against the acquisition of going concern business along with all its assets and liabilities. Our promoter Mr. Hemant Bhagat decided to continue on the footsteps of his father Late Shree Chandravadan Bhagat by focusing on marketing of life saving medicines like Antibiotics, Antineoplastic, Cardiovascular, Hormones etc. and set up our company's marketing force in order to wider the product portfolio. Subsequently in the year 2004, our promoter Mr. Pranav Bhagat son of Mr. Hemant Bhagat, being third generation also joined the business and decided to market the pharmaceuticals and special chemical products in domestic as well as in international market.

Our promoters have a combined experience of more than 41 years in the Pharmaceutical products, Bulk drugs and vaccines. Driven by the passion for building an integrated pharmaceutical company, backed by their more than two decades of experience, our Promoters have been the pillars of our Company's growth since inception and have built a strong value system for our Company. With their enriching experience and progressive thinking, we aim to continue to grow in the pharmaceutical and bulk drugs in India and abroad.

#### Significant developments subsequent to the last financial year:

After the date of last audited accounts i.e. July 31, 2019, the Directors of our Company confirm that, there have not been any significant material developments which materially and adversely affect or is likely to affect within the next twelve months for the trading or profitability of the Company, the value of its assets or its ability to pay its liability. However following material events have occurred after the last audited period;

- Our Company has allotted 182,000 equity shares on right basis as on August 30, 2019 for cash price of ₹ 40 per share.
- Board of Directors of Our Company in their meeting held on November 1, 2019 approved to raise funds through initial public offer. Subsequently approved by shareholders of the Company, in the Extra- Ordinary General Meeting held on November 30, 2019.

#### Discussion on Results of Operation:

The following discussion on results of operations should be read in conjunction with the Restated Financial Results of our Company for the period ended July 31, 2019 and for the years ended March 31; 2017, 2018 and 2019.

### FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:-

Our Company's future results of operations could be affected potentially by the following factors:

- Political Stability of the Country;
- World Economy;
- Government policies for the Pharma Industry;
- Inability to successfully obtain registrations in a timely manner or at all;
- Competition from existing players;
- Company's ability to successfully implement growth strategy;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Disruption in our Pharma business;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- Recession in the market;
- Disruption in supply of Raw Materials to our contract manufacturers;
- Brand Image
- Changes in laws and regulations relating to the industries in which we operate;
- Effect of lack of infrastructural facilities on our business;
- Occurrence of Environmental Problems & Uninsured Losses;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- The timely completion of the Company's orders;
- Changes in political and social conditions in India or in countries that we may enter or has already entered, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our ability to expand our geographical area of operation;
- Concentration of ownership among our Promoters.

#### OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, "Annexure - IV" beginning under Chapter titled "RESTATED FINANCIAL STATEMENTS" beginning on page no. 127 of the Prospectus.

#### FINANCIAL PERFORMANCE OF THE STUB PERIOD FOR THE PERIOD ENDED ON JULY 31, 2019 BASED ON RESTATED FINANCIAL STATEMENT

| Income from Continuing Operations                 | For the period ended on July 31, 2019<br>(Amount ₹ in Lakhs) | Percentage |
|---|--|------------|
| Revenue from operations                           | 3,335.24   | 99.72%     |
| Other Income                                      | 9.25   | 0.28%      |
| Total income                                      | 3,344.50   | 100.00%    |
| <b>Expenses</b>                                   |  |            |
| Purchase of Stock in Trade                        | 3,104.53   | 92.83%     |
| Changes in inventories of finished goods          | (142.42)   | -4.26%     |
| Employee benefits expense                         | 126.47   | 3.78%      |
| Finance Costs                                     | 112.93   | 338%       |
| Depreciation and Amortisation                     | 1.05   | 0.03%      |
| Other expenses                                    | 108.95   | 3.26%      |
| Total Expenses                                    | 3,311.51   | 99.01%     |
| Profit/(Loss) Before Extra-Ordinary Items and Tax | 32.99  | 0.99%      |
| Exceptional Items                                 | 0.00   | 0.00%      |
| Profit before Tax                                 | 32.99  | 0.99%      |
| Total tax expense                                 | 8.11   | 23.21%     |
| Profit and Loss for the period as Restated        | 24.88  | 0.74%      |

Based on Restated Statement of Profit and Loss for the Period ended on July 31, 2019.

#### Income

### Income from Operations

Our Company is engaged in business of marketing pharmaceutical critical care & health care products and gets its product manufactured from various contract manufactures. Total income from operations for the period ended on July 31, 2019 is ₹ 3335.24 Lakh.

### Other Income

The other income of Rs. 9.25 Lakhs is on mainly on account of Interest on Fixed Deposit, Income from rent.

### Expenditure:

#### Purchase of Stock in Trade

Total purchase of stock in trade of our company was ₹ 3104.53 Lakhs which is 92.83% of total revenue of our company.

#### Employee Benefit Expenses

Employee Benefit expenses is ₹ 126.47 Lakh which is 3.78% of Total Revenue of our company.

#### Finance Cost

Finance cost is ₹ 112.93 Lakhs which is 3.38% of total revenue of our company.

#### Depreciation

Depreciation Expense is ₹ 1.05 Lakhs for the period ended on ended on July 31, 2019.

#### Other Expenses

Other Expenses are ₹ 108.95 Lakhs which is 3.26% of total revenue of our company. Other expenses mainly includes freight charges, commission expenses legal professional Fees, Marketing Expenses, electricity charges, travelling and conveyance expenses, rent expenses.

#### Profit before Extra-Ordinary Items and Tax

Profit before Extra-Ordinary Items and Tax of our company is ₹ 32.99 Lakhs which is 0.99% of total revenue of our company.

#### Profit after Tax (PAT)

Profit after Tax our company is ₹ 24.88 Lakhs which is 0.74% of total revenue of our company.

### RESULTS OF OUR OPERATION (BASED ON RESTATED FINANCIAL STATEMENT)

(Amount ₹ in Lakh)

| Particulars                              | For the Year ended on March 31, |          |          |
|--|---------------------------------|----------|----------|
|  | 2019                            | 2018     | 2017     |
| Revenue from operations                  | 10,627.82                       | 9,705.94 | 8,978.63 |
| Total Revenue From Operations            | 10,627.82                       | 9,705.94 | 8,978.63 |
| % of growth                              | 9.50%                           | 8.10%    |          |
| Other Income                             | 44.01                           | 67.47    | 49.48    |
| % of growth                              | -34.77%                         | 36.36%   |          |
| Total income                             | 10,671.83                       | 9,773.41 | 9,028.11 |
| Expenses                                 |                                 |          |          |
| Purchase of Stock in Trade               | 10,364.33                       | 8,828.46 | 7,916.08 |
| % Increase/(Decrease)                    | 17.40%                          | 11.53%   |          |
| Changes in inventories of finished goods | (1,127.65)                      | (589.13) | (555.65) |
| Employee benefits expense                | 471.24                          | 520.79   | 582.60   |
| % Increase/(Decrease)                    | -9.51%                          | -10.61%  |          |
| Finance Costs                            | 373.62                          | 315.85   | 333.79   |

| Particulars  | For the Year ended on March 31, |          |          |
|--|---------------------------------|----------|----------|
|  | 2019                            | 2018     | 2017     |
| % Increase/(Decrease)                              | 18.29%                          | -5.37%   |          |
| Depreciation and Amortisation                      | 5.16                            | 5.88     | 14.35    |
| Other expenses                                     | 496.56                          | 538.30   | 645.64   |
| % Increase/(Decrease)                              | -7.75%                          | -16.62%  | -        |
| Total Expenses                                     | 10,583.26                       | 9,620.16 | 8,936.80 |
| % to total revenue                                 | 99.17%                          | 98.43%   | 98.99%   |
| Profit/(Loss) Before Extra-Ordinary Items and Tax  | 88.57                           | 153.25   | 91.31    |
| % to total revenue                                 | 0.83%                           | 1.57%    | 1.01%    |
| Exceptional Items                                  | 0.00                            | 0.00     | 0.00     |
| Profit before Tax                                  | 88.57                           | 153.25   | 91.31    |
| % to total revenue                                 | 0.83%                           | 1.57%    | 1.01%    |
| Total tax expense                                  | 25.98                           | 49.87    | 25.28    |
| Profit and Loss after tax for the year as Restated | 62.59                           | 103.38   | 66.06    |
| % to total revenue                                 | 0.59%                           | 1.06%    | 0.73%    |

### COMPARISON OF FY 2018-19 WITH FY 2017-18:

#### Income

##### **Income from Operations**

Our Company is engaged in business of marketing pharmaceutical critical care & health care products and gets its product manufactured from various contract manufactures. The total income from operations for the FY 2018-19 was ₹ 10,627.82 Lakh as compared to ₹9,705.94 Lakh during the FY 2017-18 showing an increase of 9.50%.

##### **Other Income**

The other income mainly includes interest on FD, rent income and commission income. Other Income decreased to ₹ 44.01 Lakhs in F.Y. 2018-19 from ₹ 67.47 Lakhs in FY 2017-18.

#### Expenditure:

##### **Purchase of Stock in Trade**

Total purchase of stock in trade of our company was ₹ 10,364.33 Lakhs for FY 2018-19 as compared to ₹ 8,828.46 Lakhs in FY 2017-18. Increase in Purchase of stock in trade is due to increase in sales of our company.

##### **Employee Benefit Expenses**

Employee Benefit expenses decreased from ₹520.79 Lakh for FY 2017-18 to ₹ 471.24 Lakh for FY 2018-19 showing an decrease of 9.51%. Decrease in Employee benefit expenses is mainly due to decrease in number employees as compared to previous year.

##### **Finance Cost**

Finance cost increased from ₹ 315.85 Lakh for FY 2017-18 to ₹373.62 Lakh for FY 2018-19 showing an increase of 18.29%. Finance cost is increased as our company has taken various unsecured loan from NBFCs to finance its working capital requirement.

##### **Depreciation**

The Depreciation and amortization expense for FY 2018-19 was ₹5.16 Lakh as compared to ₹ 5.88 Lakh for FY 2017-18.

##### **Other Expenses**

Other Expenses decreased from ₹ 538.80 Lakh for FY 2017-18 to ₹496.56 Lakh for FY 2018-19 showing a decrease of 7.75%. The reduction was mainly on account of decrease in freight charges, commission expenses, marketing expens etc.

### Profit before Extra-Ordinary Items and Tax

The Profit before Extra-Ordinary Items and Tax for the FY 2018-19 was 0.83 % of the total income and it was 1.57 % of total income for the FY 2017-18. The Profit before Extra-Ordinary Items and Tax has decrease from ₹153.25 Lakh in FY 2017-18 to ₹88.57 Lakhs in FY 2018-19.

### Profit after Tax (PAT)

PAT decreased from ₹ 103.38 Lakh in the FY 2017-18 to ₹62.59 Lakh in FY 2018-19 showing a decrease of -39.45% as compared to previous year.

## COMPARISON OF FY 2017-18 WITH FY 2016-17:

### Income from Operations

Our Company is engaged in business of marketing pharmaceutical critical care & health care products and gets its product manufactured from various contract manufactures. The total income from operations for the FY 2017-18 was ₹ 9,705.94 Lakh as compared to ₹8,978.63 Lakh during the FY 2016-17 showing an increase of 8.10%.

### Other Income

The other income mainly includes interest on FD rent income and commission income. Other income has increased from ₹ 49.48 Lakhs in FY 2016-17 to ₹ 67.47 lakhs in FY 2017-18.

### Expenditure:

#### Purchase of Stock in Trade

Total purchase of stock in trade of our company was ₹ 8,828.46 Lakhs for FY 2017-18 as compared to ₹ 7,916.08 Lakhs in FY 2016-17. Increase in Purchase of stock in trade is due to increase in sales of our company.

#### Employee Benefit Expenses

Employee Benefit expenses decreased from ₹ 582.60 Lakh for FY 2016-17 to ₹ 520.79 Lakh for FY 2017-18 showing an decrease of -10.51%. Decrease in Employee benefit expenses is mainly due to decrease in number employees as compared to previous year.

#### Finance Cost

Finance cost decreased from ₹333.79 Lakh for FY 2016-17 to ₹ 315.85 Lakh for FY 2017-18.

#### Depreciation

The Depreciation and amortization expense for FY 2017-18 was ₹5.88 Lakh as compared to ₹ 14.35 Lakh for FY 2016-17.

#### Other Expenses

Other Expenses decreased to ₹ 538.30 Lakh for FY 2017-18 from ₹645.64 Lakh for FY 2016-17 showing a decrease of 16.62%. Reduction in other expense was mainly due to reduction in rate difference on various products.

### Profit before Extra-Ordinary Items and Tax

The Profit before Extra-Ordinary Items and Tax for the FY 2017-18 was 1.57% % of the total income and it was 1.01% of total income for the FY 2016-17. The Profit before Extra-Ordinary Items and Tax has increased from ₹91.31 Lakh in FY 2016-17 to ₹153.25 Lakhs in FY 2017-18.

### Profit after Tax (PAT)

PAT increased from ₹ 66.03 Lakh in the FY 2016-17 to ₹ 103.38 Lakh in FY 2017-18 showing an increase of 56.57%.

## RELATED PARTY TRANSACTIONS



For further information please refer “Annexure X” beginning on page no. 157 under Chapter titled “RESTATED FINANCIAL STATEMENT” beginning on page no. 127 of the Prospectus.

## FINANCIAL MARKET RISKS

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

## INTEREST RATE RISK

We are currently exposed interest to rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

## EFFECT OF INFLATION

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

## INFORMATION REQUIRED AS PER ITEM (11) (II) (C) (IV) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS, 2018:

### Factors that may affect the results of the operations:

#### 1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc. that have taken place during the last three years.

#### 2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled “RISK FACTORS” beginning on page no. 15 of the Prospectus. To our knowledge, except as we have described in the Prospectus, there are no known factors which we expect to bring about significant economic changes.

#### 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled “RISK FACTORS” beginning on page no. 15 in this Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

#### 4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company is engaged in business of marketing pharmaceutical critical care & health care products. Our Company’s future costs and revenues will be determined by demand/supply situation, government policies.

#### 5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.

Increases in revenues are by and large linked to increase in volume of business.

#### 6. Total turnover of each major industry segment in which the issuer company operated.

Our Company is engaged in pharmaceutical Industry. Relevant Industry data, as available, has been included in the chapter titled “INDUSTRY OVERVIEW” beginning on page no. 72 of this Prospectus.

#### 7. Status of any publicly announced new products or business segment.

We have entered into a supply and distribution agreement with Sinopharm India Private Limited, a subsidiary company of China National Pharmaceutical Group for importing the vaccines known as “HEPATITIS A (HepA)”. We have conducted clinical trials of HepA Vaccine for DCGI Approvals. As per letter dated October 1, 2019, the application is



under review with Director General of Health Services Central Drugs standard Control Organization. On receipt of approval we will proceed for commercial launch of HepA Vaccine after clinical trial.

**8. The extent to which business is seasonal.**

Our Company is engaged in business of marketing pharmaceutical critical care & health care products. Business of our company is not seasonal.

**9. Any significant dependence on a single or few suppliers or customers.**

As per our books of Accounts, our top ten customers contributes almost 96.12% and 95.70% of our total sales for the period ended July 31, 2019 and for the year ended March 31, 2019 respectively. Moreover, our top ten suppliers contributes almost 93.80% and 99.40% of our total sales for the period ended July 31, 2019 and for the year ended March 31, 2019 respectively.

**10. Competitive conditions:**

We face competition from various domestic and international players. Our company operates in an industry that face competition large number of domestic and international firms. It is a highly personalized and relationship driven enterprise business. We believe that our ability to compete effectively is primarily dependent on ensuring consistent quality product with on time delivery at competitive prices. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees and market focus.

**CAPITALIZATION STATEMENT**

(Amount ₹ in Lakh)

| Sr. No  | Particulars                        | Pre issue       | Post issue      |
|---|------------------------------------|-----------------|-----------------|
|   | <b>Debts</b>                       |                 |                 |
| A   | Long Term Debt*                    | 1,247.43        | 1,247.43        |
| B   | Short Term Debt*                   | 1,751.11        | 1,751.11        |
| C   | <b>Total Debt</b>                  | <b>2,998.54</b> | <b>2,998.54</b> |
|   | <b>Equity Shareholders Funds</b>   |                 |                 |
|   | Equity Share Capital**             | 536.31          | 754.51          |
|   | Reserves and Surplus*              | 925.53          | 1,725.13        |
| D   | <b>Total Equity</b>                | <b>1,461.83</b> | <b>2,479.63</b> |
| E   | <b>Total Capitalization</b>        | <b>4,460.37</b> | <b>5,478.17</b> |
|   | Long Term Debt/ Equity Ratio (A/D) | 0.85            | 0.50            |
|   | Total Debt/ Equity Ratio (C/D)     | 2.05            | 1.21            |
| <b>Notes :</b>  |                                    |                 |                 |
| 1) Long Term Debt are borrowings other than short-term borrowings and also includes current maturities of long- term debt included in other current liabilities |                                    |                 |                 |
| 2) The Company has made right issue of 1,82,000 Equity Shares of ` 10 each at a premium of ` 30 on August 30, 2019.   |                                    |                 |                 |
| * The amounts are consider as outstanding as on July 31, 2019   |                                    |                 |                 |

## SECTION X – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

#### Notes:

*Pursuant to Board Resolution passed by the Board of Directors of our Company on December 1, 2019; for the purpose of this Issue and this Chapter;*

- *“Material Dues” means outstanding dues to creditors in excess of ₹20.00 lakhs as per financial statement for the period ended on July 31, 2019.*
- *“Outstanding Material Litigations” means all pending litigations, if the monetary amount of claim by or against the entity or person in such pending matter exceeds ₹5.00 lakh;*

*Provided that in case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation be considered as “Pending Material Litigations” only in the event when the outcome of such litigation has an adverse effect on the operations or performance of our Company.*

*Provided further that criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies/Entities shall be considered “Outstanding Material Litigations” irrespective of amount involved therein.*

Except, as stated in this section and mentioned elsewhere in this Prospectus, there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies/Entities or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters, or Group Companies/Entities.

Except as disclosed below, there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined above) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors as per financial statement for the period ended on July 31, 2019.

#### **1. OUTSTANDING LITIGATIONS INVOLVING OUR COMPANY, EXECUTIVE DIRECTORS AND PROMOTERS:**

##### **(a) Litigations by Company, Executive Directors And Promoters:**

###### **A. Litigations by Company:**

1. The Company CBPL through its Advocate Harshad Tulsidas Thakker has issued Legal Notice Dated July 1, 2019 under Ref No. 76 (CBP) 2019-20 in favour of Shreshth Distributors at Kanpur for recovery of their dues amounting to ₹ 1,17,436/- against the order pharma products supplied by them to the Shreshth Distributors.
2. The Company CBPL through its Advocate Harshad Tulsidas Thakker has issued Legal Notice Dated July 1, 2019 under Ref No.75 (CBP)2019-20 in favour of Mahesh Pharma situated at Agra, U.P for recovery of their dues amounting to ₹ 57,229/- against the order pharma products supplied by them to the Mahesh Pharma.

###### **B. Litigations by Executive Directors: NIL**

###### **C. Litigations by Promoters: NIL**

##### **(b) Litigation against Company, Executive Directors And Promoters:**

## A. Litigation against Company:

### (A) Legal Notices received:

1. "Brooks Laboratories Limited" through its Advocate Chetan Yadav have issued Legal Notice under section 138 of Negotiable Instruments Act, 1881 dated January 8, 2017 to "Chandra Bhagat Pharma Limited" & Mr. Pranav Bhagat & Mrs. Prachi Bhagat for recovery of their dues i.e. total amount of ₹ 27,99,444/- (Rupees Twenty Seven Lakhs Ninety Nine Thousand Four Hundred and Forty Four Only) against the medicine Merospect Injection (IP 500mg, Metrospect Injection (IP 1 Gm) Meplife Combipack Injection (IP 1 Gm) Injection Meplife-S (IP 1.5 Gm) sold by them to "Chandrabhagat Pharma Limited", Mr. Pranav Bhagat & Mrs. Prachi Bhagat.

The Company has issued the cheque in favour of Brooks laboratories Limited which was dishonored by the Indian Bank, Andheri East, Mumbai on December 9, 2017, cheque No. 013757 for ₹ 26,32,000/-.

2. The Company Lenus Lifecare Private Limited situated at CHAMBAGHAT, SOLAN, HIMACHAL PRADESH under the Instructions of its Director Shri Raman Aggarwal through its Advocate Kundan Chandel situated at Solan, H.P. dated May 16, 2019 under Ref. No. LN/MAY, 2019 issued a Legal Notice in favour of the Company Chandra Bhagat Pharma Private Limited and its Directors Mr. Pranav Bhagat, Mr. Hemant Bhagat & Mrs. Prachi Bhagat under section 138 of Negotiable Instruments Act, 1881 for the dishonor of the Cheque (recovery of the dues from CBPL for purchase of the products from Lenus Lifecare Private Limited.

The Company is required to make payments of an amount of ₹ 2,38,872/-.

3. Indasi Lifescience Private Limited formerly known as Bliss Indasi Lifescience Private Limited the Director Mr. Vikash Singh through its Advocate Mr. Haresh Laxman Rohit issued a Legal Notice dated November 12, 2018 against the Company Chandra Bhagat Pharma Private Limited for the recovery of the Dues for the purchase of the goods from Bliss Indasi Lifescience Private Limited.

The Company is required to make payment of an amount of ₹ 11,50,000/-.

4. SUPERMAX has issued legal Notice dated May 14, 2019 against the Company Chandra Bhagat Pharma Private Limited for the nonpayment of dues for the purchase of the goods. The Company Chandra Bhagat Pharma Private Limited has to make payment of an amount of ₹ 38,42,458/-.

### (B) Pending Litigation

1. PACE BIOTECH from Surajpur, Tehsil Paonta Sahib, Dist Simour, H.P. through its Proprietor Sh. Raman Prakash Tyagi S/o. Sh. Ram Prasad Tyagi R/o. Mamidi, Tehsil & Dist. Yamuna Nagar, H.R. through their Advocate Ashwani Kumar Sharma has issued Legal Notice dated September 15, 2018 in favour of the Company Chandra Bhagat Pharma Limited & Sh. Pankaj Vanage for dishonor of cheque dated August 27, 2018 which was presented by the PACE BIOTECH for collection of the payment against the medicines sold by them to "Chandra Bhagat Pharma Limited" therefore the Client PACE BIOTECH have issued Legal Notice under Section 138 of the Negotiable Instruments Act, 1881 to receive the payment for whole amount of ₹ 21,13,834/- along with the cost of the Legal Notice issued by them form the Company "CBPL".

The Petitioner PACE BIOTECH through their advocate Raman Tyagi have filed Complaint Case on October 20, 2018 against the Respondent "Chandra Bhagat Pharma Limited" under Section 138 of the Negotiable Instruments Act, 1881 before Additional Chief Judicial Magistrate, Court No.1 Paonta Sahib (H.P), filing No. 5548/2018 and case Registration No. 461/2018 and that Additional Chief Judicial Magistrate, Court No.1 Paonta Sahib (H.P) Court has issued Summons to the accused No. 1 Chandra Bhagat Pharma Limited & accused No. 2 Mr. Pankaj Vanage on May 21, 2019 to be present before the Chief Judicial Magistrate and answer the summons on before August 13, 2019 as per the last order dated May 16, 2019, the court has directed that, Summons issued to the accused not received back let fresh be issued to accused through RPAD for August 13, 2019. Steps to be taken within 10 days.

The Company Chandra Bhagat Pharma Private Limited is required to make payment of an amount of ₹ 32,87,838/-.

**Next hearing date:** February 6, 2020.

**Caption:** For Service of the Summons to the accused "Chandra Bhagat Pharma Limited".

2. **Government of India :**

- a) Central Drugs Standard Control Organization West Zone, Directorate General of Health Services, Ministry of Health and Family Welfare situated at 4<sup>th</sup> floor, Zonal FDA Bhawan, GMSD Compound, Bellasis Road/WZ/Rd, Mumbai Central, Mumbai - 400 008 on January 28, 2011 under Ref No: /2011/528 issued Legal notice to Chandra Bhagat Pharma Private Limited, for Drugs reported to be of not of standard Quality Drug i.e. MUSTONE (PYRIDOSTIGMINE BROMIDE TABLETS B.P.60 mg) Batch No. CBP 04-06,M/D10/2009, ED 07/2012 Manufactured by Chandra Bhagat Pharma Private Limited, 18/1 D & S Ind. Complex, Waliv Phata, Vasai (E) - 401208.

As required under section 25(2) and 23(4)(iii) of the Drugs and cosmetics Act, 1940 test report along with the one sealed portion of sample of the Drug are being sent along with the notice to the Company. Whereas the Drug Inspector has directed the Company CBPL to stop the sale and distribution of subject drug and to withdraw the stock from the market immediately and also directed to submit the certified copies of the documents as required under Section 18 a(i) & 18(b),22(1) of the Drugs and cosmetics Act, 1940.

- b) Summons Warrant cases SW/102/2013 dated: March 6, 2013 is filed before Additional Metropolitan Magistrate, Mazgaon, Mumbai by Drugs Inspector Desh Raj Singh under Drugs & Cosmetics Act against the Company Chandra Bhagat Pharma Private Limited.

**Next hearing date:** December 27, 2019.

3. The Complainant: Shri. V. S. Singhavi the Drug Inspector appointed under Section 21 of the Drugs & Cosmetics Act, 1940 working a deputation in the office of commissioner, Food and Drug Administration, Maharashtra State, Survey No. 341, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 and is authorized to institute prosecution under Section 32 of the said Act.

The Complainant has filed Summons Warrant case No. SW/117/2008 before Additional Metropolitan Magistrate, Mazgaon, Mumbai & Complainant has levied charges against the accused No. 1 to 9 (Accused No. 1 to 6 & 8 being Employees / Directors Pharmax India Private Limited and Pharmax India Private Limited itself & Accused No. 7 & 9 being Mr. Hemant Bhagat and Chandra Bhagat Pharma Private Limited respectively that Accused No. 1 to 6 & 8 manufacture for sale and sold the spurious drug namely "Mutax" Injection 1 gm, Cefotaxime for Injection U.S.P.1gm, Batch No. - M-059 and labeled it as, purported to be Manufactured By Sunvet Pharma Private Limited, Village Moginand Nahan Road, Simour, Kalaamb, H.P., without holding requisite time of licenses/permission at the time of manufacturing and sale, hence Accused No. 1 to 9, accused No. 9 (CBPL) have committed an offence under Section 18(a)(i), 18(a)(vi), 18(b), 18(c) of the Drug and Cosmetics Act, 1940 read with section 17 (B)(e),17(b),17(c) Section and Rule 65, 76, 78, 96 and 104 and punishable under section 27 of the Said Act.

The said case is under the caption of EVIDENCE BEFORE CHARGE last date November 7, 2019: Complainant absent, Accused no. 1 to 7 present advocate present Exh-99 Exemption-granted for Argument on Exh.97.

The Accused No.7 & 9 Mr. Hemant Bhagat & Chandra Bhagat Pharma Private Limited has stopped the sale of Mutax" Injection 1 gm, Cefotaxime for Injection U.S.P.1gm, Batch No. - M-059 and also informed the Drug Inspector vide its Letter under ref No. 20070821/SD/2007-08 dated August 21, 2007 and also informed their distributors to return the available stock supplied to them.

**NEXT HEARING DATE:** February 27, 2020 for the purpose of evidence before charge.

4. The Drugs Inspector, Bangalore circle-IV has filed a case against the Company Chandra Bhagat Pharma Private Limited as Accused No. 8 & Mr. Hemant Bhagat as Accused No. 9 before the before the Special Court for Economic Offences: at Bangalore on 28-02-2011 Having Criminal Case No. 87-2011

The Following Order has been passed by the presiding officer in the below given Matter which is filed before the Special Court for Economic Offences: at Bangalore on February 28, 2011

Criminal Case No. 87-2011

Complainant: The Drugs Inspector, Bangalore Circle -IV, Bangalore.

Vs.

Accused:

- A.1 Phikon Biotech Private Limited  
A.2 Dr. D. J. Vaidya, (Proceedings Stayed),  
A.3 M. R. Srinivasa Prasad,  
A.4 Samarth Pharma Private Limited,

A.5 Radha Krishnan,  
A.6 Neiss Labs Private Limited,  
A.7 Mohit Jain,  
A.8 Chandra Bhagat Pharma Private Limited,  
A.9 Hemant Chandravadan.

## CHARGE

The presiding officer Sri. shanthanna alva M., B.A., LL.B., Special Court for Economic Offences, Bangalore, has charge the: A.1- Phikon Biotech Private Limited, No. 484, "Anugraha" West of Chord Road, 2nd Stage, 11th Cross, Mahalakshmpuram, Bangalore-86, Reg. Office situated at No. 23/48, 1st Main Road, Ganganagar, Bangalore, rep. by A.2 & 3. A.3 - M.R.Srinivasa Prasad, Managing Director of A.1 Company R/at. No.236/9, 18th E-Main, 1st N-Block, Rajajinagar, Bangalore-10. A.4- Samarth Pharma Private Limited, Ram Mandir Road, Goregaon (W), Mumbai-104, rep. by A.5, A.5-Radha Krishnan, Director of A.4 company, R/at. No. F-202, Geetanagar, Mira Road, Thane, A.6-Neiss Labs Private Limited, 330/2642, Motilal Nagar-2, Link Road, Goregaon (W), Mumbai-400090, India, rep. by A.7, A.7-Mohit Jain, Director of A.6 company, R/at. No.801, Acme Complex, Off Link Road, Malad (W), Mumbai, A.8- M/s.Chandra Bhagat Pharma Private Limited, Regd., at No. 323/F, Bhagat Bhavan, Dr. Ambedkar Road, Matunga East, Mumbai-19, rep. by A.9, A.9-Hemanth Chandravadan Bhagat ,Director of A.8 company, R/at. No.323/F, Bhagat Bhavan, Dr. Ambedkar Road, Matunga East, Mumbai-19, as follows:-

That on July 16, 2008, on the search being conducted by the Drug Inspector in the premises, it is found that accused No.1- Phikon Biotech Private Limited, Bangalore, manufactured and stocked certain drugs, raw material, printed labels, cartons and other documents. A.4- Samarth Pharma Private Limited, A.6- Neiss Labs Private Limited, and A.8- Chandra Bhagat Pharma Private Limited, are marketed and distributed the products manufactured by A.1 and sold the spurious drugs by name a) Dutaxel-30 Inj. B.No.PPT-003, b) Dutaxel-100 Inj. B.No.PPT-1005, c) Epidox-10 Inj. B.No.PEH-102S, d) Epidox-50 Inj., B.No.PEH-503S, e) Octronis Inj., B.No.7CCA15a and f) Streptoken Inj., B.No.JGC-301 which are declared as spurious drugs as per S.17B(e) of Drugs and cosmetics Act, 1940 as per the agreement dated: April 29, 2006 without verifying/checking the quality and genuineness of the of the said batch drugs. Thereby the accused No.1, 3, 4 to 9 have committed an offence u/s.18 (a)(i), R/w. S.17B(e) which is punishable u/s.27(c) of Drugs and cosmetics Act, 1940.

That on the above said date, found A.1 manufactured and stocked, A.4 - Samarth Pharma Private Limited, A.6- Neiss Labs Private Limited, and A.8- Chandra Bhagat Pharma Private Limited, are marketed and distributed the products are purported to be manufactured by A.1 and sold the spurious drugs by name a) Dutaxel-30 Inj. B.No.PPT-003, b) Dutaxel-100 Inj. B.No.PPT-1005, c) Epidox-10 Inj. B.No.PEH-102S, d) Epidox-50 Inj., B.No.PEH-503S, e) Octronis Inj., B.No.7CCA15a and f) Streptoken Inj., B.No.JGC-301 are sampled under Form No. 17 and seized under Form No. 16 dated: July 16, 2008 for sale without holding valid drugs license and unlicensed premises by way of labeling i.e., at Phikon Biotech Private Limited, Mahalakshmpuram, Bangalore-86 of accused No.1 firm & thereby accused No. 1 and 3 have contravened Sec.18(c) which is punishable u/s. 27(b)(ii) of Drugs & Cosmetic Act, 1940.

That further accused No.1 and 3 have failed to disclose the source of acquisition to the notice dated: September 22, 2008 of drugs i.e., a) Dutaxel-30 Inj. B.No.PPT-003, b) Dutaxel-100 Inj. B.No.PPT-1005, c) Epidox-10 Inj. B.No.PEH-102S, d) Epidox-50 Inj., B.No.PEH-503S, e) Octronis Inj., B.No.7CCA15a and f) Streptoken Inj., B.No. JGC-301 & thereby violation of S.18-A of Drugs & Cosmetic Act & committed the offence punishable u/s.28 of Drugs & Cosmetic Act, 1940.

That further accused No.1 and 3 have failed to produce the purchase invoices & corresponding sale bills of the drugs i.e., a) Dutaxel-30 Inj. B.No.PPT-003, b) Dutaxel-100 Inj. B.No.PPT-1005, c) Epidox-10 Inj. B.No.PEH-102S, d) Epidox-50 Inj., B.No.PEH-503S, e) Octronis Inj., B.No.7CCA15a and f) Streptoken Inj., B.No.JGC-301 & thereby violation of S.22 (1)(cca) of Drugs & Cosmetic Act & committed the offence punishable u/s.22(3) of Drugs & Cosmetic Act, 1940.

That accused No. 3 being the Managing Director and responsible for the day to day activities of accused No. 1 company has committed the offence punishable u/s.27(c), 27(b)(ii), 28 and 22(3) of the Drugs & Cosmetics Act, 1940.

That accused No. 5, 7 and 9 being the Directors and responsible for the day to day activities of accused No. 4, 6 and 8 Companies have committed the offence punishable u/s.27(c) of the Drugs & Cosmetics Act, 1940 along with accused No.1 and 3.

So, Authority has directed to be tried by this Court on the said charge within the cognizance of this Court.

Whereas the BAIL has been granted against the Accused No. 9 the Director of Chandra Bhagat Pharma Private Limited

**NEXT HEARING DATE:** January 18, 2020

**STAGE OF THE CASE:** STAYED BY THE HIGHER COURT

On July 16, 2008, on the search being conducted by the Drug Inspector in the premises, it is found that accused No.1- Phikon Biotech Private Limited, Bangalore, manufactured and stocked certain drugs, raw material, printed labels, cartons and other documents. A.4- Samarth Pharma Private Limited, A.6- Neiss Labs Private Limited, and A.8- Chandra Bhagat Pharma Private Limited, are marketed and distributed the products manufactured by A.1 and sold the spurious drugs by name a) Dutaxel-30 Inj. B.No.PPT-003, b) Dutaxel-100 Inj. B.No.PPT-1005, c) Epidox-10 Inj. B.No.PEH-102S, d) Epidox-50 Inj., B.No.PEH-503S, e) Octronis Inj., B.No.7CCA15a and f) Streptoken Inj., B.No.JGC-301 which are declared as spurious drugs as per S.17B(e) of Drugs Act 1940 as per the agreement dated:29.04.2006 without verifying/checking the quality and genuineness of the of the said batch drugs. Thereby accused No.1, 3, 4 to 9 have committed an offence u/s.18 (a)(i),R/w.S.17B(e) which is punishable u/s.27(c) of Drugs and cosmetics Act,1940.

5. Mr. Kishore Srivastav at Lucknow filed Petition U/S. (2) & (3) OF the Payment of Wages Act, 1936 before the authority under Payment of Wages Act / Assistant Labour Commissioner, 23, A. P. Sen Road, Lucknow against the Managing Director of Chandra Bhagat Pharma Private Limited & General Manager of Chandra Bhagat Pharma Private Limited & Area Manager of Chandra Bhagat Pharma Private Limited and claimed to pay claimed/delayed and deducted wages ₹ 3,91,000.00 with ten times compensation ₹ 3,91,000.00 to the applicant i.e. Mr. Kishore Srivastav.

Criminal case no. 84684/2014 dated August 5, 2014 is being filed before 33 - Chief Judicial Metropolitan Magistrate at Lucknow against Chandra Bhagat Pharma Private Limited through its General Manager & others under section 14 A of Industrial Dispute Act,1947 Application for issuance of warrant against the accused person's/Opp Party No. & 2 i.e. Managing Director of Chandra Bhagat Pharma Private Limited & General Manager of Chandra Bhagat Pharma Private Limited & Area Manager of Chandra Bhagat Pharma Private Limited who has refused to comply with the terms of award in respect of his employee named shri Raj Kishore Srivastava (Marketing Executive).

The Accused Managing Director of Chandra Bhagat Pharma Private Limited & General Manager of M Chandra Bhagat Pharma Private Limited & Area Manager of Chandra Bhagat Pharma Private Limited had applied for the BAIL and BAIL has been granted by the Judicial Metropolitan Magistrate At Lucknow.

**Observation:-**

The matter is pending before the Chief Judicial magistrate Lucknow  
Next Hearing Date: January 23, 2020 for appearance.

**(C) Under Income Tax Act, 1961**

- i. The Income Tax Department has started E-proceeding against the Company in respect of Assessment Year 2017-18 for disallowance of Depreciation allowable under Section 32(1)(i) amounting to ₹ 13,00,610/-, depreciation is claimed whereas "Nature of Business" mentioned by the Company is other than power sector and inconsistency in the computation of book profit from the amounts mentioned in Part A P & L amounting to ₹ 24,96,683.

In response to the e-proceeding, the Company has agreed to contention of Income Tax Department.

- ii. The Income Tax Department has started E-proceeding against the Company in respect of Assessment Year 2017-18 for disallowance of expenditure indicated in the audit report but not taken into account in computing the total income in the return-143(1)(a)(iv) i.e. Any sum received from employees as contribution to any provident fund or superannuation fund or any fund set up under ESI Act or any other fund for the welfare of employees to the extent not credited to the employees account on or before the due date [36(1)(va)] amounting to ₹ 42,73,059/-.
- iii. The Income Tax Department has started E-proceeding against the Company in respect of Assessment Year 2018-19 for Arithmetical error in the return-u/s 143(1)(a)(i) i.e. In Schedule Part A-OI, Sl.No.6.s.Total amount disallowable under section 36 (total of 6a to 6r) and sum of Sl.no.6a to Sl.No.6r are inconsistent and Incorrect Claim u/s 143(1)(a)(ii) i.e. Amounts debited to the profit and loss account, to the extent disallowable under section 36 (6r of PartA-OI) is not consistent with amount shown in Sl.No.6.r. Total amount disallowable under section 36 (total of 6a to 6q) of Schedule OI and Disallowance of expenditure indicated in the audit report but not taken into account in computing the total income in the return-143(1)(a)(iv) i.e. Any sum received from employees as contribution to any



provident fund or superannuation fund or any fund set up under ESI Act or any other fund for the welfare of employees to the extent not credited to the employees account on or before the due date [36(1)(va) amounting to ₹ 17,82,154/-.

- iv. Our Company has filed appeal to Commissioner of Income tax (Appeal) (CIT (A)) of against assessment order dated February 17, 2019 passed by ITO- 6(2)(1), Mumbai u/s 143 (3) r.w.s. 147 of the Income Tax Act, 1961 for AY 2010-11. AO had reopened the assessment based on information received from DGIT (Inv), Mumbai/ Sales Tax Department that our company is indulging in the practice of providing accommodation entries by bogus purchase entries without actual receipt of goods physically. AO has made addition of income of 12.5% on bogus billing of ₹ 20,98,990/- based on best judgment assessment adding income of ₹ 2,62,374 and penalty interest amount of ₹ 1,51,938. CIT (A) has rejected grounds of appeal in his order date January 18, 2019. Till the date of this prospectus our company has not gone to further appeal nor paid the said demand.
- v. Following Demands for Income Tax are raised against the Company:

| Assessment Year | Section Code | Demand Identification Number | Date on which Demand is raised | Outstanding Demand (in ₹) |
|-----------------|--------------|------------------------------|--------------------------------|---------------------------|
| 2007-08         | 143(1)       | 2009200751015634525C         | March 21, 2009                 | 1,72,966                  |
| 2008-09         | 143(1)       | 2009200851015634533C         | December 24, 2009              | 3,53,212                  |
| 2009-10         | 115_WE       | 2010200910047778672C         | November 20, 2010              | 347                       |
| 2012-13         | 143(3)       | 2014201210011559085C         | March 3, 2015                  | 4,68,040                  |
| 2014-15         | 143(3)       | 2016201410004680135C         | November 30, 2016              | 8,11,130                  |
| 2018-19         | 143(3)(1)    | 2019201837052479636C         | October 16, 2019               | 7,42,870                  |

- vi. Following Demands for Tax Deducted at Source are raised by Income Tax against the Company;

(Amount in ₹)

| Sr. No. | Financial Year | Quarter  | Form      | Type of Default  | Default Amount   | Payable Amount | Net Payable Amount |           |           |
|---------|----------------|--|-----------|--|--|----------------|--------------------|-----------|-----------|
| 1       | 2019-20        | Q1   | 24Q       | Interest on Late Payment   | 337.50   | 337.50         | 340.00             |           |           |
|         |                | Q2   | 24Q       | Interest on Late Payment   | 337.50   | 337.50         | 340.00             |           |           |
| 2       | 2018-19        | Q1   | 26Q       | Interest on Late Payment   | 18.34  | 18.34          | 144750.00          |           |           |
|         |                |  |           | Additional Late Payment Interest against the proceeding of Latest Correction | 144718.50  | 144718.50      |                    |           |           |
|         |                | Q2   | 24Q       | Interest on Late Payment   | 112.50   | 112.50         | 3360.00            |           |           |
|         |                |  |           | Additional Late Payment Interest against the proceeding of Latest Correction | 3240.00  | 3240.00        |                    |           |           |
|         |                |  |           | 26Q  | Interest on Late Payment   | 24.00          |                    | 24.00     | 120700.00 |
|         |                |  |           |  | Additional Late Payment Interest against the proceeding of Latest Correction | 118146.00      |                    | 118146.00 |           |
|         |                |  |           |  | Short Deduction  | 2193.00        |                    | 2193.00   |           |
|         |                |  |           |  | Interest on Short Deduction  | 336.00         |                    | 336.00    |           |
|         |                | Q3   | 24Q       | Interest on Late Payment   | 90.00  | 90.00          | 5970.00            |           |           |
|         |                |  |           | Additional Late Payment Interest against the proceeding of Latest Correction | 5880.00  | 5880.00        |                    |           |           |
|         |                |  |           | 26Q  | Additional Late Payment Interest against the proceeding of Latest Correction | 119590.50      |                    | 119590.50 | 123420.00 |
|         |                |  |           |  | Short Deduction  | 3420.00        |                    | 3420.00   |           |
|         |                | Q4   | 24Q       | Interest on Short Deduction  | 408.00   | 408.00         | 54090.00           |           |           |
|         |                |  |           | Interest on Late Payment   | 54085.50   | 54085.50       |                    |           |           |
| Q4      | 26Q            | Additional Late Payment Interest against the proceeding of Latest Correction | 104766.00 | 104766.00  | 105550.00  |                |                    |           |           |
|         |                | Interest on Short Deduction  | 408.00    | 408.00   |  |                |                    |           |           |

| Sr. No.             | Financial Year | Quarter                   | Form     | Type of Default  | Default Amount              | Payable Amount  | Net Payable Amount |           |         |          |
|---------------------|----------------|---------------------------|----------|--|-----------------------------|-----------------|--------------------|-----------|---------|----------|
| 3                   | 2017-18        | Q1                        | 24Q      | Short Deduction  | 730.00                      | 730.00          |                    |           |         |          |
|                     |                |                           |          | Interest on Short Deduction  | 56.00                       | 56.00           |                    |           |         |          |
|                     |                | Q1                        | 24Q      | Interest on Late Payment   | 360.00                      | 360.00          | 3360.00            |           |         |          |
|                     |                |                           |          | Late filing Levy   | 3000.00                     | 3000.00         |                    |           |         |          |
|                     |                | Q2                        | 26Q      | Short Deduction  | 468.82                      | 468.82          | 144900.00          |           |         |          |
|                     |                |                           |          | Interest on Late Payment   | 90342.00                    | 90342.00        |                    |           |         |          |
|                     |                |                           |          | Additional Late Payment Interest against the proceeding of Latest Correction | 2457.00                     | 2457.00         |                    |           |         |          |
|                     |                |                           |          | Interest on Short Deduction  | 84.00                       | 84.00           |                    |           |         |          |
|                     |                |                           |          | Late filing Levy   | 36800.00                    | 36800.00        |                    |           |         |          |
|                     |                |                           |          | Interest U/S 220(2)  | 14745.00                    | 14745.00        |                    |           |         |          |
|                     |                |                           |          | Q2   | 26Q                         | Short Payment   |                    | 1125.00   | 1125.00 | 75190.00 |
|                     |                |                           |          |  |                             | Short Deduction |                    | 1.10      | 1.10    |          |
|                     |                | Interest on Short Payment | 214.50   |  |                             | 214.50          |                    |           |         |          |
|                     |                | Interest on Late Payment  | 54172.50 |  |                             | 54172.50        |                    |           |         |          |
|                     |                | Late filing Levy          | 18400.00 |  |                             | 18400.00        |                    |           |         |          |
|                     |                | Q3                        | 26Q      | Interest U/S 220(2)  | 1273.00                     | 1273.00         | 175420.00          |           |         |          |
|                     |                |                           |          | Short Deduction  | 101509.55                   | 101509.55       |                    |           |         |          |
|                     |                |                           |          | Interest on Late Payment   | 62508.00                    | 62508.00        |                    |           |         |          |
|                     |                |                           |          | Interest on Short Deduction  | 10152.00                    | 10152.00        |                    |           |         |          |
|                     |                | Q4                        | 24Q      | Interest U/S 220(2)  | 1248.00                     | 1248.00         | 97530.00           |           |         |          |
|                     |                |                           |          | Short Deduction  | 72099.96                    | 72099.96        |                    |           |         |          |
|                     |                |                           |          | Interest on Late Payment   | 20529.00                    | 20529.00        |                    |           |         |          |
|                     |                |                           |          | Additional Late Payment Interest against the proceeding of Latest Correction | 180.00                      | 180.00          |                    |           |         |          |
|                     |                |                           |          | Interest on Short Deduction  | 4320.00                     | 4320.00         |                    |           |         |          |
|                     |                |                           | 26Q      | Interest U/S 220(2)  | 401.00                      | 401.00          | 61440.00           |           |         |          |
|                     |                |                           |          | Short Deduction  | 146.86                      | 146.86          |                    |           |         |          |
|                     |                |                           |          | Interest on Late Payment   | 60084.00                    | 60084.00        |                    |           |         |          |
|                     |                |                           |          | Interest on Short Deduction  | 9.00                        | 9.00            |                    |           |         |          |
| Interest U/S 220(2) | 1200.00        |                           |          | 1200.00  |                             |                 |                    |           |         |          |
| 4                   | 2016-17        | Q1                        | 24Q      | Interest on Late Payment   | 15060.00                    | 15059.00        | 73540.00           |           |         |          |
|                     |                |                           |          | Late filing Levy   | 51200.00                    | 51200.00        |                    |           |         |          |
|                     |                |                           |          | Interest U/S 220(2)  | 7282.00                     | 7282.00         |                    |           |         |          |
|                     |                |                           | Q1       | 26Q  | Short Deduction             | 1423.80         | 1423.80            | 155870.00 |         |          |
|                     |                |                           |          |  | Interest on Late Payment    | 83958.00        | 83957.00           |           |         |          |
|                     |                |                           |          |  | Interest on Short Deduction | 378.00          | 378.00             |           |         |          |
|                     |                | Late filing Levy          |          |  | 51200.00                    | 51200.00        |                    |           |         |          |
|                     |                | Interest U/S 220(2)       |          |  | 18914.00                    | 18914.00        |                    |           |         |          |
|                     |                | Q2                        | 24Q      | Interest on Late Payment   | 8595.00                     | 8595.00         | 46380.00           |           |         |          |
|                     |                |                           |          | Late filing Levy   | 33200.00                    | 33200.00        |                    |           |         |          |
|                     |                |                           |          | Interest U/S 220(2)  | 4587.00                     | 4587.00         |                    |           |         |          |
|                     |                | Q2                        | 26Q      | Interest on Late Payment   | 72828.00                    | 72828.00        | 120870.00          |           |         |          |
|                     |                |                           |          | Late filing Levy   | 33200.00                    | 33200.00        |                    |           |         |          |
|                     |                |                           |          | Interest U/S 220(2)  | 14840.00                    | 14840.00        |                    |           |         |          |
|                     |                | Q3                        | 24Q      | Interest on Late Payment   | 1560.00                     | 1559.00         | 19480.00           |           |         |          |
|                     |                |                           |          | Late filing Levy   | 16000.00                    | 16000.00        |                    |           |         |          |
|                     |                |                           |          | Interest U/S 220(2)  | 1925.00                     | 1925.00         |                    |           |         |          |
|                     |                |                           | Q3       | 26Q  | Interest on Late Payment    | 38532.00        | 38531.00           | 60900.00  |         |          |
|                     |                |                           |          |  | Late filing Levy            | 16200.00        | 16200.00           |           |         |          |
|                     |                |                           |          |  | Interest U/S 220(2)         | 6017.00         | 6017.00            |           |         |          |

| Sr. No.             | Financial Year | Quarter             | Form                     | Type of Default             | Default Amount | Payable Amount | Net Payable Amount |
|---------------------|----------------|---------------------|--------------------------|-----------------------------|----------------|----------------|--------------------|
|                     |                |                     |                          | Short Deduction             | 130.52         | 130.50         |                    |
|                     |                |                     |                          | Interest on Short Deduction | 18.00          | 18.00          |                    |
|                     |                | Q4                  | 24Q                      | Interest on Late Payment    | 51054.00       | 51054.00       | 61050.00           |
|                     |                |                     |                          | Late filing Levy            | 10000.00       | 10000.00       |                    |
|                     |                | 26Q                 | Interest on Late Payment | 71272.50                    | 71271.50       | 91020.00       |                    |
|                     |                |                     | Late filing Levy         | 10000.00                    | 10000.00       |                |                    |
| Interest U/S 220(2) | 9744.00        |                     | 9744.00                  |                             |                |                |                    |
| 5                   | 2015-16        | Q4                  | 24Q                      | Interest on Late Payment    | 93700.50       | 60331.50       | 86970.00           |
|                     |                |                     |                          | Late filing Levy            | 10400.00       | 10400.00       |                    |
|                     |                |                     |                          | Interest U/S 220(2)         | 16237.00       | 16237.00       |                    |
|                     |                | 26Q                 | Interest on Late Payment | 80749.50                    | 46085.00       | 57130.00       |                    |
|                     |                |                     | Late filing Levy         | 10400.00                    | 10400.00       |                |                    |
|                     |                |                     | Interest U/S 220(2)      | 11040.00                    | 11040.00       |                |                    |
| 6                   | 2011-12        | Q1                  | 24Q                      | Interest on Late Payment    | 270.00         | 270.00         | 310.00             |
|                     |                | Q2                  | 24Q                      | Interest on Late Payment    | 578.00         | 580.00         | 660.00             |
|                     |                |                     | 26Q                      | Interest on Late Payment    | 10740.00       | 8577.00        | 10530.00           |
|                     |                | Interest U/S 220(2) | 1955.00                  | 1955.00                     |                |                |                    |
| 7                   | 2010-11        | Q1                  | 26Q                      | Interest on Late Payment    | 7605.00        | 7605.00        | 7610.00            |
|                     |                | Q2                  | 26Q                      | Interest on Late Payment    | 76446.00       | 76446.00       | 78740.00           |
|                     |                |                     |                          | Interest U/S 220(2)         | 2292.00        | 2292.00        |                    |
|                     |                | 24Q                 | Interest on Late Payment | 388803.50                   | 33628.50       | 33960.00       |                    |
|                     |                |                     | Interest U/S 220(2)      | 336.00                      | 336.00         |                |                    |
|                     |                | Q4                  | 26Q                      | Interest on Late Payment    | 44259.00       | 44259.00       | 44260.00           |
| 8                   | 2009-10        | Q4                  | 24Q                      | Interest on Late Payment    | 16108.00       | 3901.00        | 3940.00            |
|                     |                |                     |                          | Interest U/S 220(2)         | 39.00          | 39.00          |                    |
| 9                   | 2008-09        | Q4                  | 26Q                      | Short Deduction             | 91.75          | 91.75          | 90.00              |
|                     |                |                     |                          | Interest on Late Payment    | 6122.00        | 0.00           |                    |
| 10                  | 2007-08        | Q1                  | 26Q                      | Short Deduction             | 46834.01       | 46834.01       | 99890.00           |
|                     |                |                     |                          | Interest on Late Payment    | 1662.00        | 1662.00        |                    |
|                     |                |                     |                          | Interest on Short Deduction | 53055.00       | 53055.00       |                    |
|                     |                | Q3                  | 26Q                      | Short Deduction             | 2140.15        | 2140.15        | 4660.00            |
|                     |                |                     |                          | Interest on Late Payment    | 8740.00        | 0.00           |                    |
|                     |                |                     |                          | Interest on Short Deduction | 2520.00        | 2520.00        |                    |
|                     |                | Q4                  | 26Q                      | Short Deduction             | 1284.47        | 1284.47        | 2760.00            |
|                     |                |                     |                          | Interest on Late Payment    | 8274.00        | 0.00           |                    |
|                     |                |                     |                          | Interest on Short Deduction | 1476.00        | 1476.00        |                    |

### PROFESSIONAL TAX

| Sr. No. | Name of the Statute        | Brief fact of the case                                 | Amount Payable pursuant | Period to which the amount relates | Forum where dispute is pending | Disputed Assessed Deposited |
|---------|----------------------------|--|-------------------------|------------------------------------|--------------------------------|-----------------------------|
| 1.      | Professional Tax Act, 1975 | Fail To File The Return Of April, 2019 To August, 2019 | Nil                     | April, 2019 To August, 2019        | Profession Tax Officer (C-004) | Nil                         |

B. Following Demands for Income Tax are raised against Mr. Hemant Chandravadan Bhagat:

| Assessment Year | Section Code | Demand Identification Number | Date on which Demand is raised | Outstanding Demand (in ₹) |
|-----------------|--------------|------------------------------|--------------------------------|---------------------------|
| 2008-09         | 220(2)       | 2018200837039016490T         | October 21, 2018               | 6,372                     |

C. Following Demands for Income Tax are raised against Mr. Pranav Hemant Bhagat: NIL

D. Following Demands for Income Tax are raised against Mrs. Prachi Pranav Bhagat: NIL

**2. OUTSTANDING LITIGATIONS INVOLVING OUR INDEPENDENT DIRECTORS:**

**(a) Litigations by Independent Directors: NIL**

A. By Mr. Ravindra Gajanan Awati: NIL

B. By Mrs. Abha Praveen Doshi: NIL

**(b) Litigation against Independent Directors:**

E. Against Mr. Ravindra Gajanan Awati: NIL

F. Against Mrs. Abha Praveen Doshi: NIL

**3. OUTSTANDING LITIGATIONS INVOLVING OUR GROUP COMPANIES/ENTITIES: N.A.**

**4. PENALTIES IMPOSED IN PAST CASES FOR THE LAST FIVE YEARS: NIL**

**5. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET:**

Except as mentioned under the chapter “MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULT OF OPERATION” on Page no. 161 of this Prospectus, there have been no material developments, since the date of the last audited balance sheet.

**6. MATERIAL DUES TO THE CREDITORS:**

As of July 31, 2019, our Company had total 163 creditors, to whom a total amount of ₹ 369.79 lakhs (excluding the Suppliers to whom the Company has paid the Advance Payment) was outstanding. Based on the resolution passed by the Board of Directors of our Company on December 1, 2019 determining the quantum of “Material Dues”, the following are the material dues to the creditors of our Company.

| Name of Creditors                                 | As at October 31, 2019<br>(₹ in Lakh) |
|---|---------------------------------------|
| Omkar Pharma                                      | 1205.20                               |
| Metpharm Biotech Private Limited                  | 851.07                                |
| Ketan Pharma                                      | 593.47                                |
| Omkar Pharma                                      | 320.70                                |
| Carewin Pharmaceuticals (Gujarat) Private Limited | 68.00                                 |
| Ultra Drug Private Limited                        | 54.13                                 |
| Pace Biotech                                      | 41.16                                 |
| Supermax Drugs & Pharmaceuticals Private Limited  | 36.70                                 |
| Bdr Pharmaceuticals International Private Limited | 35.34                                 |
| Protech Telelinks                                 | 32.87                                 |
| Gland Chemicals Private Limited                   | 29.64                                 |
| P K Pharmatech Private Limited                    | 27.14                                 |
| Metpharma Biotech                                 | 25.04                                 |

Further, in opinion of management of the Company, none of Creditors of the Company have confirmed their registration under the Micro, Small and Medium Development Act, 2006. The details pertaining to net outstanding dues towards our Material Creditors and Small Scale Undertakings shall be made available under investors’ section on the website of our Company i.e. [www.cbcpharma.in](http://www.cbcpharma.in). It is clarified that such details available on our website do not form a part of this Prospectus. Any one placing reliance on any other source of information, including our Company’s website, [www.cbcpharma.in](http://www.cbcpharma.in) would be doing so at their own risk.

Further, there are no pending cases with such Material Creditors.

## OTHER MATTERS

**Details of any inquiry, inspection or investigation initiated under present or previous companies laws in last five years against the company or its subsidiaries: NIL**

**Outstanding litigation against other companies or any other person whose outcome could have an adverse effect on our company: NIL**

## GOVERNMENT APPROVALS

In view of the approvals listed below, the Company can undertake this Issue and its current business activities and no further major approvals from any governmental or regulatory authority except otherwise stated in this Prospectus.

*Certain Licenses, registration, approvals, certificates etc. are in the name of “Chandra Bhagat Pharma Private Limited”, which are yet to be up dated in the name of “Chandra Bhagat Pharma Limited” with the relevant authorities, are also mentioned hereunder. Furthermore, certain Licenses, registration, approvals, certificates etc. are in the name of “Chandra Bhagat Pharma Private Limited” which have been replaced by the Goods and Services Tax, are also mentioned hereunder.*

### 1) Approvals for the Proposed Issue:

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on November 1, 2019, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
2. The shareholders of the Company have, pursuant to a special resolution passed in EoGM held on November 30, 2019, authorized the Issue under Section 62(1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
3. The Company has obtained in-principle listing approval dated January 17, 2020 from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE Limited.
4. The Company has entered into an agreement dated May 2, 2019 with the Central Depository Services (India) Limited (“CDSL”) and Link Intime India Private Limited, the Registrar and Transfer Agent for the dematerialization of its shares.
5. The Company has entered into an agreement dated April 26, 2019 with the National Securities Depository Limited (“NSDL”) and Link Intime India Private Limited, the Registrar and Transfer Agent for the dematerialization of its shares.
6. The Company’s International Securities Identification Number (“ISIN”) is INE07QQ01016.

Following table sets out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

### 2) Registration obtained under the Companies Act, 2013:

| Sr. No. | Authority Granting Approval                 | Approval/ Registration No.   | Applicable Laws     | Nature of Approvals   | Validity              |
|---------|---|--|---------------------|---|-----------------------|
| 1.      | Registrar of Companies, Maharashtra, Mumbai | Corporate Identity Number U24230MH2003PTC139534 dated March 10, 2003 | Companies Act, 2013 | Certificate of Incorporation in name of Chandra Bhagat Pharma Private Limited | Valid, till cancelled |
| 2.      | Registrar of Companies, RoC – Mumbai        | Corporate Identity Number U24230MH2003PLC139534 dated March 20, 2019 | Companies Act, 2013 | Certificate of Incorporation in name of Chandra Bhagat Pharma Limited         | Valid, till cancelled |

### 3) Registration under various Tax related Acts/Rules relating:

| Sr. No. | Authority Granting Approval | Approval/ Registration No. | Applicable Laws      | Nature of Approvals      | Validity              |
|---------|-----------------------------|----------------------------|----------------------|--------------------------|-----------------------|
| 1.      | Income Tax Department       | AACCC1056D                 | Income Tax Act, 1961 | Permanent Account Number | Valid, till cancelled |
| 2.      | Income Tax Department       | MUMC11692C                 | Income Tax Act, 1961 | Permanent Account Number | Valid, till cancelled |

| Sr. No. | Authority Granting Approval  | Approval/ Registration No.  | Applicable Laws   | Nature of Approvals  | Validity              |
|---------|--|---|---|--|-----------------------|
| 3.      | Sales Tax Department, Government of Maharashtra  | 27020345936C effective from April 1, 2006 <sup>^</sup>                | The Central Sales Tax (Registration and Turnover) Rules, 1957 | Central Sales Tax Number*  | Valid, till cancelled |
| 4.      | Sales Tax Department, Government of Maharashtra  | 27020345936V effective from April 1, 2006 <sup>^</sup>                | Maharashtra Value Added Tax Act, 2002                         | VAT Registration Number*   | Valid, till cancelled |
| 5.      | The Central Goods And Services Tax Act, 2017   | 27AACCC1056D1Z6 issued on June 28, 2017 (effective from July 1, 2017) | The Central Goods And Services Tax Act, 2017                  | Certification of Registration under the Central Goods And Services Tax Act, 2017 | Valid, till Cancelled |
| 6.      | Assistant Director General of Foreign Trade, Office of Zonal Director General of Foreign Trade | Import Export Code: 0300011164  | Foreign Trade (Development & Regulation) Act, 1992            | Import Export Code   | Valid, till cancelled |
| 7.      | Central Board of Excise and Customs, Ministry of Finance – Department of Revenue               | Registration Number AACCC1056DEI002 <sup>^</sup>                      | Central Excise Rules, 2002                                    | Excise Registration*   | Valid, till cancelled |

\* In the name of Chandra Bhagat Pharma Private Limited.

<sup>^</sup> It is replaced by Goods and Services Tax.

#### 4) Licenses/ Approvals under Various Pharmaceuticals and Drug Acts:

| Sr. No. | Authority Granting Approval  | Approval/ Registration No.                               | Applicable Laws                                    | Nature of Approvals  | Validity                                    |
|---------|--|--|--|--|---|
| 1.      | Licensing Authority & Assistant Commissioner, Food & Drugs Administration, Mumbai Zone-3 | License Number: MH-MZ3-125210 issued on July 29, 2015    | Drugs and Cosmetic Act, 1940 and Rules there under | License to sell, stock or exhibit (or offer) for sale or distribution by wholesale, drugs other than those specified in Schedule C, C(1) and X                       | Valid from July 29, 2015 to July 28, 2020   |
| 2.      | Licensing Authority & Assistant Commissioner, Food & Drugs Administration, Mumbai Zone-3 | License Number: MH-MZ3-125211 issued on July 29, 2015    | Drugs and Cosmetic Act, 1940 and Rules there under | License to sell, stock or exhibit (or offer) for sale or distribution by wholesale, drugs specified in Schedule C and C(1) (excluding those specified in Schedule X) | Valid from July 29, 2015 to July 28, 2020   |
| 3.      | Licensing Authority & Assistant Commissioner, Food & Drugs Administration, Thane Zone-5  | License Number: MH-TZ5-104547 issued on October 10, 2014 | Drugs and Cosmetic Act, 1940 and Rules there under | License to sell, stock or exhibit (or offer) for sale or distribution by wholesale, drugs other than those specified in Schedule C, C(1) and X                       | Valid from March 20, 2019 to March 19, 2024 |
| 4.      | Licensing Authority & Assistant Commissioner, Food & Drugs Administration, Thane Zone-5  | License Number: MH-TZ5-104548 issued on October 10, 2014 | Drugs and Cosmetic Act, 1940 and Rules there under | License to sell, stock or exhibit (or offer) for sale or distribution by wholesale, drugs specified in Schedule C and C(1) (excluding those specified in Schedule X) | Valid from March 20, 2019 to March 19, 2024 |

| Sr. No. | Authority Granting Approval   | Approval/ Registration No.                    | Applicable Laws                     | Nature of Approvals   | Validity   |
|---------|---|---|-------------------------------------|---|--|
| 5.      | Food and Drug Administration, Maharashtra State   | License Number: 11518018000336                | Food Safety and Standards Act, 2006 | License for wholesaling of 1) Foodstuffs intended for particulars nutritional uses and 2) Salts, Spices, Soups, Sauces, Salads and Protein Products | Valid from May 4, 2018 to May 3, 2023            |
| 6.      | Central Drugs Standard Control Organisation, Ministry of Health & Family Welfare, Government of India | Registration Certificate Number: BD-1003      | Drugs and Cosmetics Rules, 1945     | Import of Drug named "ASPARGINASE" from Beijing SL Pharmaceutical Co. Ltd.  | Valid from December 1, 2017 to November 30, 2020 |
| 7.      | Central Drugs Standard Control Organisation, Ministry of Health & Family Welfare, Government of India | License Number : IL/BD-003552 - BD-1003       | Drugs and Cosmetics Rules, 1945     | Import of Drug named "ASPARGINASE" from Beijing SL Pharmaceutical Co. Ltd.  | Valid from December 2, 2017 to November 30, 2020 |
| 8.      | Central Drugs Standard Control Organisation, Ministry of Health & Family Welfare, Government of India | Registration Certificate Number: RC/BD-002198 | Drugs and Cosmetics Rules, 1945     | Import of Drug named "ENOXAPARIN SODIUM API I.P." and "HEPARIN SODIUM API I.P." from North China Pharmaceutical Co., Ltd.                           | Valid from February 9, 2018 to February 8, 2021  |
| 9.      | Central Drugs Standard Control Organisation, Ministry of Health & Family Welfare, Government of India | License Number : IL/BD-004614 - RC/BD-002198  | Drugs and Cosmetics Rules, 1945     | Import of Drug named "ENOXAPARIN SODIUM API I.P." and "HEPARIN SODIUM API I.P." from North China Pharmaceutical Co., Ltd.                           | Valid from April 10, 2018 to February 8, 2021    |

#### 5) Registration under Intellectual Properties Laws:

| Sr. No. | Name of the Product | Trade Mark No. | Date       | Expiry Date | Renewal upto |
|---------|---------------------|----------------|------------|-------------|--------------|
| 1       | Diyacure            | 1454840        | 29/05/2006 | 29/05/2016  | 29/05/2026   |
| 2       | Redusa              | 1458717        | 12/06/2006 | 12/06/2016  | 12/06/2026   |
| 3       | Arsoj               | 1458719        | 12/06/2006 | 12/06/2016  | 12/06/2026   |
| 4       | Rudil-H             | 1458716        | 12/06/2006 | 12/06/2016  | 12/06/2026   |
| 5       | Penlast             | 1460244        | 15/06/2006 | 15/06/2016  | 15/06/2026   |
| 6       | Cispenem            | 1460241        | 15/06/2006 | 15/06/2016  | 15/06/2026   |
| 7       | Meplife             | 1460240        | 15/06/2006 | 15/06/2016  | 15/06/2026   |
| 8       | Merospect           | 1460239        | 15/06/2006 | 15/06/2016  | 15/06/2026   |
| 9       | Impilast            | 1460243        | 15/06/2006 | 15/06/2016  | 15/06/2026   |
| 10      | Begyl               | 1461038        | 16/06/2006 | 16/06/2016  | 16/06/2026   |
| 11      | Benipro             | 1461036        | 16/06/2006 | 16/06/2016  | 16/06/2026   |
| 12      | Arsoflame           | 1461035        | 16/06/2006 | 16/06/2016  | 16/06/2026   |
| 14      | Aciease             | 1464314        | 26/06/2006 | 26/06/2016  | 26/06/2026   |
| 15      | Clauvtin            | 1464312        | 26/06/2006 | 26/06/2016  | 26/06/2026   |
| 16      | Shwet-Her           | 1464309        | 26/06/2006 | 26/06/2016  | 26/06/2026   |
| 17      | Purikta             | 1464311        | 26/06/2006 | 26/06/2016  | 26/06/2026   |
| 18      | Lacrest             | 1464313        | 26/06/2006 | 26/06/2016  | 26/06/2026   |
| 19      | Shantin             | 1464310        | 26/06/2006 | 26/06/2016  | 26/06/2026   |
| 20      | Samcy               | 1466193        | 30/06/2006 | 30/06/2016  | 26/06/2026   |
| 21      | Praluha             | 1472470        | 24/07/2006 | 24/07/2016  | 24/07/2026   |
| 22      | Ruha                | 1472469        | 24/07/2006 | 24/07/2016  | 24/07/2026   |
| 23      | Trankved            | 1472471        | 24/07/2006 | 24/07/2016  | 24/07/2026   |



|    |                 |         |            |            |            |
|----|-----------------|---------|------------|------------|------------|
| 24 | Endotrol        | 1479271 | 17/08/2006 | 17/08/2016 | 17/08/2026 |
| 25 | Mannigyl        | 1482427 | 29/08/2006 | 29/08/2016 | 29/08/2026 |
| 26 | Lobine          | 1491053 | 26/09/2006 | 26/09/2016 | 26/09/2026 |
| 27 | Mabine          | 1491054 | 26/09/2006 | 26/09/2016 | 26/09/2026 |
| 28 | Minib           | 1491056 | 26/09/2006 | 26/09/2016 | 26/09/2026 |
| 29 | Cantaxel        | 1491055 | 26/09/2006 | 26/09/2016 | 26/09/2026 |
| 30 | Nuezane plus    | 1491066 | 26/09/2006 | 26/09/2016 | 26/09/2026 |
| 31 | Doxetel         | 1491067 | 26/09/2006 | 26/09/2016 | 26/09/2026 |
| 32 | Endronic        | 1491057 | 26/09/2006 | 26/09/2016 | 26/09/2026 |
| 33 | Edrocid         | 1491059 | 26/09/2006 | 26/09/2016 | 26/09/2026 |
| 34 | Colocite        | 1491060 | 26/09/2006 | 26/09/2016 | 26/09/2026 |
| 35 | M-Proc          | 1491063 | 26/09/2006 | 26/09/2016 | 26/09/2026 |
| 36 | Cbzine          | 1491064 | 26/09/2006 | 26/09/2016 | 26/09/2026 |
| 37 | Mufost          | 1491052 | 26/09/2006 | 26/09/2016 | 26/09/2026 |
| 38 | Canoxa          | 1496755 | 16/10/2006 | 16/10/2016 | 16/10/2026 |
| 39 | Liplat          | 1496756 | 16/10/2006 | 16/10/2016 | 16/10/2026 |
| 40 | Nuperazone Plus | 1496752 | 16/10/2006 | 16/10/2016 | 16/10/2026 |
| 41 | Lignolocard     | 1501972 | 07/11/2006 | 07/11/2016 | 07/11/2026 |
| 42 | Anaespro        | 1510121 | 05/12/2006 | 05/12/2016 | 05/12/2026 |
| 43 | Prolongin       | 1543319 | 26/03/2007 | 26/03/2017 | 26/03/2027 |
| 44 | Dvlysis         | 1543317 | 26/03/2007 | 26/03/2017 | 26/03/2027 |
| 45 | Deepthromb      | 1543318 | 26/03/2007 | 26/03/2017 | 26/03/2027 |
| 46 | Ifoxy-M         | 1554299 | 01/05/2007 | 01/05/2017 | 01/05/2027 |
| 47 | Matostate       | 1562091 | 25/05/2007 | 25/05/2017 | 25/05/2027 |
| 48 | Argipress       | 1562092 | 25/05/2007 | 25/05/2017 | 25/05/2027 |
| 49 | Cimispect       | 1562094 | 25/05/2007 | 25/05/2017 | 25/05/2027 |
| 50 | Ferofer         | 1573942 | 29/06/2007 | 29/06/2017 | 29/06/2027 |
| 51 | Cbcan           | 1573943 | 29/06/2007 | 29/06/2017 | 29/06/2027 |
| 52 | Hepaimuno       | 1573945 | 29/06/2007 | 29/06/2017 | 29/06/2027 |
| 53 | Heamohigh       | 1573944 | 29/06/2007 | 29/06/2017 | 29/06/2027 |
| 54 | Chostaine       | 1580791 | 20/07/2007 | 20/07/2017 | 20/07/2027 |
| 55 | Cb-kinase       | 1583739 | 25/07/2007 | 25/07/2017 | 25/07/2027 |
| 56 | Amronum         | 1604443 | 21/09/2007 | 21/09/2017 | 21/09/2027 |
| 57 | Corlide         | 1604442 | 21/09/2007 | 21/09/2017 | 21/09/2027 |
| 58 | Ferocorp        | 1619257 | 07/11/2007 | 07/11/2017 | 07/11/2027 |
| 59 | Haemoron        | 1619258 | 07/11/2007 | 07/11/2017 | 07/11/2027 |
| 60 | Letocor         | 1637162 | 02/01/2008 | 02/01/2018 | 02/01/2028 |
| 61 | Corzole         | 1637163 | 02/01/2008 | 02/01/2018 | 02/01/2028 |
| 62 | Kostaine        | 1644490 | 22/01/2008 | 22/01/2018 | 22/01/2028 |
| 63 | Pitalin         | 1913933 | 27/01/2010 | 27/01/2020 | -          |
| 64 | Ferocorp-O      | 1931519 | 05/03/2010 | 05/03/2020 | -          |
| 65 | Calorte         | 1941159 | 25/03/2010 | 25/03/2020 | -          |
| 66 | Vagilac         | 1942164 | 26/03/2010 | 26/03/2020 | -          |
| 67 | Fursomide       | 1942163 | 26/03/2010 | 26/03/2020 | -          |
| 68 | Astreak-O       | 1952946 | 20/04/2010 | 20/04/2020 | -          |
| 69 | Newpol          | 1958626 | 30/04/2010 | 30/04/2020 | -          |
| 70 | CBC MPSS        | 1961436 | 06/05/2010 | 06/05/2020 | -          |
| 71 | Dobier-S        | 1961437 | 06/05/2010 | 06/05/2020 | -          |
| 72 | Dacarlate       | 1976794 | 08/06/2010 | 08/06/2020 | -          |
| 73 | Polodyl         | 2066344 | 10/12/2010 | 10/12/2020 | -          |
| 74 | Tecon           | 2163230 | 21/06/2011 | 21/06/2021 | -          |
| 75 | Daptolin        | 2164102 | 22/06/2011 | 22/06/2021 | -          |
| 76 | HBIGG           | 2180814 | 26/07/2011 | 26/07/2021 | -          |
| 77 | Klarinton       | 2252197 | 19/12/2011 | 19/12/2021 | -          |
| 78 | Anolee          | 2285059 | 17/02/2012 | 17/02/2022 | -          |

|     |                |         |            |            |   |
|-----|----------------|---------|------------|------------|---|
| 79  | Meplife-S      | 2275434 | 01/02/2012 | 01/02/2022 | - |
| 80  | Cbzolid        | 2312487 | 10/04/2012 | 10/04/2022 | - |
| 81  | Litpen         | 2315782 | 16/04/2012 | 16/04/2022 | - |
| 82  | Litzone        | 2315783 | 16/04/2012 | 16/04/2022 | - |
| 83  | Litaem         | 2315784 | 16/04/2012 | 16/04/2022 | - |
| 84  | Cbsol          | 2355268 | 28/06/2012 | 28/06/2022 | - |
| 85  | Cblite         | 2355269 | 28/06/2012 | 28/06/2022 | - |
| 86  | Cbvac Heavy    | 2390843 | 06/09/2012 | 06/09/2022 | - |
| 87  | Cbvac Light    | 2390844 | 06/09/2012 | 06/09/2022 | - |
| 88  | H-BIGG         | 2443302 | 17/12/2012 | 17/12/2022 | - |
| 89  | Papavar        | 2607733 | 07/10/2013 | 07/10/2023 | - |
| 90  | Mbpar          | 2824445 | 10/10/2014 | 10/10/2024 | - |
| 91  | Mbrab          | 2824446 | 10/10/2014 | 10/10/2024 | - |
| 92  | Uroprase       | 2827776 | 16/10/2014 | 16/10/2024 | - |
| 93  | Comuret        | 2932306 | 30/03/2015 | 30/03/2025 | - |
| 94  | Peg-Oncoginase | 2948343 | 24/04/2015 | 23/04/2025 | - |
| 95  | Blastofen      | 3343672 | 24/08/2016 | 24/08/2026 | - |
| 96  | Caredopa       | 1798269 | 24/08/2016 | 24/08/2026 | - |
| 97  | Mysulfan       | 3343678 | 24/08/2016 | 24/08/2026 | - |
| 98  | Oncocin        | 3343679 | 24/08/2016 | 24/08/2026 | - |
| 99  | Damzole-V      | 3346175 | 26/08/2016 | 26/08/2026 | - |
| 100 | CBC-PV         | 3583717 | 03/07/2017 | 03/07/2027 | - |
| 101 | CBC-Alpha      | 3583718 | 03/07/2017 | 03/07/2027 | - |
| 102 | Neumovac       | 3583719 | 03/07/2017 | 03/07/2027 | - |

**Note:**

Majority of Trademarks listed above are in the name of Chandra Bhagat Pharma Private Limited.

**6) Other Certificates, license, approval etc.:**

| Sr. No. | Authority Granting Approval  | Registration No.   | Applicable Laws/Rules   | Nature of Approvals*   | Validity                     |
|---------|--|--|---|--|------------------------------|
| 1.      | Regional office, Mumbai, Employees' Provident Fund Organization, Ministry of Labour and Employment, Government of India                                | Establishment No. MHBAN004889400*                                      | Employee's Provident Funds and Miscellaneous Provisions Act, 1952                             | Registration with Regional Provident Fund Office for Depositing the Contribution and Subscription of the employees.                      | Valid, till Cancelled        |
| 2.      | Regional office, Mumbai, Employees' State Insurance Corporation  | Code No. 31000489540000305*  | Employees' State Insurance Act, 1948  | Implementation of Employees' State Insurance Act, 1948 and Employees of the Factories and Establishment under Section 2 (12) of the Act. | Valid, till Cancelled        |
| 3.      | Sales Tax Department, Government of Maharashtra  | Registration Certificate No. 27020345936P effective from April 1, 2019 | Maharashtra State Tax on Profession, Trade, Callings and Employment Act, 1975                 | Certificate of Registration  | Valid, till Cancelled        |
| 4.      | Office of the Chief Facilitator, Hawkers Plaza Building, 5 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar, Mumbai – 400 028 under Maharashtra Shops & | 820078642 / FN Ward / COMMERCIAL II dated November 13, 2019            | Maharashtra Shops & Establishment (Regulation of Employment & Condition of Service) Act, 2017 | Registration Certificate of Establishment (Flat No,1-2,Bhagat Bhuvan F, Dr Ambedkar  | Valid till November 12, 2027 |

| Sr. No. | Authority Granting Approval   | Registration No. | Applicable Laws/Rules | Nature of Approvals*                | Validity |
|---------|---|------------------|-----------------------|-------------------------------------|----------|
|         | Establishment (Regulation of Employment & Condition of Service) Act, 2017 |                  |                       | Road, Matunga East Mumbai – 400019) |          |

\* In the name of Chandra Bhagat Pharma Private Limited.

Our Company has also taken Domain Registration for [www.cbcpharma.com](http://www.cbcpharma.com), [www.cbcpharma.in](http://www.cbcpharma.in), [www.cbcpharma.net](http://www.cbcpharma.net), [www.cbcpharma.co.in](http://www.cbcpharma.co.in).

## **SECTION XI – INFORMATION WITH RESPECT TO GROUP COMPANIES/ ENTITIES**

The definition of “Group Companies/Entities” pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board. Pursuant to a Board resolution dated December 1, 2019, our Company has formulated a policy to identify material group companies/entities. As per the policy, none of companies/entities with which related party transactions carried out, during the period for which financial information is disclosed which are considered material to be identified as group companies/entities.

### **RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP COMPANY/ENTITY AND ITS SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY**

For details, please see “Annexure – X” - “RELATED PARTY TRANSACTION” of Restated Financial Statements appearing on Page no. 157 of this Prospectus.

### **CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

Except as mentioned under the paragraph Changes in Significant Accounting Policies, “Annexure – IV” of Restated Financial Statements appearing on Page no. 147 of this Prospectus, there have been no changes in the accounting policies in the last three years.

## SECTION XII

### OTHER REGULATORY AND STATUTORY DISCLOSURES

#### AUTHORITY FOR THE ISSUE

The Board of Directors has, pursuant to a resolution passed at its meeting held on November 1, 2019 authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.

The shareholders of the Company have, pursuant to a special resolution passed in EoGM held on November 30, 2019, authorized the Issue under Section 62(1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.

Our Company has received an In-Principle Approval letter dated January 17, 2020 from BSE Limited (“BSE”) for using its name in this offer document for listing our shares on the SME Platform of BSE. BSE is the Designated Stock Exchange for the purpose of this issue.

#### PROHIBITION BY SECURITIES MARKET REGULATORS

Our Company, our Promoters, our Directors and our Promoters’ Group have not been prohibited from accessing or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.

#### CONFIRMAITONS

1. Our Company, our Promoters, Promoters’ Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoters or directors.

#### PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Neither our Company, nor our Promoters, nor the relatives (as defined under the Companies Act) of our Promoters nor Group Companies/Entities have been identified as willful defaulters by the RBI or any other governmental authority.

#### ELIGIBILITY FOR THE ISSUE

We are an issuer whose post issue paid-up capital is less than or equal to ₹ 10 Crore and therefore, our company is eligible for the Issue in accordance with Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018.

Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares. The point wise Criteria for SME Platform of BSE Limited and compliance thereof are given hereunder;

- 1. The Issuer should be a company incorporated under the Companies Act, 1956.**

Our Company is incorporated under the Companies Act, 1956.

- 2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25.00 Crore.**

The present paid-up capital of our Company is ₹ 554.51 Lakh and we are proposing issue of 2000000 Equity Shares of ₹ 10/- each at issue price of ₹ 51/- per Equity Share including share premium of ₹ 41/- per Equity Share, aggregating to ₹ 1020.00 Lakh. Hence, our Post Issue Paid up Capital will be ₹ 754.51 Lakh which less than ₹ 25.00 Crore.

- 3. The Company shall have positive Net worth:**

Our Company has positive Net worth, details of which is given hereunder;

(₹ in Lakh)

| Particulars | As at July 31, 2019 | As at March 31, 2019 |
|-------------|---------------------|----------------------|
| Net worth   | 1,352.66            | 1,327.79             |

**4. The Company shall have Net Tangible Assets ₹ 3.00 Crore:**

Our Company satisfy the above criteria, details of which is given hereunder;

(₹ in Lakh)

| Particulars         | As at July 31, 2019 | As at March 31, 2019 |
|---------------------|---------------------|----------------------|
| Net Tangible Assets | 1,352.66            | 1,327.79             |

**5. Track Record.**

**A. The company should have a track record of at least 3 years.**

Our Company is in existence for period more than 3 years.

**B. The company should have combined positive cash accruals (earnings before depreciation and tax) from operations and its net worth should be positive.**

Our Company satisfies the criteria of track record which given hereunder based on Restated Standalone Financial Statement.

(₹in lakh)

| Particulars                                       | For the period ended July 31, 2019 | For the year ended March 31, 2019 | For the year ended March 31, 2018 | For the year ended March 31, 2017 |
|---|------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Cash Accruals as per Restated Financial Statement | 34.04                              | 93.73                             | 159.13                            | 105.66                            |
| Net Worth as per Restated Financial Statement     | 1,352.66                           | 1,327.79                          | 801.04                            | 740.98                            |

**6. Other Requirements**

We confirm that;

- i. The Company has a website: [www.cbcpharma.com](http://www.cbcpharma.com).
- ii. To enable all shareholders of the 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) a tripartite agreement dated April 26, 2019 with NSDL, our Company and Registrar to the Issue;
  - b) a tripartite agreement dated May 2, 2019 with CDSL, our Company and Registrar to the Issue;
- iii. There is no change in the promoters of the company in preceding one year from date of filing the application to BSE or listing under SME segment.

**7. Disclosures**

We confirm that the Certificate to following effects is being submitted to the BSE Limited;

- i. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- ii. There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.

**In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:**

1. This Issue is 100% underwritten by the Lead Manager in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting by Lead Manager, please refer to Section titled "GENERAL INFORMATION" beginning on Page no. 35 of this Prospectus.

2. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the Lead Manager will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For details of the market making arrangement, see Section titled “GENERAL INFORMATION” beginning on Page no. 35 of this Prospectus.
3. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at rate of fifteen per cent per annum and within such time as disclosed in the offer document and lead manager shall ensure the same.
4. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we have submitted the soft copy of Draft Prospectus to the SEBI. However SEBI shall not issue any observations on our Draft Prospectus. We shall also ensure that we will submit the soft copy of Prospectus through lead manager immediately up on registration of the Prospectus with the Registrar of Companies along a Due Diligence Certificate including additional confirmations.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **SEBI DISCLAIMER CLAUSE**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE ~~DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT~~ TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ~~DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT~~. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ~~DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT~~ ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT / OFFER DOCUMENT, THE LEAD MANAGER(S) 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(S) BEELINE BROKING LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 23, 2020, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE ~~DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT~~ DOES NOT, HOWEVER, ABSOLVE THE ISSUER 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 LEAD MANAGER(S) ANY IRREGULARITIES OR LAPSES IN THE ~~DRAFT OFFER DOCUMENT/DRAFT LETTER OF OFFER/OFFER DOCUMENT~~.”**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, MUMBAI, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT, 2013.**

#### **DISCLAIMER CLAUSE OF THE BSE**

The copy of the Draft Prospectus was submitted to BSE. Post scrutiny of the Draft Prospectus, the Disclaimer Clause as intimated by BSE to us shall be read as under;

***“BSE Limited ("BSE") has vide its letter dated January 17, 2020 given permission to "Chandra Bhagat Pharma Limited" to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:***

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or***
- ii. Warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or***
- iii. take any responsibility for the financial or other soundness of this Company} its promoters, its management or any scheme or project of this Company;***
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE 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 for any other reason whatsoever.***
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.***
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai”.***

#### **CAUTION- DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER**

The Company, the Directors, accept no responsibility for statements made otherwise than in this Prospectus or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at their own risk.

The Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company's website: [www.cbcpharma.com](http://www.cbcpharma.com) would be doing so at their own risk.

The Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company's website: [www.cbcpharma.com](http://www.cbcpharma.com) would be doing so at their own risk.

#### **CAUTION**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager, Beeline Broking Limited and our Company dated December 4, 2019 and the Underwriting Agreement dated December 4, 2019 between Beeline Broking Limited and our Company and the Market Making Agreement dated December 4, 2019 entered into among the Beeline Broking Limited and our Company.

All information shall be made available by us and LM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers etc.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoter Group, 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 and our Promoter Group, affiliates or associates for which they have received, and may in future receive, compensation.

**Note:**

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and Lead Manager 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 Underwriters and the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub-account registered with SEBI which is a foreign corporate or go reign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING OF DRAFT PROSPECTUS/ PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES**

A soft copy of Draft Prospectus was filed with SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Prospectus along with

due diligence certificate including additional confirmations shall be filed with SEBI. Pursuant to SEBI Circular Number 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 the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the RoC Office situated at 100, Everest, Marine Drive Mumbai – 400 002.

## LISTING

Application is to be made to the SME Platform of BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

Our Company has received an In-Principle Approval letter dated January 17, 2020 from BSE Limited (“BSE”) for using its name in this offer document for listing our shares on the SME Platform of BSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE, the Company shall refund through verifiable means the entire monies received within seven days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within eight days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

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 Working Days from the Issue Closing Date.

## IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who –

- (a). **makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or**
- (b). **makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- (c). **otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”**

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.

## CONSENTS

The written consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Bankers’ to the Company, Banker’s to the Issue and Refund Banker / Sponsor Bank, Legal Advisor to the Issue, the Lead Manager to the Issue, Underwriter, Registrar to the Issue and Market Maker to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Prospectus for registration with the ROC. **NOTED FOR COMPLIANCE**

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, 1) M/s. A Y & Company, Chartered Accountants have provided their written consent for the inclusion of their report on Restated Standalone Financial Statement dated December 11, 2019; and 2) M/s. A Y & Company, Chartered Accountants have provided their written consent for the inclusion of Statement of Tax Benefits dated December 11, 2019 in this Prospectus, which are available to the Company and its shareholders; and 3) M/s. A Y & Company, Chartered Accountants have provided their written consent for the inclusion of extract of certificate on Source of Contribution dated December 24, 2019 in this Prospectus, which are available to the Company and its shareholders.

Further, such consents and reports have not been withdrawn up to the time of delivery of this Prospectus. **NOTED FOR COMPLIANCE**

#### **EXPERT OPINION**

Except for Peer Review Auditors' reports on the Restated Standalone Financial Statement issued by M/s. A Y & Company, Chartered Accountants and Statement of Tax Benefits issued by M/s. A Y & Company, Chartered Accountants and Certificate on Sources of Contribution issued by M/s. A Y & Company, Chartered Accountants, we have not obtained any other expert opinions.

#### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

There have been no public or rights issue by our Company during the last five years.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

#### **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Our Company and Group Companies/Entities have not made any capital issue during the last three years.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Beeline Broking Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" to this Prospectus and the website of Lead Manager at [www.beelinebroking.com](http://www.beelinebroking.com).

Track Record of the public issues managed by Lead manager as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI; please see the website of Lead manager i.e. [www.beelinebroking.com](http://www.beelinebroking.com).

#### **PROMISE VIS-A-VIS PERFORMANCE**

Since, neither our Company nor our Promoters' Group Companies/Entities have made any previous rights or public issues during last five years, Promise vis-a-vis Performance is not applicable.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the applicant, application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

## DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee comprising of Mr. Ravindra Gajanan Awati – Chairperson, Mrs. Abha Praveen Doshi – Member and Mr. Hemant Chandravadan Bhagat – Member.

Our Company has appointed Ms. Payal Bansal as the Company Secretary and Compliance Officer who may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Chandra Bhagat Pharma Limited,**  
323-F Bhagat Bhuvan,  
Dr. Ambedkar Road,  
Matunga (East), Mumbai – 400019  
**Tel No.:** +91 22 – 2414 6154  
**Email:** compliance@cbcpharma.net  
**Web:** www.cbcpharma.com

Till date of this Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

## PUBLIC ISSUE EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ 75.00 lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees, processing fees and listing fees. The estimated Issue expenses are as follows:

| Expenses  | Expenses<br>(₹ in<br>Lakhs) | % of total<br>Issue<br>expenses | % of Gross<br>Issue<br>Proceeds |
|---|-----------------------------|---------------------------------|---------------------------------|
| Lead Manger Fees including Underwriting Commission  | 18.00                       | 24.00                           | 1.76                            |
| Fees Payable to Registrar to the Issue  | 1.00                        | 1.33                            | 0.10                            |
| Fees Payable for Marketing and Advertisement Expenses   | 38.00                       | 50.67                           | 3.73                            |
| Fees Payable to Regulators including Stock Exchanges  | 2.50                        | 3.33                            | 0.25                            |
| Payment for Printing and Distribution of Issue Stationaries   | 1.20                        | 1.60                            | 0.12                            |
| Others (Fees Payable to Peer Review Auditor, Fees to Legal Advisors, Marketing Expenses, Custodians Fees, Market Making, Brokerage, Processing Fees for Application and Miscellaneous Expenses) | 13.80                       | 18.40                           | 1.35                            |
| Processing Fees to SCSBs for ASBA Application Procured by the Members of the Syndicate or Registered Brokers and Submitted with SCSB's  | 0.35                        | 0.47                            | 0.03                            |
| Processing Fees Issued to Issuer Bank for UPI Mechanism w.r.t. Application forms procured by the members of the Syndicate, Registered Brokers, RTAs or the CDP's and submitted to them          | 0.15                        | 0.20                            | 0.01                            |
| <b>Total Estimated Issue Expenses</b>   | <b>75.00</b>                | <b>100.00</b>                   | <b>7.35</b>                     |

### Note:

- Up to December 10, 2019, Our Company has deployed/incurred expense of ₹ 2.60 Lakhs towards Issue Expenses out of internal accruals duly certified by Statutory Auditor M/s. A Y & Company, Chartered Accountants vide its certificate dated December 11, 2019 bearing UDIN: 19421544AAAABJ6373.

2. Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:  
Portion for RIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)  
Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)  
^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).
3. The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
4. Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
5. SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.
6. Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.

#### **FEES PAYABLE TO LEAD MANAGER TO THE ISSUE**

The total fees payable to the Lead Manager will be as per the Engagement Letter, a copy of which is available for inspection at the Registered Office of our Company.

#### **FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue dated March 22, 2019.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, communication expenses etc. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post or email.

#### **FEES PAYABLE TO OTHERS**

The total fees payable to the Sponsor Bank, Legal Advisor, Statutory Auditor and Peer Review Auditor, Market maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

#### **COMMISSION PAYABLE TO SCSBS**

1. Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:  
Portion for RIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)  
Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)  
^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).
2. The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
3. Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
4. SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.
5. Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “CAPITAL STRUCTURE” beginning on Page no. 41 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### LISTED VENTURES OF PROMOTER

There are no listed ventures of our Company as on date of filing of this Prospectus.

#### OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Prospectus.

#### CHANGES IN AUDITORS

The Statutory Audit of the company up to financial year 2017-18 was carried out by M/s. Bharat Desai & Co., Chartered Accountants, (FRN No. 120179W). In the EGM called on August 30, 2019, our Company has appointed M/s A Y & Company, Chartered Accountants, 404, Fourth Floor, ARG Corporate Park, Ajmer Road, Gopal Bari, Jaipur – 302006, peer review certificate no. 011177, as Statutory Auditor of the Company for 2018-19.

As per SEBI (Listing Obligation and Disclosure Requirement) 2015 Audited of Listed Companies are required to be audited by Auditor or Auditors Firms who are subject to peer review process of Institute of Chartered Accountants of India and holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. Since M/s Bharat Desai & Co., Chartered Accountants, (FRN No. 120179W) is not having peer review certificate. The Members of the Company have appointed M/s. A Y & Company, Chartered Accountants, having peer review certificate no. 011177, as statutory auditor of the Company.

#### CAPITALIZATION OF RESERVES OR PROFITS DURING LAST 5 (FIVE) YEARS

Except as stated below, our Company has not capitalized Reserves or Profits during last five years;

Our Company has made allotment of 4692674 Bonus equity shares on July 22, 2019 in the ratio of 7:1 (7 equity shares for every 1 equity share), by capitalizing ₹ 4,69,26,740 out of balance lying in Securities Premium Account under major head “Reserve and Surplus”:

| Sr. No. | Name of Allottee                  | Category of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) | Reason for Issue |
|---------|-----------------------------------|----------------------|-------------------------------|-----------------------------|------------------------------|------------------|
| 1.      | Mr. Hemant Chandravadan Bhagat    | Promoter             | 2543009                       | 10                          | -                            | Bonus Allotment  |
| 2.      | Mr. Pranav Hemant Bhagat          | Promoter             | 575568                        | 10                          | -                            |                  |
| 3.      | Mrs. Padmaben Chandravadan Bhagat | Promoter Group       | 35000                         | 10                          | -                            |                  |
| 4.      | Mr. Mahesh Chandravadan Bhagat    | Promoter Group       | 105,000                       | 10                          | -                            |                  |
| 5.      | Mrs. Lopa Mahesh Bhagat           | Promoter Group       | 7000                          | 10                          | -                            |                  |
| 6.      | Mrs. Chitra Hemant Bhagat         | Promoter Group       | 1122793                       | 10                          | -                            |                  |
| 7.      | Ms. Naynaben Chandravadan Bhagat  | Promoter Group       | 28000                         | 10                          | -                            |                  |
| 8.      | Mr. Jay Hemantkumar Bhagat        | Promoter Group       | 73150                         | 10                          | -                            |                  |
| 9.      | Mrs. Prachi Pranav Bhagat         | Promoter Group       | 73150                         | 10                          | -                            |                  |
| 10.     | Hemant C Bhagat HUF               | Promoter Group       | 130004                        | 10                          | -                            |                  |
|         | <b>Total</b>                      |                      | <b>4692674</b>                | <b>10</b>                   | <b>-</b>                     | <b>-</b>         |

#### REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS

Our Company has not revalued its assets during last five years.

## SECTION XIII - ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018 including amendments thereof, our Memorandum and Articles of Association, the terms of the Draft Prospectus, this Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced 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 was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids 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 retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.

Further vide the said circular, Registrar to the Issue and Depository Participants have also been authorized to collect the Application forms. Investor may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

### RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the chapter titled “DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION” beginning on Page no. 247 of this Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors and approved by 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 dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any, declared) will be approved by the Board of Directors.

### FACE VALUE AND ISSUE PRICE

The face value of the Equity Shares is ₹ 10/- each and the Issue Price is ₹ 51/- per Equity Share.

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “BASIS FOR ISSUE PRICE” beginning on Page no. 68 of this Prospectus.

At any given point of time there shall be only one denomination for the Equity Shares.

### COMPLIANCE WITH SEBI (ICDR) REGULATIONS, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## RIGHTS OF THE EQUITY 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 and 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 and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the chapter titled “DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION” beginning on Page no. 247 of this Prospectus.

## MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI (ICDR) Regulations, 2018, the trading of the Equity Shares shall only be in dematerialized form for all investors.

The trading of the Equity Shares will happen in the minimum contract size of 2000 Equity Shares and the same may be modified by SME platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 2000 Equity Share subject to a minimum allotment of 2000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

## MINIMUM NUMBER OF ALLOTTEES

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs or Sponsor Bank shall be unblocked within 6 Working days of closure of issue.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

**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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

## JOINT HOLDERS

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.



## NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicants, may nominate up to three persons, vide Multiple Nominations facility made available by CDSL and NSDL, to 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 in respect of Percentage assigned to each nominee at the time of nomination. 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 (3) 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 accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination interest 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 Articles of Association of the Company, 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:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board of Directors 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 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.

## PERIOD OF OPERATION OF SUBSCRIPTION LIST OF PUBLIC ISSUE

|                       |                                 |                        |                                   |
|-----------------------|---------------------------------|------------------------|-----------------------------------|
| <b>ISSUE OPENS ON</b> | <b>Friday, January 31, 2020</b> | <b>ISSUE CLOSES ON</b> | <b>Thursday, February 6, 2020</b> |
|-----------------------|---------------------------------|------------------------|-----------------------------------|

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

| Event   | Indicative Date                       |
|---|---------------------------------------|
| <b>Offer Closing Date</b>   | <b>Thursday, February 6, 2020</b>     |
| <b>Finalization of Basis of Allotment with BSE</b>                  | <b>on or before February 11, 2020</b> |
| <b>Initiation of refunds /unblocking of funds from ASBA Account</b> | <b>on or before February 13, 2020</b> |
| <b>Credit of Equity Shares to demat accounts of Allottees</b>       | <b>on or before February 13, 2020</b> |
| <b>Commencement of trading of the Equity Shares on BSE</b>          | <b>on or before February 14, 2020</b> |

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

Applications and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of Applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchange. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, not later than 5.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Prospectus are Indian Standard Times. Applicants are cautioned that

in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public issue, some Applications may not get uploaded due to lack of sufficient time. Such Applications that are not uploaded will not be considered for allocation under the Issue. Neither our Company nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data.

## MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

The issuer does not receive the minimum subscription of hundred per cent. of the offer through offer document on the date of closure of the issue or devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue or withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchanges for the securities so offered under the offer document, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent per annum.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 6 working days of closure of issue.

**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.**

## NO RESERVATION FOR EIGIBLE NRIS, FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND QFIS

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

*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 or regulations, which may occur after the date of this 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.*

## ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the equity shares will happen in the minimum contract size of 2000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by SME Platform of BSE from time to time by giving prior notice to investors at large.

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.

## RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for lock-in of the pre-Issue Equity Shares and Minimum Promoters' Contribution in the Issue as detailed in the chapter "CAPITAL STRUCTURE" beginning on Page no. 41 of this Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the chapter titled "DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION" beginning on Page no. 247 of this Prospectus.

## NEW FINANCIAL INSTRUMENTS

The Issuer Company is not issuing any new financial instruments through this Issue.

## OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

**Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

## MIGRATION TO MAIN BOARD

Our Company may migrate to the main board of BSE on a later date, subject to the following:

If the Paid up Capital of the company is more than ₹10 crores and up to ₹25 crores, we may migrate equity shares to the main board of the stock exchanges if shareholders approve such a migration by passing a special resolution through postal ballot to this effect and if Company fulfils the eligibility criteria for listing laid down by the Main Board.

Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

OR

Where the post-issue face value capital of the Company listed on a SME exchange is likely to increase beyond twenty five crore rupees by virtue of any further issue of capital by the Company by way of rights issue, preferential issue, bonus issue, etc. the Company shall migrate its specified securities listed on a SME exchange to the Main Board and seek listing of the specified securities proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board:

Provided that no further issue of capital by the Company shall be made unless;

- a) the shareholders of the Company have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal;
- b) the Company has obtained an in-principle approval from the Main Board for listing of its entire specified securities on it.

## MARKET MAKING

The shares offered through this issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the Emerge Platform of BSE for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker; please see "GENERAL INFORMATION – DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE" on Page no. 39 of this Prospectus.

## 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 ₹10 crores, 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 ISSUE” and “ISSUE PROCEDURE” on Page no. 196 and 203 respectively of this Prospectus.

Public issue of 2000000 equity shares of face value of ₹ 10/- each for cash at a price of ₹ 51 per equity share including a share premium of ₹ 41 per equity share (the “issue price”) aggregating to ₹ 1020.00 Lakh (“the issue”) by our company.

| Particulars  | Net Issue to Public   | Market Maker reservation portion   |
|--|---|--|
| <b>Number of Equity Shares*</b>  | 1900000 Equity Shares   | 100000 Equity Shares   |
| <b>Percentage of Issue Size available for allocation</b>                       | 95.00% of the Issue Size<br>25.18% of the Post Issue Paid up Capital  | 5.00% of the Issue Size<br>1.33% of the Post Issue Paid up Capital   |
| <b>Basis of Allotment/ Allocation if respective category is oversubscribed</b> | Proportionate subject to minimum allotment of 2000 Equity Shares and Further allotment in multiples of 2000 Equity Shares each.<br><br>For further details please refer to the section titled “Issue Procedure – Basis of Allotment” on Page no. 242 of this Prospectus.  | Firm Allotment   |
| <b>Mode of Application</b>   | All the Applicants shall make the Application (Online or Physical) through ASBA Process or through UPI Mechanism in case of Retail Individual Investors.  | Through ASBA mode Only.  |
| <b>Minimum Application Size</b>  | <b>For QIB and NII:</b><br>Such number of Equity Shares in multiples of 2000 Equity Shares such that the Application Value exceeds ₹2,00,000<br><br><b>For Retail Individuals:</b><br>2000 Equity Shares  | 100000 Equity Shares   |
| <b>Maximum Bid</b>   | <b>For QIB and NII:</b><br>Such number of Equity Shares in multiples of 2000 Equity Shares such that the Application Size does not exceed 1900000 Equity Shares subject to limit the investor has to adhere under the relevant laws and regulations applicable.<br><br><b>For Retail Individuals:</b><br>2000 Equity Shares so that the Application Value does not exceed ₹2,00,000 | 100000 Equity Shares   |
| <b>Mode of Allotment</b>   | Compulsorily in dematerialized mode   | Compulsorily in dematerialized mode  |
| <b>Trading Lot</b>   | 2000 Equity Shares  | 2000 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. |
| <b>Terms of payment</b>  | Entire Application Amount shall be payable at the time of submission of Application Form.   |  |

\* 50% of the shares offered in the Net Issue to Public portion are reserved for applications whose application value is below ₹2,00,000 and the balance 50% of the shares are available for applications whose application value is above ₹ 2,00,000.

## WITHDRAWAL OF THE ISSUE

In accordance with the SEBI (ICDR) Regulations, 2018, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment,

without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case 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 offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI (ICDR) Regulations, 2018, Non retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Mumbai.

## **ISSUE PROGRAMME**

|                        |                                   |
|------------------------|-----------------------------------|
| <b>ISSUE OPENS ON</b>  | <b>Friday, January 31, 2020</b>   |
| <b>ISSUE CLOSES ON</b> | <b>Thursday, February 6, 2020</b> |

## ISSUE PROCEDURE

All Applicant shall 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, modified and updated pursuant to, among others, the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 notified by SEBI, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016, SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 (“General Information Document”), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Bidders/Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced 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 was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids 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**”). SEBI has vide its circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of Phase II till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“**UPI Phase III**”), as may be prescribed by SEBI.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified BSE Limited (“BSE”) to act as intermediaries for submitting Application Forms are provided on [www.bseindia.com](http://www.bseindia.com). For details on their designated branches for submitting Application Forms, please see the above mentioned website of BSE.

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 Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus and this Prospectus.

This section applies to all the Applicants.

### FIXED PRICE ISSUE PROCEDURE

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI (ICDR) Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of

Capital and Disclosure Requirements) Regulations, 2018 via Fixed Price Issue method. In terms of Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be issued 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.

Subject to the valid Applications being received at Issue Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange. However, if the retail individual investor category is entitled to more than fifty per cent of the net Issue on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB 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, the 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, the 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 dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

#### **PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL BIDDERS AS PER THE UPI CIRCULAR**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 (collectively the "UPI Circular") in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 and till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, physical submission of the Application Form by a Retail Individual Bidder through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will compulsorily be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** Subsequently, under this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI Mechanism.

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the Lead Manager.

## AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. An electronic copy of the Application Form will also be available for download on the website of the Stock Exchange (BSE Limited) i.e. [www.bseindia.com](http://www.bseindia.com) at least one day prior to the Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue through intermediaries shall use only UPI payment mechanism for application. The application form submitted by NIIs and QIBs must provide applicant's bank account details and authorization to block funds in the relevant space provided in the Application Form. Further, Retail Individual Investors submitting application form using UPI shall mention the UPI of his/her own Bank account in the application form in the relevant space. The Application Forms that do not contain applicant's bank account details or UPI of own Bank Account, as the case may be, are liable to be rejected.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Application Form for various categories is as follows:

| Category  | Colour of Application Form* |
|---|-----------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis                   | White                       |
| Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis | Blue                        |

*\*excluding electronic Application Forms downloaded by the Applicants.*

## SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account or UPI linked Bank Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- i. An SCSB, with whom the bank account to be blocked, is maintained
- ii. A syndicate member (or sub-syndicate member)
- iii. A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
- iv. A depository participant ("DP") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v. A registrar to an issuer and share transfer agent ("RTA") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retail investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), shall enter their UPI ID in the application form.



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.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the applicants has a bank account and shall not submit it to any non-SCSB Bank.

For applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of Stock Exchange. Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to the Issue. However, in case of Electronic forms, “printouts” of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

SCSB, after accepting the form, shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and blocked funds available in the bank account specified in the form, to the extent of the application money specified.

It is clarified that Retail Individual Investors may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

The upload of the details in the electronic bidding system of stock exchange will be done by:

|  |  |
|--|--|
| <b>For Applications submitted by investors to SCSB:</b>  | After accepting the form submitted by RIIs (without using UPI for payment), NIIs and QIBs, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.   |
| <b>For applications submitted by investors (other than Retail Individual Investors) to intermediaries other than SCSBs without use of UPI for payment:</b> | After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of 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 Offer.   |
| <b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>  | <p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).</p> <p>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis through API integration, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor shall accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.</p> |

Stock exchange(s) shall validate the electronic application details with depository’s records for DP ID/Client ID and PAN Combination, on a real time basis through API Integration and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

**WHO CAN APPLY?**

**As per the existing RBI 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 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 to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

**Subject to the above, an illustrative list of Applicants is as follows:**

- 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 Karta". 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) QIBs;
- e) Mutual Funds registered with SEBI;
- f) 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;
- g) 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);
- 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 ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds with minimum corpus of ₹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 applying 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           |

*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.*

**PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER**

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, in the Non-Institutional Category where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Lead Manager and syndicate members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Promoter and Promoter Group and any persons related to our Promoters and Promoter Group cannot participate in the Issue.

**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 (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, 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 (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

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 MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

- No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any 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.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

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.

#### **APPLICATIONS BY ELIGIBLE NRIS ON REPATRIATION BASIS**

##### **ELIGIBLE NRIS APPLYING ON A REPATRIATION BASIS ARE ADVISED TO USE THE APPLICATION FORM MEANT FOR NON-RESIDENTS (BLUE IN COLOUR).**

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants making application 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) or ASBA Accounts.

**Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non Resident Ordinary (NRO) accounts for the full Application Amount, at the time of the submission of the Application Form.**

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

#### **APPLICATIONS BY ELIGIBLE FPIs INCLUDING FIIs ON REPATRIATION BASIS**

##### **FPIs INCLUDING FIIs WHO WISH TO PARTICIPATE IN THE ISSUE ARE ADVISED TO USE THE APPLICATION FORM FOR NON- RESIDENTS (BLUE IN COLOUR).**

As per the current regulations, the following restrictions are applicable for investments by FPIs:

1. Foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.

2. Where a foreign institutional investor or a sub account, prior to commencement of FEMA Act, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - (a). A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - (b). Nothing contained in clause (a) shall apply to:
    - i. Any transactions in derivatives on a recognized stock exchange;
    - ii. Short selling transactions in accordance with the framework specified by the Board;
    - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - iv. Any other transaction specified by the Board.
  - (c). No transaction on the stock exchange shall be carried forward;
  - (d). The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board;

Provided nothing contained in this clause shall apply to:

- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
  - ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
  - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;
  - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
  - vi. Any Application for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
  - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - viii. Any other transaction specified by the Board.
- (e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of FEMA Act, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may,

during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.

7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.
8. No foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:
  - (a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;
  - (b). Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

9. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
10. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
11. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.
12. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
13. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
14. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.
15. The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.
16. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.
17. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the

countries of their incorporation or establishment subject to compliance of “Know Your Client” requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

18. In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital Funds) 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. Further, the SEBI, AIF Regulations prescribes, among others, the investment restrictions on AIFs.

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.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicants on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all such Applicants will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

#### **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 Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The “IRDA Investment Regulations”), are broadly set forth below:

- (a.) Equity shares of a Company: the least 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: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

- (c.) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS

In case of applications made by provident funds with minimum corpus of ₹25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

#### APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, 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 therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a.) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, 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 reasons thereof.
- b.) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c.) With respect to applications made by provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, 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, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.
- d.) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.

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.

***The above information is given for the benefit of the Applicants. The 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 the 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.***

#### INDICATIVE PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE



## ASBA PROCESS

**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 the 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.**

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

## CHANNELS OF SUBMISSION OF APPLICATION FORMS

From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

| Category of Investor  | Channel I  | Channel II   | Channel III  | Channel IV  |
|---|--|--|--|---|
| Retail Individual Investor (RII)  | Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online. | Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers. | Not Applicable   | RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds. |
| Non- Institutional Investor (NII) including Qualified Institutional Buyer (QIB) | For such applications the existing process of uploading the Application and blocking of funds in   |  | Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for | Not Applicable  |

| Category of Investor | Channel I                                    | Channel II | Channel III   | Channel IV |
|----------------------|--|------------|---|------------|
|                      | the RIIs account by the SCSB would continue. |            | blocking of funds.<br><br>For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds. |            |

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB 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.

If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Applications and shall not upload such Applications with the Stock Exchange.

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 into the electronic bidding system as a separate Application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/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 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 Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

### PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE SUBMITTED BY RETAIL INDIVIDUAL INVESTOR

In addition to application to be submitted to SCSB, with whom the bank account to be blocked, is maintained, a RII would also have the option to submit application form with any of the intermediary and use his / her bank account linked UPI ID for the purpose of blocking of funds with effect from January 01, 2019.

The detailed process in this regard is as detailed hereunder:

#### Application and validation process

- submission of the application with the intermediary, the RII would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- RII will fill in the Application details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediary.
- The intermediary upon receipt of form will upload the Application details along with UPI ID in the stock exchange bidding platform.
- Once the Application has been entered in the bidding platform, the exchange will undertake validation of the PAN and Demat Account details of RII with the depository.
- Depository will validate the aforesaid Application details on a real time basis and send response to stock exchange

which would be shared by stock exchange with intermediary through its platform, for corrections, if any.

- (f). SMS from exchange to RII for applying: Once the Application details are uploaded on the stock exchange platform, the stock exchange shall send an SMS to the RII regarding submission of his / her application, daily at the end of day basis, during bidding period. For the last day of applying, the SMS may be sent out the next working day.

### **The Block Process**

- (a). Post undertaking validation with depository, the stock exchange will, on a continuous basis, electronically share the Application details along with RIIs UPI ID, with the Sponsor Bank appointed by the issuer.
- (b). The Sponsor Bank will initiate a mandate request on the RII i.e. request the RII to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
- (c). The request raised by the Sponsor Bank, would be electronically received by the RII as a SMS / intimation on his / her mobile no. / Mobile app, associated with UPI ID linked bank account.
- (d). The RII would be able to view the amount to be blocked as per his / her Application in such intimation. The RII would also be able to view an attachment wherein the IPO Application details submitted by RII will be visible. After reviewing the details properly, RII would be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the IPO.
- (e). Upon successful validation of block request by the RII, as above, the said information would be electronically received by the RIIs' bank, where the funds, equivalent to application amount, would get blocked in RIIs account. Intimation regarding confirmation of such block of funds in RIIs account would also be received by the RII.
- (f). The information containing status of block request (e.g. – accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with stock exchange. The block request status would also be displayed on stock exchange platform for information of the intermediary.
- (g). The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.
- (h). RIIs would continue to have the option to modify or withdraw the Application till the closure of the Issue period. For each such modification of Application, RII will submit a revised Application and shall receive a mandate request from sponsor bank to be validated as per the process indicated above.

Post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

### **NUMBER OF APPLICATIONS PER BANK ACCOUNT**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

### **HOW TO APPLY?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **MODE OF PAYMENT**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by applicant and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted. The SCSB or Sponsor Bank 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 finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

In case of applications made by using any of channels under UPI Payments Mechanism, post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

The RTA, based on information of Applications and blocking received from stock exchange, would undertake reconciliation of the Applications data and block confirmation corresponding to the Applications by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

Upon approval of basis of allotment, RTA will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

Upon confirmation of receipt of funds in the public issue account, shares would be credited to the RII's account. RII will be notified for full/partial/no allotment. For partial allotment the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the RII.

## **UNBLOCKING OF ASBA ACCOUNT**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

In case of applications made by using any of channels under UPI Payments Mechanism, Registrar to the Issue will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

However, the Application Amount may be unblocked in the ASBA Account or Bank Account link in UPI Mechanism prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application or Application made through UPI Mechanism, as the case may be.

## MAXIMUM AND MINIMUM APPLICATION SIZE

The applications in this Issue, being a fixed price issue, will be categorized into two;

### 1. For Retail Individual Applicants

The Application must be for a minimum of 2000 Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 2,00,000.

### 2. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of 4000 Equity Shares so as to ensure that the Application Amount exceeds ₹ 2,00,000 and in multiples of 2000 Equity Shares thereafter.

A person shall not make an application in the net Issue category for a number of specified securities that exceeds the total number of securities offered to the public. Further, the maximum application by non-institutional investors shall not exceed total number of specified securities offered in the issue less total number of specified securities offered in the issue to qualified institutional buyers.

Further, 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 cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application form 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 the Prospectus.**

## OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM

**Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

## INFORMATION FOR THE APPLICANTS

- a.) The Company will file the Prospectus with the RoC at least 3 (three) working days before the Issue Opening Date.
- b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- d.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- e.) Applications made in the name of Minors and/or their nominees shall not be accepted.

## PRE-ISSUE ADVERTISEMENT

As provided in Section 30 of the Companies Act, 2013 and 264(2) of the SEBI (ICDR) Regulations, 2018, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English national daily newspaper; one widely circulated Hindi national daily newspaper and one widely circulated Gujarati newspaper.

#### SIGNING OF UNDERWRITING AGREEMENT

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on December 4, 2019.

#### FILING OF THE PROSPECTUS WITH THE ROC

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of Companies Act, 2013.

#### INFORMATION FOR THE APPLICANTS

- a.) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b.) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload it on its website. On the basis of approved basis of allotment, the Issuer shall make 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.
- c.) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d.) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 5 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within two 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 or Sponsor Bank 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 5 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 Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

#### COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit to Equity Shares the beneficiary account with DPs, and dispatch the allotment Advise within 6 Working Days of the Issue Closing Date.

#### INTEREST AND REFUNDS

#### GROUND FOR REFUND

#### NON RECEIPT OF LISTING PERMISSION

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In case, our Company fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, our Company shall refund through verifiable means the entire monies received within seven days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities. The Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If any such money is not repaid within eight days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

#### MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the “Stated Minimum Amount” has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the Prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as may be prescribed under that section. If the Issuer does not received the subscription of 100% of the Issue through this Prospectus including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies Act, 2013.

#### MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

#### MODE OF REFUND

Within six Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs or in case of Applications by RIIs applying through the UPI mechanism to the Sponsor Bank, to revoke the mandate and for unblocking the amount in ASBA Accounts of unsuccessful Applicants and also for any excess amount blocked on Applications.

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Applications or in the event of withdrawal or failure of the Issue.

#### LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCSBS

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Issue Closing Date. The Registrar shall instruct the Sponsor Bank or relevant SCSBs to, on the receipt of such instructions from the Registrar, revoke the mandate and for unblocking the amount in ASBA Accounts to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 6 Working Days of the Issue Closing Date.

#### INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

## GENERAL INSTRUCTIONS

### Do's:

- Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID, UPI ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Applicants in case of joint Applications, is included in the Application Forms;
- QIBs, Non-Institutional Applicants and the Retail Applicants should submit their Applications through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their Application by using UPI mechanism for payment.
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicants whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Application;
- Ensure that you have funds equal to the Application Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, 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);
- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Application under power of attorney or by limited companies, corporates, trust etc, relevant documents are submitted;
- Ensure that Application submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;



- Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
- Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your 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 at a Price Different from the Price Mentioned herein or in the Application Form;
- Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not make Application on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not make Application at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not make Application for Application Amount exceeding ₹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 Net Issue Size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- Do not submit Application on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicants;
- Do not submit Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not make Application if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- Do not submit Application by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

### **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 submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker's Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

Applicants may note that forms not filled completely or correctly as per instructions provided in this Prospectus, the General Information Document which shall be made available on the website of the Stock Exchange, the Issuer and the BRLM, are liable to be rejected. Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below;

#### **A. INSTRUCTION FOR FILLING THE APPLICATION FORM**

|                                |  |  |
|--------------------------------|--|--|
| <b>COMMON APPLICATION FORM</b> | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>  | FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, NON INSTITUTIONAL INVESTORS, RETAIL INDIVIDUAL INVESTORS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS |
|                                | Registered Office:<br>Tel. No.:      Fax No.:      Email:      Website:<br>Contact Person:      CIN: |  |

|      |  |   |  |
|------|--|---|--|
| LOGO | TO,<br>THE BOARD OF DIRECTORS<br>XYZ LIMITED | FIXED PRICE SME ISSUE<br>ISIN : XXXXXXX | Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> |
|------|--|---|--|

|  |   |  |
|--|---|--|
| <b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>         | <b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b> | <b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>   |
| <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b> | <b>SCSB BRANCH STAMP &amp; CODE</b>         |  |
| <b>BANK BRANCH SERIAL NO.</b>                      | <b>SCSB SERIAL NO.</b>                      |  |
|  |   |  |
|  |   | Mr. / Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>                        |
|  |   | Address <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>                          |
|  |   | Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>                            |
|  |   | Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> |
|  |   | <b>2. PAN OF SOLE/FIRST APPLICANT</b>  |
|  |   | <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>                                  |

|   |   |
|---|---|
| <b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b>   | <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL |
| For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID. |   |

|  |  |
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| <b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b>   | <b>5. CATEGORY</b>   |
| No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [ ]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price   | <input type="checkbox"/> Retail Individual<br><input type="checkbox"/> Non-Institutional<br><input type="checkbox"/> QIB |
| (In Figures) <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> (In Words) <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span>  |  |
| <b>ALLOTMENT WILL BE IN DEMAT MODE ONLY <sup>2</sup></b>   |  |
| <sup>1</sup> Please note that applications must be made in minimum of [ ] shares and further multiples of [ ] shares accordingly.<br><sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE. |  |

|   |                              |
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| <b>6. INVESTOR STATUS</b>   |                              |
| <input type="checkbox"/> Individual(s)  | <input type="checkbox"/> IND |
| <input type="checkbox"/> Non-Resident Indians (Non-Repatriation Basis)                            | <input type="checkbox"/> NRI |
| <input type="checkbox"/> Hindu Undivided Family*  | <input type="checkbox"/> HUF |
| <input type="checkbox"/> Bodies Corporate   | <input type="checkbox"/> CO  |
| <input type="checkbox"/> Banks & Financial Institutions   | <input type="checkbox"/> FI  |
| <input type="checkbox"/> Mutual Funds   | <input type="checkbox"/> MF  |
| <input type="checkbox"/> National Investment Funds  | <input type="checkbox"/> NIF |
| <input type="checkbox"/> Insurance Funds  | <input type="checkbox"/> IF  |
| <input type="checkbox"/> Insurance Companies  | <input type="checkbox"/> IC  |
| <input type="checkbox"/> Venture Capital Funds  | <input type="checkbox"/> VCF |
| <input type="checkbox"/> Alternative Investment Funds   | <input type="checkbox"/> AIF |
| <input type="checkbox"/> Others (Please Specify)  | <input type="checkbox"/> OTH |
| *HUF Should apply only through Karta (Application by HUF would be treated on par with individual) |                              |

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| <b>7. PAYMENT DETAILS</b>   | <b>PAYMENT OPTION : Full Payment</b>   |
| Amount Blocked (₹ in Figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> | (₹ in words) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> |
| ASBA Bank A/c No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>             |  |
| Bank Name & Branch  |  |
| OR  |  |
| UPI Id <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>                        |  |
| (Maximum 45 characters)   |  |

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

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| <b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b> | <b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>                           | <b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b> |
| Date: ....., 2019                               | I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue         | <div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto;"></div>  |
|   | 1) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> |  |
|   | 2) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> |  |
|   | 3) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> |  |

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| LOGO  | <b>XYZ LIMITED INITIAL PUBLIC ISSUE - R</b>   | Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA   | Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> |
| DPID / CLID <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>                   |   | PAN of Sole/First Applicant <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> |  |
| Amount Blocked (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> | ASBA Bank & Branch  | <div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto;"></div>                                     |  |
| ASBA Bank A/c No./UPI Id  |   |   |  |
| Received from Mr./Ms.   |   |   |  |
| Telephone / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>            | Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> |   |  |

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| <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>  |   | In Figures   | In Words   | Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA  | <b>Name of Sole / First Applicant</b>   |
|  | No. of Equity Shares  | <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> | <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> | <div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto;"></div>                              | <div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto;"></div> |
|  | Amount Blocked (₹)  | <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> | <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span> |  |   |
|  | ASBA Bank A/c No. / UPI Id: <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> |  |  |  | <b>Acknowledgement Slip for Applicant</b>   |
| Bank & Branch: <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> |   |  |  | Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> |   |

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

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| <b>COMMON APPLICATION FORM</b> | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b><br>Registered Office:<br>Tel. No.:      Fax No.:      Email:      Website:<br>Contact Person:      CIN: | FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS |
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| <b>LOGO</b> | TO,<br>THE BOARD OF DIRECTORS<br>XYZ LIMITED | <b>FIXED PRICE SME ISSUE</b><br>ISIN : XXXXXXX | Application Form No. <input style="width:100%;" type="text"/> |
|-------------|--|--|---|

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| <b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>         | <b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b> | <b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>              |
|  |   | Mr. / Ms. <input style="width:100%;" type="text"/>                        |
| <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b> | <b>SCSB BRANCH STAMP &amp; CODE</b>         | Address <input style="width:100%;" type="text"/>                          |
|  |   | Email <input style="width:100%;" type="text"/>                            |
| <b>BANK BRANCH SERIAL NO.</b>                      | <b>SCSB SERIAL NO.</b>                      | Tel. No (with STD code) / Mobile <input style="width:100%;" type="text"/> |
|  |   | <b>2. PAN OF SOLE/FIRST APPLICANT</b>                                     |
|  |   | <input style="width:100%;" type="text"/>                                  |

|   |  |
|---|--|
| <b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL | <b>6. INVESTOR STATUS</b>  |
|   | <input type="checkbox"/> Non-Resident Indians - NRI (Repatriation basis) |
|   | <input type="checkbox"/> Foreign Institutional Investor - FII/           |
|   | <input type="checkbox"/> Foreign Portfolio Investor - FPI                |
|   | <input type="checkbox"/> Foreign Venture Capital Investor - FVCI         |
|   | <input type="checkbox"/> FII Sub Account Corporate / Individual - FIISA  |
|   | <input type="checkbox"/> Others - OTH (please specify)                   |

**For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.**

|  |  |
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| <b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b>   | <b>5. CATEGORY</b>                         |
| No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [*]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price   | <input type="checkbox"/> Retail Individual |
| (In Figures) <input style="width:100%;" type="text"/> (In Words) <input style="width:100%;" type="text"/>  | <input type="checkbox"/> Non-Institutional |
| <b>ALLOTMENT WILL BE IN DEMAT MODE ONLY <sup>2</sup></b>   | <input type="checkbox"/> QIB               |
| <small><sup>1</sup> Please note that applications must be made in minimum of [*] shares and further multiples of [*] shares accordingly.<br/><sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.</small> |  |

|  |                                      |
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| <b>7. PAYMENT DETAILS</b>  | <b>PAYMENT OPTION : Full Payment</b> |
| Amount Blocked (₹ in Figures) <input style="width:100%;" type="text"/> (₹ in words) <input style="width:100%;" type="text"/> |                                      |
| ASBA Bank A/c No. <input style="width:100%;" type="text"/>   |                                      |
| Bank Name & Branch <input style="width:100%;" type="text"/>  |                                      |
| <b>OR</b>  |                                      |
| UPI Id <input style="width:100%;" type="text"/>  |                                      |
| (Maximum 45 characters)  |                                      |

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

|   |  |  |
|---|--|--|
| <b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b> | <b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>                   | <b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b> |
|   | I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue |  |
| Date: ....., 2019                               | 1) <input style="width:100%;" type="text"/>  |  |
|   | 2) <input style="width:100%;" type="text"/>  |  |
|   | 3) <input style="width:100%;" type="text"/>  |  |

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| <b>LOGO</b>  | <b>XYZ LIMITED INITIAL PUBLIC ISSUE - NR</b>                | Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA | Application Form No. <input style="width:100%;" type="text"/>        |
| DPID / CLID <input style="width:100%;" type="text"/>                   |   |   | PAN of Sole/First Applicant <input style="width:100%;" type="text"/> |
| Amount Blocked (₹ in figures) <input style="width:100%;" type="text"/> | ASBA Bank & Branch <input style="width:100%;" type="text"/> | Stamp & Signature of SCSB Branch  |  |
| ASBA Bank A/c No./UPI Id <input style="width:100%;" type="text"/>      |   |   |  |
| Received from Mr./Ms. <input style="width:100%;" type="text"/>         |   |   |  |
| Telephone / Mobile <input style="width:100%;" type="text"/>            | Email <input style="width:100%;" type="text"/>              |   |  |

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|--|--|--|--|--|---|
| <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> |  | In Figures                               | In Words                                 | <b>Stamp &amp; Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b> | <b>Name of Sole / First Applicant</b>                         |
|  | No. of Equity Shares                     | <input style="width:100%;" type="text"/> | <input style="width:100%;" type="text"/> | <input style="width:100%;" type="text"/>   | <input style="width:100%;" type="text"/>                      |
|  | Amount Blocked (₹)                       | <input style="width:100%;" type="text"/> | <input style="width:100%;" type="text"/> | <input style="width:100%;" type="text"/>   | <b>Acknowledgement Slip for Applicant</b>                     |
|  | ASBA Bank A/c No. / UPI Id:              | <input style="width:100%;" type="text"/> |  |  | Application Form No. <input style="width:100%;" type="text"/> |
| Bank & Branch:                                 | <input style="width:100%;" type="text"/> |  |  |  |   |

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

## **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT:**

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a.) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- b.) **Joint Applicants:** In the case of Joint Applicants, the Application should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

### **1. FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT:**

- a.) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b.) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Application on behalf of the Central or State Government, Application by officials appointed by the courts and Application by Applicant residing in Sikkim ("PAN Exempted Applicant"). Consequently, all Applicants, other than the PAN Exempted Applicant, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Application by the Applicant whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c.) The exemption for the PAN Exempted Applicant is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d.) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e.) Applications by Applicant whose demat accounts have been "suspended for credit" are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

### **2. FIELD NUMBER 3: APPLICANT'S DEPOSITORY ACCOUNT DETAILS**

- a.) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.
- b.) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c.) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.
- d.) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

### 3. FIELD NUMBER 4: APPLICATION OPTIONS

- a.) Since, this is the Fixed Price Issue and the Price has already been disclosed in the Prospectus, the Applicants should make application at the Issue Price only. For the purpose of this Issue, the Price has been Determined as ₹30/- per equity shares (including premium of ₹20/- per equity share).
- b.) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can make application at the Cut-off Price indicating their agreement to apply for and purchase the Equity Shares at the Issue Price as determined in terms of Prospectus. Making Application at the Cut-off Price is prohibited for QIBs and NIIs and such Applications from QIBs and NIIs may be rejected.
- c.) **Minimum Application Value and Application Lot:** For Application made by Retail Individual Investors, minimum application of 2000 Equity Shares to ensure that the minimum Application value is not exceeding ₹2,00,000 and not less than ₹1,00,000. For Application made by QIBs and Non – Institutional Investors, minimum application of 4000 Equity Shares and in multiples of 2000 Equity Shares thereafter to ensure that the minimum Application value is exceeding ₹2,00,000.
- d.) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum application Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. Also, in case if the RII category is entitled to more than the allocated equity shares on proportionate basis, the RII category shall be allotted that higher percentage.

#### Maximum and Minimum Application Size

- e.) The Applicants may apply for the desired number of Equity Shares in multiple of 2000 equity shares at Issue Price. Applications by Retail Individual Investors and Retail Individual Shareholders must be for 2000 equity shares, so as to ensure that the Application Amount, payable by the Applicants does not exceed ₹2,00,000.

In case the Application Amount exceeds ₹2,00,000 due to revision of the Application or any other reason, the Application may be considered for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected.

For NRIs, Application Amount of up to ₹2,00,000 may be considered under the Retail Category for the purposes of allocation and Application Amount exceeding ₹2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.

- f.) Application by QIBs and NIIs must be for 4000 equity shares such that the Application Amount exceeds ₹2,00,000 and in multiples of 2000 Equity Shares thereafter, as may be disclosed in the Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to make application at Cut off Price.
- g.) RII may revise or withdraw their application until Issue Closing Date. QIBs and NII's cannot withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after making application and are required to pay the Application Amount upon submission of the Application.
- h.) In case the Application Amount reduces to ₹2,00,000 or less due to a revision of the Price, Application by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- i.) An Application cannot be submitted for more than the net issue size.
- j.) The maximum application by any applicant including QIB applicant should not exceed the investment limits prescribed for them under the applicable laws.

#### Multiple Applications

- k.) Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Applications and are liable to be rejected.
- l.) Applicants are requested to note the following procedures that may be followed by the Registrar to the Issue to detect multiple Applications:

- i. All Applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple Application by Applicants and may be rejected.
- ii. For Application from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Application on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. Such Applications which have the same DP ID and Client ID may be treated as multiple applications and are liable to be rejected.

**m.) The following Applications may not be treated as multiple Applications:**

- i. Applications by Reserved Categories making application in their respective Reservation Portion as well as application made by them in the Issue portion in public category.
- ii. Separate Applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
- iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

**4. FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a.) The categories of Applicants are identified as per the SEBI (ICDR) Regulations, 2018 for the purpose of Applications, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b.) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI (ICDR) Regulations, 2018. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c.) The SEBI (ICDR) Regulations, 2018, specify the allocation or allotment that may be made to various categories of Application in an issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form.
- d.) For Issue specific details in relation to allocation, Applicants may refer to the Prospectus.

**5. FIELD NUMBER 6: INVESTOR STATUS**

- a.) Each Applicants should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue follows the investment restrictions under applicable law.
- b.) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c.) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d.) Applicants should ensure that their investor status is updated in the Depository records.

**6. FIELD NUMBER 7: PAYMENT DETAILS**

- a.) Applicants are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Applicants doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Applicants providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- b.) The full Application Amount shall be blocked based on the authorization provided in the Application Form.
- c.) RIIs who make application at Cut-off price shall be blocked on the Cap Price.
- d.) All Applicants (other than Anchor Investors) can participate in the Issue only through the ASBA mechanism.

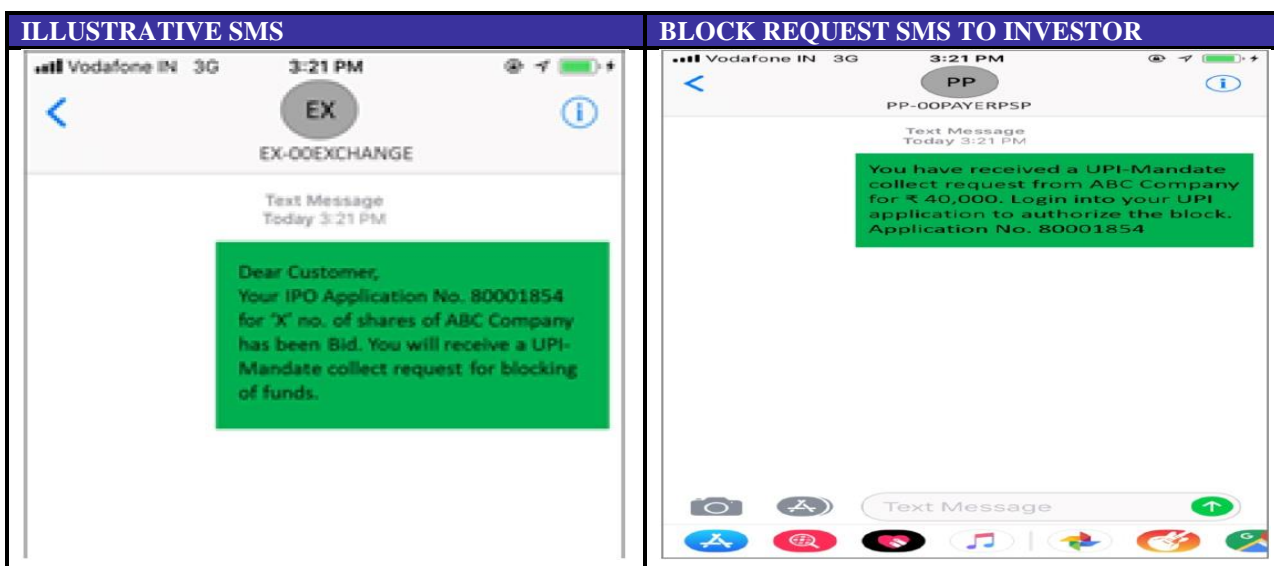
- e.) RIIs submitting their applications through Designated Intermediaries can participate in the Issue through the UPI mechanism, through their UPI ID linked with their bank account.
- f.) Application Amount cannot be paid in cash, cheque, and demand draft, through money order or through postal order.

**Payment instructions for Applicants (other than Anchor Investors)**

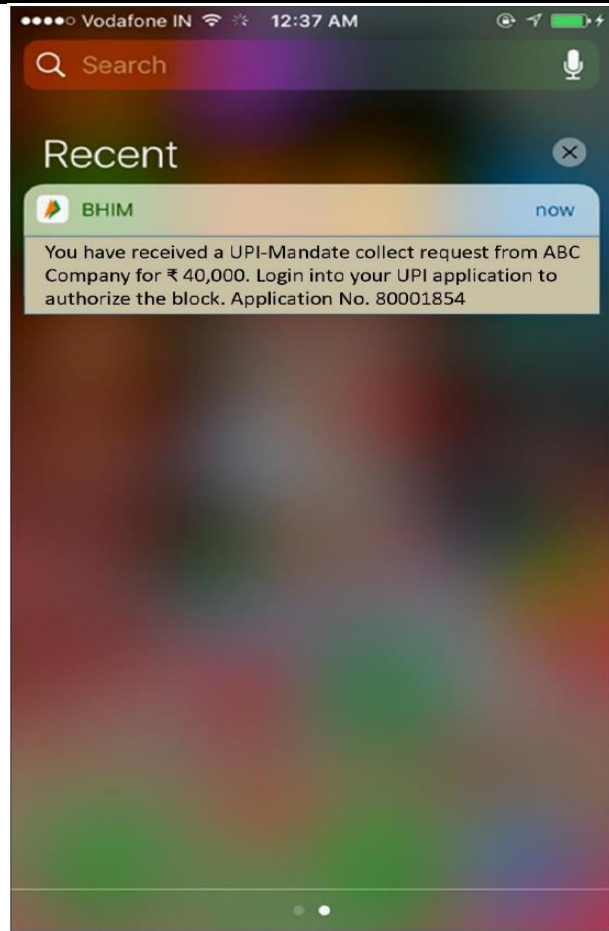
- a.) From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

| Category of Investor              | Channel I  | Channel II   | Channel III  | Channel IV  |
|-----------------------------------|--|--|--|---|
| Retail Individual Investor (RII)  | Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online. | Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers. | Not Applicable   | RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds. |
| Non- Institutional Investor (NII) | For such applications the existing process of uploading the Application and blocking of funds in the RIIs account by the SCSB would continue.        |  | Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.<br><br>For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds. | Not Applicable  |

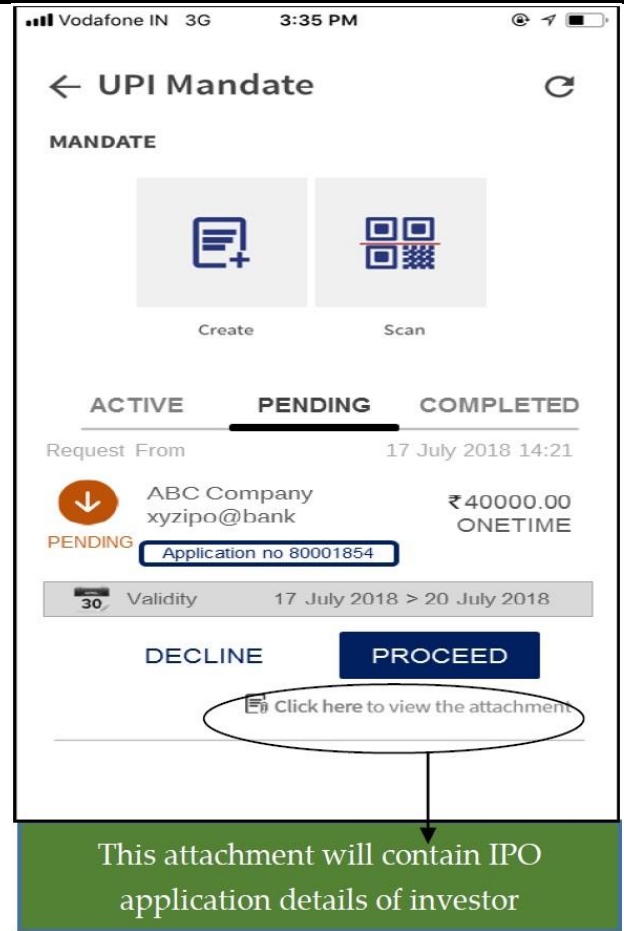
Please see below a graphical illustrative process of the investor receiving and approving the UPI mandate request:



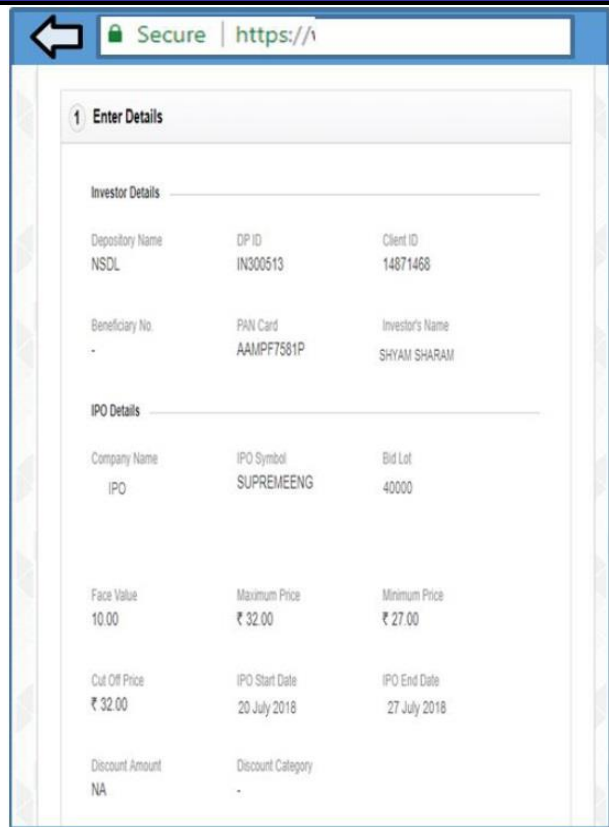
### BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION



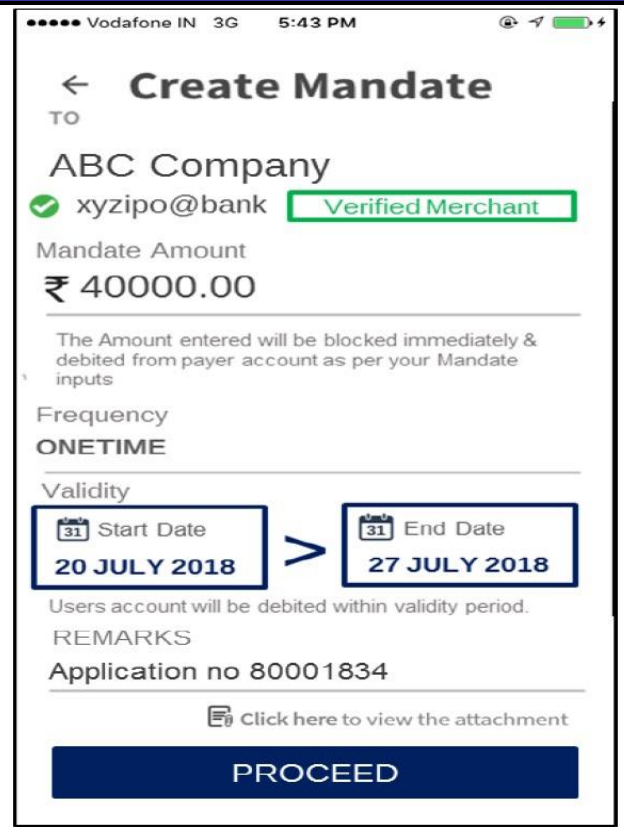
### BLOCK REQUEST SMS TO INVESTOR



### SAMPLE OF IPO DETAILS IN ATTACHMENT



### POST VERIFICATION OF DETAILS ABOVE





**PRE-CONFIRMATION PAGE**

Vodafone IN 3G 3:48 PM

Please check the below details as the amount will be **blocked** for the validity period and will be debited as per the mandate inputs. In case of non-execution of the Mandate, the amount will be unblocked

**Mandate Details**

To  
ABC Company  
xyzipo@bank

AMOUNT  
₹ 0000.00

FREQUENCY  
ONETIME

VALIDITY  
20 JULY 2018 to 27 JULY 2018

REMARKS  
Application no 80001854

CANCEL CONFIRM

**ENTERING OF UPI PIN**

Vodafone IN 3G 1:39 AM

CANCEL

STATE BANK OF INDIA

UPI

ABC Company ₹ 40000


ENTER UPI PIN

— — — —

|   |   |        |
|---|---|--------|
| 1 | 2 | 3      |
| 4 | 5 | 6      |
| 7 | 8 | 9      |
| ✕ | 0 | SUBMIT |

**CONFIRMATION PAGE**

Vodafone IN 3G 3:49 PM



**Mandate Approved**

UPI ID: xyzipo@bank  
Amount: Rs 40000.00  
Frequency: ONETIME  
UMN: 5473tsfeh735489jsbyw457isntea59jdkn@upi  
Validity: 20<sup>th</sup> July 2018 to 27<sup>th</sup> July 2018

VIEW DETAILS HOME

**APPROVED MANDATES VISIBLE IN UPI APPLICATION**

Vodafone IN 3G 5:43 PM

← **Active Mandate**

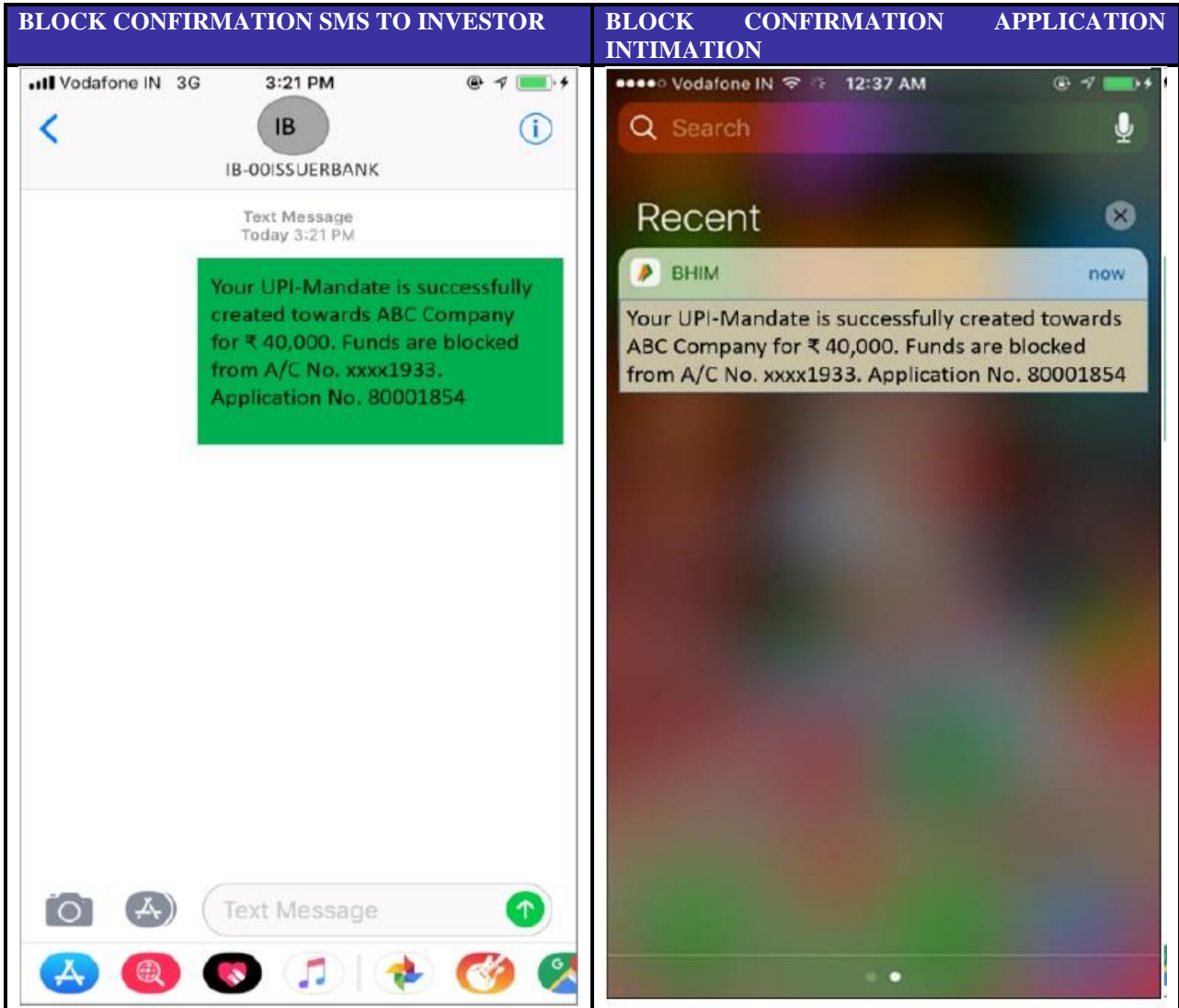
Received From 18 July 2018 14:21

ABC Company ₹ 40000.00  
xyzipo@bank ONETIME

ACTIVE Application No 80001834

**MANDATE DETAILS**

START DATE: 20 July 2018  
END DATE: 27 July 2018  
FREQUENCY: One Time  
UMN: 5473tsfeh735489jsbyw457isntea59jdkn@upi  
REMARKS: Application No 80001834



- b.) QIB and NII Applicants may submit the Application Form either;
- i. to SCSB in physical or electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- c.) Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by Applicants and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.
- d.) Applicants should note that application made using third party UPI ID or ASBA Bank account are liable to be rejected.
- e.) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.
- f.) Applicants should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centers, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.
- g.) **Applicants making application through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

- h.) **Applicants making application directly through the SCSBs** should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i.) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- j.) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and for application directly submitted to SCSB by investor, may enter each application details into the electronic bidding system as a separate application.
- k.) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Application on the Stock Exchange platform and such Applications are liable to be rejected.
- l.) Upon submission of a completed Application Form each Applicants (not being a RII who has opted for the UPI payment mechanism and provided a UPI ID with the Application Form) may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs. For details regarding blocking of Application Amount for RIIs who have provided a UPI ID with the Application Form, please refer to graphical illustrative process of the investor receiving and approving the UPI mandate request provided in clause (a).
- m.) The Application Amount may 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 or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- n.) SCSBs making application in the Issue must apply through an Account maintained with any other SCSB; else their Applications are liable to be rejected.

## **7. FIELD NUMBER 8: UNBLOCKING OF ASBA ACCOUNT**

- a.) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB or the Sponsor Bank, as the case may be, along with instructions to unblock the relevant ASBA Accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant ASBA Account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs or the Sponsor Bank, as the case may be, to unblock the respective ASBA Accounts.
- b.) On the basis of instructions from the Registrar to the Issue, the SCSBs or the Sponsor Bank, as the case may be, may transfer the requisite amount against each successful Applicants to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c.) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB or to the Sponsor Bank to revoke the mandate and, as the case may be, to unblock the Application Amount in the Relevant Account within four Working Days of the Issue Closing Date.

### **Additional Payment Instructions for RIIs applying through Designated Intermediaries using the UPI mechanism**

- d.) Before submission of the application form with the Designated Intermediary, an RII shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
- e.) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>
- f.) RIIs shall mention his / her UPI ID along with the application details in the Application Form in capital letters and submit the Application Form to any of the Designated Intermediaries.

- g.) The Designated Intermediary upon receipt of the Application Form will upload the application details along with UPI ID in the stock exchange bidding platform.
- h.) Once the application has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the stock exchange which will be shared by the stock exchange with the Designated Intermediary through its bidding platform, for corrections, if any.
- i.) Once the application details have been validated by the Depository, the stock exchange will, on a continuous basis, electronically share the application details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.
- j.) The Sponsor Bank will validate the UPI ID of the RII before initiating the Mandate request.
- k.) The Sponsor Bank after validating the UPI ID will initiate a UPI Mandate Request for valid UPI ID on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII shall ensure that the details of the application are correct by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire application Amount and authorized the Sponsor Bank to block the application Amount mentioned in the Application Form and subsequent debit in case of allotment.
- l.) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the ASBA Account of the RII. Intimation regarding confirmation of such blocking of funds in the ASBA Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the stock exchange which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the stock exchange bidding platform for the information of the Designated Intermediary.
- m.) RIIs may continue to modify or withdraw the application till the closure of the Issue Period. For each modification of the application, the RII will submit a revised application and will receive a new UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.
- n.) RIIs to check the correctness of the details on the mandate received before approving the Mandate Request.
- o.) Post closure of the Issue, the stock exchange will share the application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

**Discount: NOT APPLICABLE**

#### **Additional Payment Instruction for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **8. FIELD NUMBER 9: SIGNATURES AND OTHER AUTHORISATIONS**

- a.) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b.) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.
- c.) Applicants must note that Application Form without signature of Applicants and /or ASBA Account holder is liable to be rejected.

#### **9. FIELD NUMBER 10: ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- a.) Applicant should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediary or SCSB, as applicable, for submission of the Application Form.
- b.) All communications in connection with Application made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicant should contact the Registrar to the Issue.
  - ii. In case of ASBA Application submitted to the Designated Branches of the SCSBs, the Applicant should contact the relevant Designated Branch of the SCSB.
  - iii. Applicants may contact the Company Secretary and Compliance Officer or Lead Manager in case of any other complaints in relation to the Issue.
  - iv. In case of queries relating to uploading of Application by a Syndicate Member, the Applicant should contact the relevant Syndicate Member.
  - v. In case of queries relating to uploading of Application by a Registered Broker, the Applicant should contact the relevant Registered Broker
  - vi. In case of Application submitted to the RTA, the Applicant should contact the relevant RTA.
  - vii. In case of Application submitted to the DP, the Applicant should contact the relevant DP.
  - viii. In case of queries relating to uploading of Application through the UPI Mechanism, the Applicant should contact the Sponsor Bank;
- c.) The following details (as applicable) should be quoted while making any queries –
  - i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Application.
  - ii. name and address of the Designated Intermediary, where the Application was submitted; or
  - iii. Applications, ASBA Account number or the UPI ID (for RIIs who make the payment of Application Amount through the UPI mechanism) linked to the ASBA Account where the Application Amount was blocked in which the amount equivalent to the Application Amount was blocked.
  - iv. For further details, Applicants may refer to the Prospectus and the Application Form.

## **B. INSTRUCTIONS FOR FILLING THE REVISION FORM**

- a.) During the Issue Period, any Applicants (other than QIBs and NIIs, who can only revise their Application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b.) RII may revise / withdraw their Application till closure of the Issue period.
- c.) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- d.) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had made the original Application. It is clarified that RIIs whose original Application is made using the UPI mechanism, can make revision(s) to their Application using the UPI mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. Applicants are advised to retain copies of the blank Revision Form and the Application(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

**COMMON APPLICATION REVISION FORM**

**XYZ LIMITED - INITIAL PUBLIC ISSUE - R**

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, NON INSTITUTIONAL INVESTORS, RETAIL INDIVIDUAL INVESTORS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

Registered Office:  
Tel. No.: Fax No.: Email: Website:  
Contact Person: CIN:

LOGO

TO,  
THE BOARD OF DIRECTORS  
XYZ LIMITED

**FIXED PRICE SME ISSUE**  
ISIN : XXXXXXXX

Application Form No.

|  |   |   |
|--|---|---|
| <b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>         | <b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b> | <b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>  |
|  |   | Mr. / Ms.   |
|  |   | Address   |
| <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b> | <b>SCSB BRANCH STAMP &amp; CODE</b>         | Tel. No (with STD code) / Mobile  |
|  |   | <b>2. PAN OF SOLE/FIRST APPLICANT</b>   |
| <b>BANK BRANCH SERIAL NO.</b>                      | <b>SCSB SERIAL NO.</b>                      | <b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> NSDL <input type="checkbox"/> CDSL <input type="checkbox"/> |
|  |   | For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID              |

PLEASE CHANGE MY APPLICATION  PHYSICAL

| Options       | No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) |   |   |   |   |   |   |                                 | Price per Equity Share (₹) [•] |  |  |                                 |  |  |  |             |  |  |  |  | "Cut-off" (Please tick) |
|---------------|---|---|---|---|---|---|---|---------------------------------|--------------------------------|--|--|---------------------------------|--|--|--|-------------|--|--|--|--|-------------------------|
|               | (In Figures)  |   |   |   |   |   |   |                                 | (In Figures)                   |  |  |                                 |  |  |  |             |  |  |  |  |                         |
|               | 7   | 6 | 5 | 4 | 3 | 2 | 1 | Issue Price                     |                                |  |  | Discount, if any                |  |  |  | Net Price   |  |  |  |  |                         |
| Option 1      |   |   |   |   |   |   |   | ORIGINAL APPLICATION            |                                |  |  | ORIGINAL APPLICATION            |  |  |  |             |  |  |  |  |                         |
| (OR) Option 2 |   |   |   |   |   |   |   | <del>ORIGINAL APPLICATION</del> |                                |  |  | <del>ORIGINAL APPLICATION</del> |  |  |  | <del></del> |  |  |  |  |                         |
| (OR) Option 3 |   |   |   |   |   |   |   | <del>ORIGINAL APPLICATION</del> |                                |  |  | <del>ORIGINAL APPLICATION</del> |  |  |  | <del></del> |  |  |  |  |                         |

| Options       | No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) |   |   |   |   |   |   |                                | Price per Equity Share (₹) [•] |  |  |                                |  |  |  |             |  |  |  |  | "Cut-off" (Please tick) |
|---------------|---|---|---|---|---|---|---|--------------------------------|--------------------------------|--|--|--------------------------------|--|--|--|-------------|--|--|--|--|-------------------------|
|               | (In Figures)  |   |   |   |   |   |   |                                | (In Figures)                   |  |  |                                |  |  |  |             |  |  |  |  |                         |
|               | 7   | 6 | 5 | 4 | 3 | 2 | 1 | Issue Price                    |                                |  |  | Discount, if any               |  |  |  | Net Price   |  |  |  |  |                         |
| Option 1      |   |   |   |   |   |   |   | REVISED APPLICATION            |                                |  |  | REVISED APPLICATION            |  |  |  |             |  |  |  |  |                         |
| (OR) Option 2 |   |   |   |   |   |   |   | <del>REVISED APPLICATION</del> |                                |  |  | <del>REVISED APPLICATION</del> |  |  |  | <del></del> |  |  |  |  |                         |
| (OR) Option 3 |   |   |   |   |   |   |   | <del>REVISED APPLICATION</del> |                                |  |  | <del>REVISED APPLICATION</del> |  |  |  | <del></del> |  |  |  |  |                         |

|  |                                      |
|--|--------------------------------------|
| <b>6. PAYMENT DETAILS</b>                | <b>PAYMENT OPTION : Full Payment</b> |
| Additional Amount Blocked (₹ in Figures) | (₹ in words)                         |
| ASBA Bank A/c No.                        |                                      |
| Bank Name & Branch                       |                                      |
| OR                                       |                                      |
| UPI Id                                   |                                      |
| (Maximum 45 characters)                  |                                      |

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

|   |   |  |
|---|---|--|
| <b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b><br><br>Date: ....., 2019 | <b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b><br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue | <b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b> |
|   | 1)  |  |
|   | 2)  |  |
|   | 3)  |  |

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|--|--|---|----------------------|
| LOGO                                     | <b>XYZ LIMITED</b><br>REVISION FORM - INITIAL PUBLIC ISSUE - R | Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA | Application Form No. |
| DPID / CLID                              |  | PAN   |                      |
| Additional Amount Blocked (₹ in figures) | ASBA Bank & Branch   | Stamp & Signature of SCSB Branch  |                      |
| ASBA Bank A/c No./UPI Id                 |  |   |                      |
| Received from Mr./Ms.                    |  |   |                      |
| Telephone / Mobile                       | Email  |   |                      |

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|---|-------------------------------|----------|----------|---|--|
| <b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - R</b>   | Option 1                      | Option 2 | Option 3 | Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA | Name of Sole / First Applicant           |
|   | No. of Equity Shares          |          |          |   |  |
|   | Issue Price                   |          |          |   |  |
|   | Additional Amount Blocked (₹) |          |          |   |  |
| ASBA Bank A/c No. / UPI Id:   |                               |          |          |   | <b>Acknowledgment Slip for Applicant</b> |
| Bank & Branch:  |                               |          |          |   |  |
| Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected. |                               |          |          |   | Application Form No.                     |

|   |  |  |
|---|--|--|
| <b>COMMON APPLICATION REVISION FORM</b> | <b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>   | FOR ELIGIBLE NRIs, FIIs/FPiS, FVCI, ETC., APPLYING ON A REPATRIATION BASIS |
|   | Registered Office:<br>Tel. No.:      Fax No.:      Email:      Website:<br>Contact Person:      CIN: |  |

|             |  |  |  |
|-------------|--|--|--|
| <b>LOGO</b> | TO,<br>THE BOARD OF DIRECTORS<br>XYZ LIMITED | <b>FIXED PRICE SME ISSUE</b><br>ISIN : XXXXXXX | Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> |
|-------------|--|--|--|

|  |   |  |
|--|---|--|
| <b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>         | <b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b> | <b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b><br>Mr. / Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span><br>Address <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span><br>Tel. No (with STD code) / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span><br><b>2. PAN OF SOLE/FIRST APPLICANT</b><br><span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span><br><b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> NSDL <input type="checkbox"/> CDSL <input type="checkbox"/><br><small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small> |
| <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b> | <b>SCSB BRANCH STAMP &amp; CODE</b>         |  |
| <b>BANK BRANCH SERIAL NO.</b>                      | <b>SCSB SERIAL NO.</b>                      |  |
|  |   |  |

PLEASE CHANGE MY APPLICATION  PHYSICAL

| Options       | No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) |   |   |   |   |   |   |   | Price per Equity Share (₹) [•]  |                  |  |  |           |  |  |  | "Cut-off" (Please tick) |
|---------------|---|---|---|---|---|---|---|---|---------------------------------|------------------|--|--|-----------|--|--|--|-------------------------|
|               | (In Figures)  |   |   |   |   |   |   |   | (In Figures)                    |                  |  |  |           |  |  |  |                         |
|               | 7   | 6 | 5 | 4 | 3 | 2 | 1 | 0 | Issue Price                     | Discount, if any |  |  | Net Price |  |  |  |                         |
| Option 1      | ORIGINAL APPLICATION  |   |   |   |   |   |   |   | ORIGINAL APPLICATION            |                  |  |  |           |  |  |  |                         |
| (OR) Option 2 | <del>ORIGINAL APPLICATION</del>   |   |   |   |   |   |   |   | <del>ORIGINAL APPLICATION</del> |                  |  |  |           |  |  |  | <del>X</del>            |
| (OR) Option 3 | <del>ORIGINAL APPLICATION</del>   |   |   |   |   |   |   |   | <del>ORIGINAL APPLICATION</del> |                  |  |  |           |  |  |  | <del>X</del>            |

**5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")**

| Options       | No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) |   |   |   |   |   |   |   | Price per Equity Share (₹) [•] |                  |  |  |           |  |  |  | "Cut-off" (Please tick) |
|---------------|---|---|---|---|---|---|---|---|--------------------------------|------------------|--|--|-----------|--|--|--|-------------------------|
|               | (In Figures)  |   |   |   |   |   |   |   | (In Figures)                   |                  |  |  |           |  |  |  |                         |
|               | 7   | 6 | 5 | 4 | 3 | 2 | 1 | 0 | Issue Price                    | Discount, if any |  |  | Net Price |  |  |  |                         |
| Option 1      | REVISED APPLICATION   |   |   |   |   |   |   |   | REVISED APPLICATION            |                  |  |  |           |  |  |  |                         |
| (OR) Option 2 | <del>REVISED APPLICATION</del>  |   |   |   |   |   |   |   | <del>REVISED APPLICATION</del> |                  |  |  |           |  |  |  | <del>X</del>            |
| (OR) Option 3 | <del>REVISED APPLICATION</del>  |   |   |   |   |   |   |   | <del>REVISED APPLICATION</del> |                  |  |  |           |  |  |  | <del>X</del>            |

**6. PAYMENT DETAILS**      PAYMENT OPTION : Full Payment

Additional Amount Blocked (₹ in Figures)  (₹ in words) \_\_\_\_\_

ASBA Bank A/c No.

Bank Name & Branch \_\_\_\_\_

OR

UPI Id   
(Maximum 45 characters)

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

|   |   |  |
|---|---|--|
| <b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b><br><br>Date: _____, 2019 | <b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b><br>I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue<br>1) _____<br>2) _____<br>3) _____ | <b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b><br><br><div style="border: 1px solid black; width: 100%; height: 100px;"></div> |
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| <b>LOGO</b>  | <b>XYZ LIMITED</b><br>REVISION FORM - INITIAL PUBLIC ISSUE - NR  | Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA | Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> |
| DPID / CLID <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>                              | PAN <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>                |   |  |
| Additional Amount Blocked (₹ in figures) <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> | ASBA Bank & Branch <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> | Stamp & Signature of SCSB Branch  |  |
| ASBA Bank A/c No./UPI Id <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>                 |  |   |  |
| Received from Mr./Ms. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>                    |  |   |  |
| Telephone / Mobile <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>                       | Email <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span>              |   |  |

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|--|-------------------------------|--------------|--------------|--------------|---|--|
| <b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR</b> |                               | Option 1     | Option 2     | Option 3     | Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA | <b>Name of Sole / First Applicant</b>  |
|  | No. of Equity Shares          | <del>X</del> | <del>X</del> | <del>X</del> | <div style="border: 1px solid black; width: 100%; height: 100px;"></div>    |  |
|  | Issue Price                   |              |              |              |   |  |
|  | Additional Amount Blocked (₹) |              |              |              |   |  |
| ASBA Bank A/c No. / UPI Id: _____                            |                               |              |              |              |   | <b>Acknowledgment Slip for Applicant</b>   |
| Bank & Branch: _____   |                               |              |              |              |   | Application Form No. <span style="border: 1px solid black; display: inline-block; width: 100px; height: 20px;"></span> |

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

## **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 1, 2 and 3 above under the heading “Instructions for Filling the Application Form”.

### **10. FIELDS 4 AND 5: APPLICATION OPTIONS REVISION ‘FROM’ AND ‘TO’**

- a.) Apart from mentioning the revised number of shares in the Revision Form, the Applicants must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form. For example, if Applicant has applied for 2000 equity shares in the Application Form and such applicant is changing number of shares applied for in the Revision Form, the applicant must fill the details of 2000 equity shares, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- b.) In case of revision, applicants’ options should be provided by applicants in the same order as provided in the Application Form.
- c.) In case of revision of Applicants by Retail Individual Investors and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, subsequent to revision, does not exceed ₹200,000. In case the Application Amount exceeds ₹200,000 due to revision of the Application or for any other reason, the Application may be considered, subject to eligibility, for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected. The Cut-off Price option is given only to the Retail Individual Investors and Retail Individual Shareholders indicating their agreement to apply for and purchase the Equity Shares at the Issue Price.
- d.) In case the total amount i.e., original Application Amount plus additional payment) exceeds ₹200,000, the Application will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Application or make additional payment and the Issue Price is higher than the price disclosed in the Prospectus, the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised application at Cut-off Price.
- e.) In case of a downward revision in the Price, RIIs who have applied at the Cut-off Price could either revise their application or the excess amount paid at the time of application may be unblocked in case of applicants.

### **11. PAYMENT DETAILS**

- a.) All Applicants are required to make payment of the full Application Amount along with the Application Revision Form.
- b.) Applicant may Issue instructions to block the revised amount based on the revised Price in the ASBA Account of the UPI Linked Bank Account, to the same Designated Intermediary through whom such applicant had placed the original application to enable the relevant SCSB to block the additional Application Amount, if any.
- c.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹200,000, the Application may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the application or make additional payment and the Price is higher than Issue price disclosed in the Prospectus prior to the revision, the number of Equity Shares applied for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the applicant is deemed to have approved such revised application at the Cut-off Price.
- d.) In case of a downward revision in the Price, RIIs and Retail Individual Shareholders, who have applied at the Cut-off Price, could either revise their application or the excess amount paid at the time of application may be unblocked.

### **12. FIELD NUMBER 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 9 above under the heading “Instructions for Filling the Application Form” for this purpose.

## **APPLICANT’S DEPOSITORY ACCOUNT AND BANK DETAILS**



***Please note that, providing bank account details or UPI ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.***

***Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and 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, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code, occupation (hereinafter referred to as 'Demographic Details') or UPI ID (in case of Retail Individual Investors). These Bank Account or UPI ID details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. 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.

#### **PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### **OTHER INSTRUCTIONS**

#### **JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### **MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- I. All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application or Application through UPI Mechanism either in physical or electronic mode, an Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected.

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration (“GIR”) number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB’s in the ASBA system, without any fault on the part of Applicant.**

#### RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### GROUNDS FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 2000;
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant

- documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
  - Signature of sole Applicant is missing;
  - Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
  - In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
  - Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
  - Applications by OCBs;
  - Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
  - Applications not duly signed;
  - Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
  - Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
  - Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
  - Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
  - Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹2,00,000, received after 3.00 pm on the Issue Closing Date;
  - Applications not containing the details of Bank Account, UPI ID and/or Depositories Account;
  - Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
  - Where no confirmation is received from SCSB for blocking of funds;
  - Applications by Applicants not submitted through ASBA process;
  - Applications not uploaded on the terminals of the Stock Exchanges;
  - Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
  - ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
  - Submission of Application Form(s) using third party ASBA Bank Account;
  - Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries;
  - In case of Applications by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third party bank account;
  - The UPI Mandate is not approved by Retail Individual Investor; and
  - The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and *vice versa*.

## EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the 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. a tripartite agreement dated April 26, 2019 with NSDL, our Company and Registrar to the Issue;
- b. a tripartite agreement dated May 2, 2019 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN: INE07QQ01016.

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.

- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

## 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 Banker to the Issue where the Application was submitted 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. at below mentioned addresses;**

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| <p><b>To</b><br/> <b>Ms. Payal Bansal</b><br/> <b>The Compliance Officer</b><br/> <b>CHANDRA BHAGAT PHARMA LIMITED</b><br/>         323-F Bhagat Bhuvan, Dr. Ambedkar Road,<br/>         Matunga (East), Mumbai- 400019<br/> <b>Telephone No:</b> +91 22 24146154<br/> <b>E-Mail:</b> compliance@cbcpharma.net<br/> <b>Website:</b> www.cbcpharma.com</p> | <p><b>To the Registrar to the Issue</b><br/>         Ms. Shanti Gopalkrishnan<br/> <b>LINK INTIME INDIA PRIVATE LIMITED</b><br/> <b>Address:</b> C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,<br/>         Vikhroli (West), Mumbai – 400 083, Maharashtra<br/> <b>Tel. Number:</b> +91 22 4918 6200; <b>Fax Number:</b> +91 22 4918<br/>         6195<br/> <b>Email Id:</b> cbpl.ipo@linkintime.co.in<br/> <b>Investors Grievance Id:</b> cbpl.ipo@linkintime.co.in<br/> <b>Website:</b> www.linkintime.co.in</p> |
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## DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall make best efforts 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 (six) working days of closure of the issue.

## IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

- a) **‘Any person who: makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- 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.**

*Section 447 of the Companies Act, 2013, is reproduced as below:*

*Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:*

*Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.*

*Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.*

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with BSE (The Designated 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).
3. For applications where the proportionate allotment works out to less than 2000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 2000 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal 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.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 2000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 2000 equity shares.
5. If the Shares allocated 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.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows;
  - (a). minimum fifty per cent. to retail individual investors; and
  - (b). remaining to:
    - i) individual applicants other than retail individual investors; and
    - ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

**Explanation:** If the retail individual investor category is entitled to more than fifty per cent of the net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled "BASIS OF ALLOTMENT".

"Retail Individual Investor" means an investor who applies for shares of value of not more than ₹ 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 the SME Platform of BSE.

## **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in Page no. 220 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the SME Platform of BSE – the Designated 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, 2018.

## **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company 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 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription etc.
6. 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.
7. Adequate arrangements shall be made to collect all Application forms.

## **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors 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 shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;
- 5) Our Company shall not have recourse to utilize 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.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which is effective from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“RBI”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated January 4, 2018 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100% foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include: (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

## INVESTMENT CONDITIONS/RESTRICTIONS FOR OVERSEAS ENTITIES

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment up to aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **I. Investment by FPIs under Portfolio Investment Scheme (PIS):**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10 % of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24 % of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **II. Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 i.e. the total holding by any individual NRI or OCI shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or should not exceed 5 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed 10 percent of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

#### **III. Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.**

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

**Further, no Issue 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 Issue made under exemptions available under the Prospectus Directive, provided that no such Issue shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.**



**Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

### PROVISIONS OF ARTICLES OF ASSOCIATION

| Title of Articles     | Article Number | Content  |
|-----------------------|----------------|--|
| <b>INTERPRETATION</b> | 1.             | <p>In these Articles –</p> <p>(a) “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and if the context so requires may also include the Companies Act, 1956.</p> <p>(b) “Articles” means these articles of association of the Company or as altered from time to time.</p> <p>(c) “Board of Directors” or “Board” means collective body of Directors of the Company,</p> <p>(d) “Beneficial Owner” shall mean the beneficial owners defined in clause (a) of sub-section (I) of section 2 of Depositories Act, 1996.</p> <p>(e) “Company” means Chandra Bhagat Pharma Limited or any other name as reflected on the latest Certificate of Incorporation issued by the Registrar of Companies.</p> <p>(f) “Depositories Act” means the Depositories Act, 1996 and includes any statutory modification(s) or re-enactment thereof for the time being in force.</p> <p>(g) “Depository” means a Depository as defined under clause (e) of sub section (I) of section 2 of the Depositories Act 1996.</p> <p>(h) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.</p> <p>(i) “Seal” means the common seal to be kept by the Company, if so decided by the Board of Directors.</p> <p>(j) “Secretary” means any person appointed to perform the duties which may be performed by a secretary under the Act and any other purely ministerial or administrative duties and includes any person appointed to perform the duties of a secretary temporarily.</p> <p>(k) “The Office” means the Registered Office for the time being of the Company.</p> |
|                       | 2.             | Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.  |
|                       | 3.             | Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act and Rules made thereunder and any statutory modification thereof in force at the date at which these regulations become binding on the company.   |
|                       | 4.             | <p><b>Table ‘F’ not to apply</b></p> <p>The regulations contained in the Table marked ‘F’ in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.</p>   |
|                       | 5.             | <p><b>General Power</b></p> <p>Wherever in the Companies Act, 2013 or Rules made thereunder, it has been provided that the Company shall have any right, privilege or authority or that Company cannot carry out any transaction unless the Company is so authorised by its Articles, then in that case, Articles hereby authorise and empower the</p>   |

| Title of Articles                            | Article Number | Content  |
|--|----------------|--|
|  |                | Company to have such rights, privileges or Authority and to carry out such transaction as have been permitted by the Companies Act, 2013.  |
| <b>SHARE CAPITAL AND VARIATION OF RIGHTS</b> |                |  |
|  | 6.             | <p><b>Amount of Capital</b><br/>           The Authorised Share Capital of the Company shall be as per Paragraph V of the Memorandum of Association of the Company, with such rights, privileges and conditions attaching thereto as may be determined by the Company, with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively, subject to the provisions of the Act, such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.</p>  |
|  | 7.             | <p><b>Shares under control of Board</b><br/>           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.</p>   |
|  | 8.             | <p><b>Directors may allot shares for consideration other than cash</b><br/>           The Board may issue and allot shares in the Capital of the company as payment or part payment for any property sold or transferred, goods or machinery supplied or for service rendered to the Company in or about the conduct of the company's business and shares to be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.</p>   |
|  | 9.             | <p><b>Kinds of Share Capital</b><br/>           The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:<br/>           (a). Equity Share Capital:<br/>               i. with voting rights; and / or<br/>               ii. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and<br/>           (b). Preference Share Capital</p>   |
|  | 10.            | <p><b>Issue of Certificate</b><br/>           i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—<br/>           (a). one certificate for all his shares without payment of any charges; or<br/>           (b). several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.<br/> <b>Certificate to bear seal</b><br/>           ii. Every certificate shall be under the seal, if any, and shall specify the shares to which it relates and the amount paid-up thereon.<br/> <b>One certificate for shares held jointly</b><br/>           iii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p> |
|  | 11.            | <p><b>Issue of new certificate in place of one defaced, lost or destroyed</b><br/>           i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon</p>  |

| Title of Articles | Article Number | Content  |
|-------------------|----------------|--|
|                   |                | <p>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.</p> <p><b>Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc.</b></p> <p>ii. Unless otherwise repugnant to the context, the provisions of this Articles of Association pertaining to shares shall mutatis mutandis apply to debentures and other securities of the company.</p>   |
|                   | 12.            | <p><b>Trust not to be recognized</b></p> <p>Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.</p>  |
|                   | 13.            | <p><b>Option to receive share certificate or hold shares with depository</b></p> <p>A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.</p>   |
|                   | 14.            | <p><b>Power to pay Commission in connection with securities issued</b></p> <p>i. The company may exercise the powers of paying commissions conferred by the Act, 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 there under.</p> <p><b>Rate of commission in accordance with Rules</b></p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under the relevant provisions of the Act.</p> <p><b>Mode of payment of commission</b></p> <p>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.</p> <p><b>Brokerage</b></p> <p>iv. The Company may on any issue of securities pay such brokerage as may be reasonable and lawful.</p> |
|                   | 15.            | <p><b>Variation of Members' rights</b></p> <p>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 the Act, and whether or not the company is being wound up, be varied after complying with the requisite procedures.</p> <p><b>Provisions as to general meetings to apply mutatis mutandis to each meeting</b></p> <p>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.</p>   |
|                   | 16.            | <p><b>Issue of further shares not to affect rights of existing members</b></p> <p>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.</p>   |

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|                   | 17.            | <p><b>Power to Issue Redeemable Preference Shares</b><br/>Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.</p>   |
|                   | 18.            | <p><b>Further issue of Share Capital</b></p> <p>i. The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –</p> <p>(a). persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or</p> <p>(b). employees under any scheme of employees' stock option; or</p> <p>(c). any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.</p> <p><b>Mode of further issue of Shares</b></p> <p>ii. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.</p> |
|                   | 19.            | <p><b>Issue of warrants or other instruments</b><br/>Subject to the applicable statutory provisions, rules, regulations and guidelines and necessary approvals, the Company shall have power to issue warrant or other instrument, whether independent or attached with some other instrument or detachable and whether bearing any face value or not and with or without any right or entitlement or option to subscribe to or exchange with the equity shares or any kind of securities or not. The terms and conditions of such warrant or instrument may be decided by either under any applicable statutory provisions, rules, regulations, guidelines or by a special resolution of the members of the Company passed at a general meeting authorizing issue of such warrant or instrument or by the Board of Directors of the Company.</p>  |
|                   | 20.            | <p><b>Beneficial owner of shares will be absolute owner</b><br/>Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares in the record of Depository as the absolute owner thereof as regards receipt of dividends or bonus or service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognise any benami, trust, or equity or equitable, contingent or other claim to or interest in such share(s) on the part of any other person(s), whether or not it shall have express or implied notice thereof.</p>   |
|                   | 21.            | <p><b>Dematerialization of Shares</b><br/>Notwithstanding anything contained in these Articles, the Company shall be entitled in accordance with the provisions of the Depositories Act, 1996, to dematerialise any or all of its shares, debentures and other marketable securities and to offer the same for subscription in dematerialized form and on the same being done, the Company shall further be entitled to maintain a Register of Members with the details of Members holding shares both in material and dematerialized form in any media as permitted by law including any form of electronic media, either In respect of the existing shares or any future issue.</p>  |
| <b>LIEN</b>       |                |  |
|                   | 22.            | <p><b>Company's lien on shares</b></p> <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>   |

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|                   |                | <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:<br/>           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><b>Lien to extend to dividends, etc.</b><br/>           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> <p><b>Waiver of Lien in case of registration</b><br/>           iii. Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.</p>  |
|                   | 23.            | <p><b>As to enforcing lien by sale</b><br/>           The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:<br/>           Provided that no sale shall be made—</p> <p>(a). unless a sum in respect of which the lien exists is presently payable; or<br/>           (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>   |
|                   | 24.            | <p><b>Validity of Sale</b><br/>           i. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.</p> <p><b>Purchaser to be registered holder</b><br/>           ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p><b>Validity of Company's receipt</b><br/>           iii. The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.</p> <p><b>Purchaser not affected</b><br/>           iv. 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> |
|                   | 25.            | <p><b>Application of proceeds of sale</b><br/>           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.</p> <p><b>Payment of residual money</b><br/>           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>  |
|                   | 26.            | <p><b>Outsider's lien not to affect Company's lien</b><br/>           i. In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.</p>  |

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|                        |                | <p><b>Provisions as to lien apply mutatis mutandis to debentures, etc.</b><br/>           ii. The provisions of this Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.</p>  |
| <b>CALLS ON SHARES</b> |                |   |
|                        | 27.            | <p><b>Board may make calls</b><br/>           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><b>Notice of call</b><br/>           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><b>Revocation or postponement of call</b><br/>           iii. A call may be revoked or postponed at the discretion of the Board.</p> <p><b>Board may extend time for payment</b><br/>           iv. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.</p> |
|                        | 28.            | <p><b>Call to take effect from date of resolution</b><br/>           A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.</p>  |
|                        | 29.            | <p><b>Liability of joint holders of shares</b><br/>           The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.</p>   |
|                        | 30.            | <p><b>When interest on call or installment payable</b><br/>           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 such rate as may be fixed by the Board.</p> <p><b>Board may waive interest</b><br/>           ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>  |
|                        | 31.            | <p><b>Sums deemed to be calls</b><br/>           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 Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue of such sum becomes payable.</p> <p><b>Effect of non-payment of sums</b><br/>           ii. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>   |
|                        | 32.            | <p><b>Payment in anticipation of calls may carry interest</b><br/>           The Board—<br/>           (a). may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and<br/>           (b). upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be decided by the Board and as may be agreed upon between the Board and the member paying the sum in advance. Provided that such calls</p>  |

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|                           |                | in advance shall not confer any additional dividend or additional voting right upon such member.   |
|                           | 33.            | <b>Installments on shares to be duly paid</b><br>If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.   |
|                           | 34.            | <b>Calls on shares of same class to be on uniform basis</b><br>All calls shall be made on a uniform basis on all shares falling under the same class. Explanation: Shares of the same nominal value on which different amounts have been paid- up shall not be deemed to fall under the same class.  |
|                           | 35.            | <b>Partial payment not to preclude forfeiture</b><br>Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.   |
|                           | 36.            | <b>Evidence in action for call</b><br>On the trial or hearing of any action for the recovery of any amount due for any call it shall be sufficient to prove that the name of the member sued is entered in the Register as the holder or one of the holders of the shares in respect of which such debt accrued; that the resolution making a call is duly recorded in the minute book; and that notice of such call was duly given to the member sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the directors who made such call nor any other matter whatsoever but the proof of the matter as aforesaid shall be conclusive evidence of the debt. |
|                           | 37.            | <b>Provisions as to calls to apply <i>mutatis mutandis</i> to debentures, etc.</b><br>The provisions of these Articles relating to calls shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.  |
| <b>TRANSFER OF SHARES</b> |                |  |
|                           | 38.            | <b>Instrument of transfer to be executed by transferor and transferee</b><br>i. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.<br>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.   |
|                           | 39.            | <b>Board may refuse to register transfer</b><br>The Board may, subject to the right of appeal conferred by the Act decline to register—<br>(a). the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or<br>(b). any transfer of shares on which the company has a lien.<br>(c). any transfer of shares on sufficient cause.   |
|                           | 40.            | <b>Board may decline to recognize instrument of transfer</b><br>In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless—<br>(a). the instrument of transfer is in the form as prescribed in rules made under the Act;<br>(b). the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and<br>(c). the instrument of transfer is in respect of only one class of shares.  |
|                           | 41.            | <b>Transfer of Share Suspended</b>   |



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|                   |                | On giving not less than seven days' previous notice in accordance with the Act and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.   |
|                   | 42.            | <p><b>Refusal Odd Lots</b></p> <p>Without in any way derogating from the powers conferred on the Board by Article 39 and 40, the Board shall be entitled to refuse an application for transfer of shares less than the market trading unit of shares of the Company subject, however, to the following exceptions.</p> <ul style="list-style-type: none"> <li>i. transfer of shares made in pursuance of any provision of law or statutory regulation or order, or an order of a competent Court of Law, or</li> <li>ii. transfer of the entire holding of shares by a shareholder holding less than the market trading unit of the Company's Shares by a single transfer to a single or joint names, or</li> <li>iii. transfer of share <ul style="list-style-type: none"> <li>(a). by a transferor whose shareholding after the transfer will result in his holding the market trading unit of the Company's shares or a multiple of such unit or</li> <li>(b). to one or more transferees, whose shareholding after the transfer (in case of transfer from more than one transferor all transfers being presented to the Company for approval simultaneously) together with the shares already held by him will result in a holding of the market trading unit of the Company's shares or a multiple of such unit, or</li> </ul> </li> <li>iv. transmission of shares under a will, and</li> <li>v. transfer of shares of less than the market trading unit held by a shareholder, where the Board/Committee of Directors may at its discretion and in exceptional circumstances or in cases of genuine hardship or for any other just and sufficient cause (the decision of the Board/ Committee being final and conclusive) accept such application.</li> </ul> |
|                   | 43.            | <p><b>Power to refuse sub-division and/or consolidation</b></p> <p>Notwithstanding anything contained hereinabove, the Directors/Committee of Transfer of the Company, may in their absolute discretion refuse sub-division and/or consolidation of Share Certificates or Debenture Certificates into denominations of less or more than marketable lots except where such sub-division and/or consolidation is required to be made to comply with a statutory provision or an order of a competent court of law.</p>  |
|                   | 44.            | <p><b>The Company not liable for disregard of notice prohibiting registration of transfer</b></p> <p>The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the company may have notice of such equitable right, title or interest or notice prohibiting registration of such transfer and, may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it or any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice and give effect thereto if the Board of Directors shall so think fit.</p>   |
|                   | 45.            | <p><b>Custody of Transfer documents</b></p> <p>The instrument of transfer shall after, registration be retained by the Company and shall remain in its custody. All the instruments of transfer which the directors may decline to register shall on demand be returned to the person depositing the same. The directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.</p>  |
|                   | 46.            | <p><b>Provisions to apply to debentures</b></p>  |

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|                               |                | The provisions of these Articles for transfer and transmission of shares, shall mutatis mutandis apply to the transfer or transmission of any debentures of the Company.   |
| <b>TRANSMISSION OF SHARES</b> |                |  |
|                               | 47.            | <p><b>Title to shares on death of a member</b></p> <p>i. The executors or administrators of a deceased member or a holder of a Succession Certificate or other legal representation in respect of shares of a deceased member, where he was a sole or only surviving holder, shall be the only person whom the Company will be bound to recognise as having any title to the shares registered in the name of such member and the Company shall not be bound to recognise such executors, administrators or holders unless such executors or administrators shall have first obtained Probate or Letter of Administration or such holder is the holder of a Succession Certificate or other legal representation, as the case may be, from a duly constituted Court in India, provided that In any case where the directors in their absolute discretion think fit, the directors may dispense with production of Probate or Letters of Administration or Succession Certificate or other legal representation, and, under the next Article, register the name of any person, who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.</p> <p><b>Estate of deceased member liable</b></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> |
|                               | 48.            | <p><b>Transmission Clause</b></p> <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><b>Board's right unaffected</b></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> <p><b>Indemnity to the Company</b></p> <p>iii. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.</p>   |
|                               | 49.            | <p><b>Board may require evidence of transmission</b></p> <p>Every transmission of a share shall be verified in such manner as the directors may require and the Company may refuse to register any transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the directors to accept any indemnity.</p>  |
|                               | 50.            | <p><b>Right to election of holder of share</b></p> <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><b>Manner of testifying election</b></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>  |

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|                             |                | <p><b>Limitations applicable to notice</b><br/>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>  |
|                             | 51.            | <p><b>Claimant to be entitled to same advantage</b><br/>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p> |
|                             | 52.            | <p><b>Provisions as to transmission to apply <i>mutatis mutandis</i> to debentures, etc.</b><br/>The provisions of these Articles relating to transmission by operation of law shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p>   |
| <b>FORFEITURE OF SHARES</b> |                |   |
|                             | 53.            | <p><b>If call or installment not paid notice must be given</b><br/>If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.</p>   |
|                             | 54.            | <p><b>Form of Notice</b><br/>The notice aforesaid shall—<br/>(a). name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and<br/>(b). state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>   |
|                             | 55.            | <p><b>In default of payment shares to be forfeited</b><br/>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.</p>   |
|                             | 56.            | <p><b>Receipt of part amount or grant of indulgence not to affect forfeiture</b><br/>Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.</p>   |
|                             | 57.            | <p><b>Entry of forfeiture in register of members</b><br/>When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.</p>   |
|                             | 58.            | <p><b>Extinction of Interest and Claim against the Company upon forfeiture</b></p>  |

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|                   |                | 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.   |
|                   | 59.            | <p><b>Forfeited shares may be sold, etc.</b></p> <p>i. A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.</p> <p><b>Cancellation of forfeiture</b></p> <p>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>  |
|                   | 60.            | <p><b>Cessation of membership and other effects of forfeiture</b></p> <p>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.</p> <p><b>Member still liable to pay money owing at time of forfeiture and interest</b></p> <p>ii. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.</p> <p><b>Cesser of liability</b></p> <p>iii. 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.</p>      |
|                   | 61.            | <p><b>Certificate of forfeiture</b></p> <p>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;</p> <p><b>Title of purchaser and transferee of forfeited shares</b></p> <p>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p><b>Transferee to be registered as holder</b></p> <p>iii. The transferee shall thereupon be registered as the holder of the share; and</p> <p><b>Transferee not affected</b></p> <p>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.</p> |
|                   | 62.            | <p><b>Validity of sales</b></p> <p>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.</p>  |
|                   | 63.            | <p><b>Cancellation of share certificate in respect of forfeited shares</b></p> <p>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</p>   |

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|                              |                | 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.  |
|                              | 64.            | <p><b>Surrender of shares</b><br/>The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.</p>   |
|                              | 65.            | <p><b>Sums deemed to be calls</b><br/>The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>  |
|                              | 66.            | <p><b>Provisions as to forfeiture of shares to apply <i>mutatis mutandis</i> to debentures, etc.</b><br/>The provisions of these Articles relating to forfeiture of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company.</p>   |
| <b>ALTERATION OF CAPITAL</b> |                |   |
|                              | 67.            | <p><b>Power to alter share capital</b><br/>Subject to the provisions of the Act, the company may, by ordinary resolution,—<br/>(a). increase its authorized share capital by such amount as it things expedient;<br/>(b). consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;<br/>(c). convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;<br/>(d). sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;<br/>(e). cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</p>  |
|                              | 68.            | <p><b>Shares may be converted into stock</b><br/>Where shares are converted into stock,—<br/>(a). the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:<br/>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> <p><b>Right of Stockholders</b><br/>(b). the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>(c). such of these Articles of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</p> |
|                              | 69.            | <p><b>Reduction of capital</b><br/>The company may, by resolution prescribed in the Act, reduce, in any manner, with and subject to, any incident authorized and consent required by law—<br/>(a). its share capital;</p>   |

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|                      |                | (b). any capital redemption reserve account; or<br>(c). any securities premium account.<br>(d). any other reserve in the nature of share capital  |
| <b>JOINT HOLDERS</b> |                |   |
|                      | 70.            | <p><b>Joint Holders</b><br/>           Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:</p> <p>Provided that in respect of shares already held in joint names in the past, the words “not more than four” shall be substituted in place of “not more than three” hereinabove.</p> <p><b>Liability of Joint-holders</b><br/>           (a). The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share.</p> <p><b>Death of one or more joint- holders</b><br/>           (b). On the death of any one or more of such joint- holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.</p> <p><b>Receipt of one sufficient</b><br/>           (c). Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.</p> <p><b>Delivery of certificate and giving of notice to first named holder</b><br/>           (d). Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.</p> <p><b>Vote of joint-holders</b><br/>           (e). (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint- holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof 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 any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.</p> <p><b>Executors or administrators as joint holders</b><br/>           (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.</p> <p><b>Provisions as to joint holders as to shares to apply <i>mutatis mutandis</i> to debentures, etc.</b></p> |

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|                                  |                | (f). The provisions of these Articles relating to joint holders of shares shall <i>mutatis mutandis</i> apply to any other securities including debentures of the Company registered in joint names.   |
| <b>CAPITALIZATION OF PROFITS</b> |                |  |
|                                  | 71.            | <p><b>Capitalisation</b></p> <p>(i) The company in general meeting may, upon the recommendation of the Board, resolve—</p> <p>(a). that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>(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.</p> <p><b>Sum how applied</b></p> <p>(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—</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);</p> <p>(iii) 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;</p> <p>(iv) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p> |
|                                  | 72.            | <p><b>Powers of the Board for capitalisation</b></p> <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 capitalized thereby, and all allotments and issues of fully paid shares if any; and</p> <p>(b). generally do all acts and things required to give effect thereto.</p> <p><b>Board's power to issue fractional certificate/coupon etc.</b></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 in fractions; and</p> <p>(b). to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p><b>Agreement binding on members</b></p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p>   |
|                                  | 73.            | <b>Buy-back of shares and other specified securities</b>   |

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|  |                | Notwithstanding anything contained in these articles but subject to all applicable provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.   |
| <b>GENERAL MEETINGS</b>                |                |   |
|  | 74.            | <b>Extraordinary general meeting</b><br>All general meetings other than annual general meeting shall be called extraordinary general meeting.   |
|  | 75.            | <b>Powers of Board to call extraordinary general meeting</b><br>The Board may, whenever it thinks fit, call an extraordinary general meeting.   |
| <b>PROCEEDINGS AT GENERAL MEETINGS</b> |                |   |
|  | 76.            | <b>Presence of Quorum</b><br>(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.<br><br>(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act   |
|  | 77.            | <b>Chairperson of the meetings</b><br>(i) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.<br><br><b>Business confined to election of Chairperson whilst chair vacant</b><br>(ii) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant.   |
|  | 78.            | <b>Directors to elect a Chairperson</b><br>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.   |
|  | 79.            | <b>Members to elect a Chairperson</b><br>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.   |
|  | 80.            | <b>Casting vote of Chairperson at general meeting</b><br>On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.   |
|  | 81.            | <b>Minutes of proceedings of meetings and resolutions passed by Postal Ballot</b><br>(i) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.<br><br><b>Discretion of Chairperson in relation to Minutes</b><br>(ii) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.<br><br><b>Minutes to be evidence</b><br>(iii) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. |
|  | 82.            | <b>Inspection of Minute-books of general meeting</b>  |



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|                               |                | <p>(i) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:</p> <p>(a). be kept at the registered office of the Company; and</p> <p>(b). be open to inspection of any member without charge, during 3.00 p.m. to 5.00 p.m. on all working days.</p> <p><b>Members may obtain copy of minutes</b></p> <p>(ii) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (i) above.</p>  |
|                               | 83.            | <p><b>Powers to arrange security at meetings</b></p> <p>The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.</p>   |
| <b>ADJOURNMENT OF MEETING</b> |                |   |
|                               | 84.            | <p><b>Chairperson may adjourn the meeting</b></p> <p>(i) The Chairperson may, suo moto, adjourn the meeting from time to time and from place to place.</p> <p><b>Business at adjourned meeting</b></p> <p>(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.</p> <p><b>Notice of adjourned meeting</b></p> <p>(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.</p> <p><b>Notice of adjourned meeting not required</b></p> <p>(iv) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</p> |
| <b>VOTING RIGHTS</b>          |                |   |
|                               | 85.            | <p><b>Entitlement to vote on show of hands and on poll</b></p> <p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>(a). on a show of hands, every member present in person shall have one vote; and</p> <p>(b). on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.</p>   |
|                               | 86.            | <p><b>Voting through electronic means</b></p> <p>A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.</p>   |
|                               | 87.            | <p><b>Vote of joint-holders</b></p> <p>(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.</p> <p><b>Seniority of names</b></p> <p>(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>   |
|                               | 88.            | <p><b>How members <i>non compos mentis</i> and minor may vote</b></p>   |

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|                           |                | 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.  |
|                           | 89.            | <b>Votes in respect of shares of deceased or insolvent members etc.</b><br>Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. |
|                           | 90.            | <b>Business may proceed pending poll</b><br>Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.   |
|                           | 91.            | <b>Restriction on voting rights</b><br>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.  |
|                           | 92.            | <b>Equal rights of members</b><br>Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.  |
|                           | 93.            | <b>Restriction on objecting qualification of any voter</b><br>(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.<br>(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.  |
| <b>PROXY</b>              |                |  |
|                           | 94.            | <b>Proxies when to be deposited</b><br>The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.   |
|                           | 95.            | <b>Form of proxy</b><br>An instrument appointing a proxy shall be in the form as prescribed in the rules made under the Act.   |
|                           | 96.            | <b>Proxy to be valid notwithstanding death of the Principal</b><br>1. 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.<br>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.                               |
| <b>BOARD OF DIRECTORS</b> |                |  |
|                           | 97.            | <b>Present Director*</b><br>The present Directors of the Company are:<br>(i) Mr. Pranav Hemant Bhagat<br>(ii) Mr. Hemant Chandravadan Bhagat<br>(iii) Mrs. Prachi Pranav Bhagat  |

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|                   |                | (iv) Mr. Ravindra Gajanan Awati<br>(v) Ms. Abha Praveen Doshi<br><br>* Present Directors means the Board of Directors as on the date of Extraordinary General Meeting dated November 30, 2019 in which this Articles of Association of the Company has been adopted.<br><br>Provided that the same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.  |
|                   | 98.            | <b>Number of Directors</b><br>Unless otherwise determined in a general meeting of the Company and subject to the provisions of the Act and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15, atleast two thirds of whom shall be liable to retire by rotation.   |
|                   | 99.            | <b>Appointment of Chairperson and Vice-chairperson</b><br>The Directors may from time to time elect one of their number to be chairperson and vice-chairperson of the Board of Directors and determine the period for which they are to hold office. If at any meeting of the Board of Directors, the Chairperson is not present at the time appointed for holding the same, the Vice-chairperson shall preside and failing him the Directors present shall choose one of their number to be Chairperson of such meeting.  |
|                   | 100.           | <b>Appointment of Managing Director and/or Whole-time Director</b><br>Subject to the provisions of the Act, the Company shall be entitled from time to time to appoint and/or employ any Director of the Company as Managing Director or Managing Directors and/or Whole time Director or Whole Time Directors and/or as head of any department of the Company and/or in any other capacity and for such period and on such remuneration as may be decided upon and the Board of Directors shall from time to time confer upon such appointee such powers as they may think fit and from time to time to revoke and/or modify the same and to suspend and/or remove such appointee.<br>Provided that the same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company. |
|                   | 101.           | <b>Remuneration of directors</b><br>The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.   |
|                   | 102.           | <b>Remuneration to require members' consent</b><br>(i) The remuneration payable to the directors, including any managing or whole - time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting or in the manner elsewhere provided in this Articles of Association.<br><br><b>Travelling and other expenses</b><br>(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—<br>(a). in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or<br>(b). in connection with the business of the company.  |
|                   | 103.           | <b>Sitting Fee</b><br>Every Director shall be paid out of the funds of the Company such sum as the Directors may from time to time determine for attending every meeting of the board or any committee of the Board, subject to the ceiling prescribed under the Act. The Directors shall also be paid travelling and other expenses for attending and returning from meeting of the Board and any other expenses properly incurred by them in connection with the business of the Company.  |
|                   | 104.           | <b>Nominee Director</b>  |

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|                   |                | <p>Subject to the provisions of the Act and to these Articles, whenever the Directors enter into a contract with any Government, Central, State or Local, any Bank/s or Financial Institution/s or any person/s [hereinafter referred to as "the Appointer"] for borrowing any money or for providing any guarantee or security for any technical or financial collaboration or assistance or for entering into any other arrangement, whatsoever, the Directors shall have the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such terms and conditions as may be mentioned in the agreement and that such Director or Directors may not liable to retire by rotation nor be required to hold any qualification shares. The Directors of Company may also agree that such Director may be removed from time to time by the appointer and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever.</p> |
|                   | 105.           | <p><b>Debenture Directors</b><br/> Any trust deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustees thereof or by the holders of the debenture stock, of one or more persons to be the director (s) of the Company or may empower such trustees or holders of debentures or debenture stock from time to time to remove any such director (s) so appointed. A director appointed under this Article is hereby referred to as a "Debenture Director" and the terms "Debenture Director" means a director for the time being in office under this Article. A debenture director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain that ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other powers herein contained.</p>   |
|                   | 106.           | <p><b>Limit on number of non-rotational Directors</b><br/> The provisions of Articles are subject to the provisions of the Act and the number of such Directors appointed under Articles excluding the Directors appointed by financial institutions for which special provisions have been made in the respective laws relating to such institutions shall not exceed in the aggregate one third of the total number of Directors for the time being in office. The remaining Directors shall be appointed by the Company in General Meeting.</p>   |
|                   | 107.           | <p><b>Execution of negotiable instruments</b><br/> 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.</p>  |
|                   | 108.           | <p><b>Special remuneration to Directors</b><br/> If any Director being willing, shall be called upon to perform extra services which expression shall include work done by the Director as a member of any committee formed by the Directors or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Board may resolve to remunerate such Director either by a fixed sum or by a percentage of profit or otherwise as may be determined by the Directors and such remuneration may be in addition to the remuneration above provided.</p>  |
|                   | 109.           | <p><b>Appointment of Additional Director</b><br/> (i) Subject to the provisions of the Act, the Board shall have power at any time and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.</p> <p><b>Duration of office of Additional Director</b></p>   |

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|------------------------|----------------|--|
|                        |                | (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.  |
|                        | 110.           | <p><b>Appointment of Alternate Director</b></p> <p>(i) The Board may appoint an alternate director to act for a director (hereinafter in This Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.</p> <p><b>Duration of office of Alternate Director</b></p> <p>(ii) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.</p> <p><b>Re-appointment provisions applicable to Original Director</b></p> <p>(iii) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.</p> |
|                        | 111.           | <p><b>Appointment of director to fill a casual vacancy</b></p> <p>(i) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.</p> <p><b>Duration of office of Director appointed to fill casual vacancy</b></p> <p>(ii) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.</p>   |
| <b>POWERS OF BOARD</b> |                |  |
|                        | 112.           | <p><b>General powers of the Company vested in Board</b></p> <p>Without prejudice to the specific powers conferred upon the Board by the provisions of the Act and Rules made thereunder and these Articles, the management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and not hereby or by the 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 laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.</p>   |
|                        | 113.           | <p><b>Power and duties of Managing Director</b></p> <p>Subject to the superintendence, control and direction of the Board, the day to day management of the company shall be in the hands of the managing director(s). The Board may from time to time entrust to and confer upon the managing director(s) for the time being, save as hereafter in this Article provided, such of the powers exercisable under these presents by the Board as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient, and they may subject to the provisions of the Act and these presents confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Board in that behalf; and may from time to time revoke, withdraw, alter or</p>  |

| Title of Articles               | Article Number | Content  |
|---------------------------------|----------------|--|
|                                 |                | vary all or any of such powers. Provided however that the Board shall not entrust to and confer upon the managing director(s) and the managing director(s) shall not have or be entitled to exercise the power (1) to make calls upon the members of the Company in respect of moneys unpaid on the shares held by them respectively, (2) to borrow any sum or sums of money for the purposes of the Company or to make loans out of the funds of the Company except within such limits as may from time to time be previously fixed by the Board or (3) to invest any of the moneys of the Company, beyond the limits fixed by the Board.                                       |
| <b>PROCEEDINGS OF THE BOARD</b> |                |  |
|                                 | 114.           | <p><b>When meeting to be convened</b></p> <p>(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>(ii) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board</p> <p><b>Participation at Board Meetings</b></p> <p>(iii) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.</p> |
|                                 | 115.           | <p><b>Questions at Board meeting how decided</b></p> <p>(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p><b>Casting vote of Chairperson at Board meeting</b></p> <p>(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>   |
|                                 | 116.           | <p><b>Directors not to act when number falls below minimum</b></p> <p>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.</p>   |
|                                 | 117.           | <p><b>Who to preside at meetings of the Board</b></p> <p>(i) The Chairperson of the Company shall be the Chairperson at meetings of the Board.</p> <p><b>Directors to elect a Chairperson</b></p> <p>(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>   |
|                                 | 118.           | <p><b>Delegation of powers to Committee</b></p> <p>(i) The Board may, subject to the provisions of the Act, also delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</p> <p>(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</p>   |
|                                 | 119.           | <p><b>Chairperson of Committee</b></p> <p>(i) A committee may elect a Chairperson of its meetings.</p> <p><b>Who to preside at meetings of Committee</b></p> <p>(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the</p>   |

| Title of Articles               | Article Number | Content   |
|---------------------------------|----------------|---|
|                                 |                | meeting, the members present may choose one of their members to be Chairperson of the meeting.  |
|                                 | 120.           | <p><b>Committee to meet</b><br/>           (i) A committee may meet and adjourn as it thinks fit.</p> <p><b>Questions at Committee meeting how decided</b><br/>           (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.</p> <p><b>Casting vote of Chairperson at Committee meeting</b><br/>           (iii) In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.</p>  |
|                                 | 121.           | <p><b>Acts of Board or Committee valid notwithstanding defect of appointment</b><br/>           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 pointed and was qualified to be a director.</p>   |
|                                 | 122.           | <p><b>Passing of resolution by written consent</b><br/>           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.</p>   |
|                                 | 123.           | <p><b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b></p> <p>Subject to the provisions of the Act,—</p> <p><b>Chief Executive Officer, etc.</b><br/>           (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p><b>Director may be Chief Executive Officer, etc.</b><br/>           (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> |
|                                 | 124.           | <p><b>Dual position of Director</b><br/>           A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>   |
| <b>CONSULTANTS AND ADVISORS</b> |                |   |
|                                 | 125.           | <p><b>Company may appoint consultants and/or advisors</b><br/>           The Company may, subject to the provisions of the Act and these presents appoint anybody corporate, firm or individual as its consultant(s) and/or advisor(s) on technical, financial and management matters, on such terms and conditions and on such remuneration as the Board may deem fit.</p>   |
| <b>REGISTERS AND RECORDS</b>    |                |   |
|                                 | 126.           | <p><b>Statutory Registers and Records</b><br/>           Subject to the provisions of the Act and Rules made there under, the Company shall keep and maintain at its registered office all statutory registers and records</p>  |

| Title of Articles            | Article Number | Content  |
|------------------------------|----------------|--|
|                              |                | for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and records shall be open for inspection (wherever permissible) during 3.00 p.m. to 5.00 p.m. on all working days at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Act and the Rules. The fees for obtaining extracts of the registers and records (wherever permissible) shall be also fixed by the Board but not exceeding the limits prescribed by the Act and the Rules.   |
|                              | 127.           | <p><b>Foreign Register</b></p> <p>(i) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.</p> <p>(ii) The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.</p>  |
| <b>THE SEAL</b>              |                |  |
|                              | 128.           | <p><b>The seal, its custody and use</b></p> <p>(i) The Board shall provide for the safe custody of the seal, if any.</p> <p><b>Affixation of seal</b></p> <p>(ii) The seal, if any, of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of one director at least who shall sign every instrument to which the Seal is affixed in his presence and countersigned by the Secretary or such other person as the Board may appoint for the purpose and such director or the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.</p>  |
| <b>DIVIDENDS AND RESERVE</b> |                |  |
|                              | 129.           | <p><b>Company in general meeting may declare dividends</b></p> <p>The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.</p>  |
|                              | 130.           | <p><b>Interim dividends</b></p> <p>Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.</p>  |
|                              | 131.           | <p><b>Dividends only to be paid out of profits</b></p> <p>(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.</p> <p><b>Carry forward of profits</b></p> <p>(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p> |
|                              | 132.           | <p><b>Division of profits</b></p> <p>(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares</p>  |



| Title of Articles | Article Number | Content   |
|-------------------|----------------|---|
|                   |                | <p>in the company, dividends may be declared and paid according to the amounts of the shares.</p> <p><b>Payments in advance</b><br/>(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.</p> <p><b>Dividends to be apportioned</b><br/>(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>   |
|                   | 133.           | <p><b>No member to receive dividend whilst indebted to the Company and Company's right to reimbursement there from</b><br/>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.</p>   |
|                   | 134.           | <p><b>Retention of dividends</b><br/>The Board may retain dividends payable upon shares in respect of which any person is, under the transmission clause hereinabove contained, entitled to become a member, until such person shall become a member in respect of such shares.</p>   |
|                   | 135.           | <p><b>Dividend how remitted</b><br/>(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p><b>Instrument of payment</b><br/>(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p><b>Discharge to Company</b><br/>(iii) 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.</p> |
|                   | 136.           | <p><b>Receipt of one holder sufficient</b><br/>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.</p> <p>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.</p>   |
|                   | 137.           | <p><b>No interest on dividends</b><br/>No dividend shall bear interest against the company.</p>   |
|                   | 138.           | <p><b>Waiver of dividends</b><br/>The waiver in whole or in part of any dividend on any share by any document (whether or not under seal, if any) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.</p>   |
| <b>ACCOUNTS</b>   |                |   |
|                   | 139.           | <p><b>Inspection by Directors</b><br/>(i) The Board shall from time to time determine whether and to what extent and at What times and places and under what conditions or regulations, the</p>   |

| Title of Articles              | Article Number | Content  |
|--------------------------------|----------------|--|
|                                |                | <p>accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p><b>Restriction on inspection by members</b><br/>           (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting.</p>  |
| <b>WINDING UP</b>              |                |  |
|                                | 140.           | <p><b>Winding up of Company</b><br/>           Subject to the provisions of the Act and rules made there under—<br/>           (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.<br/>           (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.<br/>           (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>  |
| <b>INDEMNITY AND INSURANCE</b> |                |  |
|                                | 141.           | <p><b>Directors and Officers right to indemnity</b><br/>           (i) Subject to the provisions of the Act, every director, managing director, whole Time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.<br/>           (ii) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.</p> |
|                                | 142.           | <p><b>Insurance</b><br/>           The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.</p>   |
| <b>SECRECY CLAUSE</b>          |                |  |
|                                | 143.           | <p>(i) Subject to the provisions of Companies Act, 2013 no member shall be entitled to visit or inspect any work of the company without the permission of the Directors, Managing Directors or Secretary or any discovery of any information or any detail of the Company's business or any other matter, which is or may be in the nature of a trade secret, mystery of secret process or which may relate to the conduct of the business of the company and which in the opinion of the Directors or the Managing Director will be inexpedient in the collective interests of the members of the company to communicate to the public or any member.</p>   |

| Title of Articles | Article Number | Content   |
|-------------------|----------------|---|
|                   |                | <p>(ii) Every Director, manager, secretary, auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the company will be upon entering his duties pledging himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p> |

## SECTION XIV – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus, will be delivered to the ROC for registration of the Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 323-F Bhagat Bhuvan, Dr. Ambedkar Road, Matunga (East) Mumbai- 400019; from date of filing the Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### A. MATERIAL CONTRACTS

1. Memorandum of understanding dated December 4, 2019 between our Company and the Lead Manager.
2. Agreement dated March 22, 2019 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated December 4, 2019 between our Company, the Lead Manager, and Underwriter.
4. Market Making Agreement dated December 4, 2019 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated April 26, 2019.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated May 2, 2019.
7. Public Issue Account and Sponsor Bank Agreement dated January 23, 2020 between our Company, the Lead Manager, Bankers to the Issue and Refund Banker and the Registrar to the Issue.

#### B. MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Board Resolution dated November 1, 2019 and Special Resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 at the EoGM by the shareholders of our Company held on November 30, 2019.
3. Statement of Tax Benefits dated December 11, 2019 issued by M/s. A Y & Company, Chartered Accountants, Jaipur.
4. Copy of report on Restated Standalone Financial Statement dated December 11, 2019 from the peer review certified auditor – M/s. A Y & Company, Chartered Accountants, included in the Prospectus.
5. Copy of Certificate from M/s. A Y & Company, Chartered Accountants Dated December 11, 2019, regarding the source and deployment of funds up to December 10, 2019 towards the objects of the offer.
6. Copy of Certificate from M/s. A Y & Company, Chartered Accountants Dated December 24, 2019, regarding the Source of Contribution.
7. Copy of Standalone Audited Financial Statement for the period ended on July 31, 2019 and copies of Annual reports of the Company for the financial years ended on March 31,; 2019, 2018 and 2017.
8. Consent of Promoter, Consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer review Auditor, Legal Advisor to the Issue, Bankers' to the Company, Banker's to the Issue and Refund Banker / Sponsor Bank, Lead Manager to the Issue and Underwriter, Registrar to the Issue and Market Maker, to include their names in the Prospectus to act in their respective capacities.
9. Due Diligence Certificate from Lead Manager dated January 23, 2020 addressing BSE and SEBI.
10. Copy of Board Resolutions and Shareholders' Resolutions for appointment and fixing of remunerations of Mr. Hemant Chandravadan Bhagat as Chairman cum Managing Director; Mr. Pranav Hemant Bhagat as Whole-Time Director and Mrs. Prachi Pranav Bhagat as Executive Director.
11. Copy of In-principle approval letter dated January 17, 2020 from the BSE Limited.

Any of the contracts or documents mentioned in the Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued there under, as the case may be. We further certify that all statements in this Prospectus are true and correct.

**Signed by the Directors of the Company:**

| Name                           | Designation                        | Signature |
|--------------------------------|------------------------------------|-----------|
| Mr. Hemant Chandravadan Bhagat | Chairman cum Managing Director     | -- sd --  |
| Mr. Pranav Hemant Bhagat       | Whole-time Director                | -- sd --  |
| Mrs. Prachi Pranav Bhagat      | Executive Director                 | -- sd --  |
| Mr. Ravindra Gajanan Awati     | Non-Executive Independent Director | -- sd --  |
| Ms. Abha Praveen Doshi         | Non-Executive Independent Director | -- sd --  |

**Signed by:**

| Name                      | Designation                            | Signature |
|---------------------------|--|-----------|
| Mrs. Prachi Pranav Bhagat | Chief Financial Officer                | -- sd --  |
| Ms. Payal Bansal          | Company Secretary & Compliance Officer | -- sd --  |

**Place:** Mumbai

**Date:** January 23, 2020

**FORMAT FOR DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY  
BEELINE BROKING LIMITED SHALL BE READ AS UNDER:**
**TABLE 1**

| Sr. No. | Issue Name                   | Issue Size (₹in Cr.) | Issue Price (₹) | Listing Date       | Opening Price on Listing Date (₹) | +/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30 <sup>th</sup> Calendar Days from Listing | +/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90 <sup>th</sup> Calendar Days from Listing | +/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180 <sup>th</sup> Calendar Days from Listing |
|---------|------------------------------|----------------------|-----------------|--------------------|-----------------------------------|--|--|---|
| 1.      | Ranjeet Mechatronics Limited | 4.500                | 25.00           | September 26, 2018 | 27.50                             | +42.40% (-7.81%)   | + 27.60% (-1.68%)  | +45.60% (+4.44%)  |
| 2.      | Shubham Polyspin Limited     | 6.000                | 40.00           | October 12, 2018   | 41.80                             | +6.25% (+1.45%)  | +2.50% (+3.21%)  | +12.50% (+12.11%)   |
| 3.      | Axita Cotton Limited         | 10.512               | 60.00           | January 10, 2019   | 61.00                             | +0.50% (+2.41%)  | +29.67% (+7.66%)   | +30.00% (+7.24%)  |

**Note:**

- Price on BSE are considered for all above calculations.
- The S&P BSE Sensex are considered as the Benchmark.
- “Issue Price” is taken as “Base Price” for calculating % Change in Closing Price of the respective Issues on 30<sup>th</sup> / 90<sup>th</sup>/180<sup>th</sup> Calendar days from listing.
- “Closing Benchmark” on the listing day of respective scripts is taken as “Base Benchmark” for calculating % Change in Closing Benchmark on 30<sup>th</sup> / 90<sup>th</sup>/180<sup>th</sup> Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 5 below.
- In case 30<sup>th</sup> / 90<sup>th</sup>/180<sup>th</sup> day is not a trading day, closing price on BSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered.

**SUMMARY STATEMENT OF DISCLOSURE**
**TABLE 2**

| Financial Year | Total No. of IPOs | Total Funds Raised (₹in Cr.) | Nos. of IPO trading at discount as on 30 <sup>th</sup> calendar day from listing date |                |               | Nos. of IPO trading at premium as on 30 <sup>th</sup> calendar day from listing date |                |               | Nos. of IPO trading at discount as on 180 <sup>th</sup> calendar day from listing date |                |               | Nos. of IPO trading at premium as on 180 <sup>th</sup> calendar day from listing date |                |               |
|----------------|-------------------|------------------------------|---|----------------|---------------|--|----------------|---------------|--|----------------|---------------|---|----------------|---------------|
|                |                   |                              | Over 50%  | Between 25-50% | Less than 25% | Over 50%   | Between 25-50% | Less than 25% | Over 50%   | Between 25-50% | Less than 25% | Over 50%  | Between 25-50% | Less than 25% |
| 2019-20*       | -                 | -                            | -   | -              | -             | -  | -              | -             | -  | -              | -             | -   | -              | -             |
| 2018-19        | 3                 | 21.012                       | -   | -              | -             | -  | 1              | 2             | -  | -              | -             | -   | 2              | 1             |
| 2017-18        | N.A.              | N.A.                         | N.A.  | N.A.           | N.A.          | N.A.   | N.A.           | N.A.          | N.A.   | N.A.           | N.A.          | N.A.  | N.A.           | N.A.          |
| 2016-17        | N.A.              | N.A.                         | N.A.  | N.A.           | N.A.          | N.A.   | N.A.           | N.A.          | N.A.   | N.A.           | N.A.          | N.A.  | N.A.           | N.A.          |

\*Beeline Broking Limited has filed Draft Prospectus of Sigma Solve Limited on November 29, 2019 and Laxmi Goldorna House Limited on December 19, 2019 with National Stock Exchange of India Limited.